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## HOUSE RESOLUTION

URGING THE COUNTY COUNCILS TO ENACT LEGISLATION THAT ADDRESSES THE CONCERNS ASSOCIATED WITH THE CONVERSION OF HAWAII'S TRADITIONAL RESORT HOTEL ROOMS INTO CONDOMINIUMS, CONDOMINIUM HOTELS, TIMESHARES, OR INDIVIDUAL VACATION UNITS.

1           WHEREAS, tourism is the State's dominant industry  
2 comprising 22 percent of the State's gross domestic product and  
3 generating \$14,300,000,000 in visitor expenditures while  
4 generating \$1,500,000,000 in tax revenue and 150,000 direct and  
5 indirect jobs annually; and

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7           WHEREAS, in 2012, general excise tax revenue generated from  
8 visitor expenditures totaled \$570,000,000 and an additional  
9 \$232,000,000 from the transient accommodations tax; and

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11           WHEREAS, tax revenues are used to support the functions of  
12 government, including the funding of our public education  
13 system, infrastructure needs, public safety, parks, public  
14 utilities, facilities, and other general services for the good  
15 of the community; and

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17           WHEREAS, trained hotel workers in their daily interaction  
18 with visitors help to support and implement the Aloha Spirit Law  
19 enacted by the Legislature in 1986; and

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21           WHEREAS, the Legislature appropriates \$69,000,000 annually  
22 to brand, market, and continue to keep Hawaii's tourism industry  
23 successful; and

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25           WHEREAS, the ownership and financing structure of Hawaii's  
26 hotels and resorts has changed drastically and the trend to  
27 convert traditional hotels into nontraditional lodging such as  
28 condominium hotels and timeshares has resulted in an overall  
29 loss of 3,250 jobs in the accommodations sector between 2006 and  
30 2011 for a loss of \$34,000,000 each year in tax revenue; and



1 WHEREAS, the State lost 15 percent of its traditional  
2 resort hotel rooms between 2000 and 2011, and during the same  
3 period the rate of known individual vacation units increased by  
4 821 percent; and

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6 WHEREAS, at the iconic Ilikai Hotel in Waikiki, the number  
7 of jobs has decreased from more than 500 to less than 60 due to  
8 the loss and conversion of traditional resort hotel rooms to  
9 condominium and timeshare units; now, therefore,

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11 BE IT RESOLVED by the House of Representatives of the  
12 Twenty-seventh Legislature of the State of Hawaii, Regular  
13 Session of 2014, that this body urges the County Councils to  
14 enact legislation that addresses the concerns associated with  
15 the conversion of Hawaii's traditional resort hotel rooms into  
16 condominiums, condominium hotels, timeshares, or individual  
17 vacation units by removing incentives for the construction or  
18 renovation of those types of lodging, defining the categories of  
19 lodging, and instituting zoning ordinances that would further  
20 examine the actual benefits of conversion projects prior to  
21 their approval; and

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23 BE IT FURTHER RESOLVED that the Department of Business,  
24 Economic Development, and Tourism, in coordination with the  
25 Hawaii Tourism Authority, is requested to provide a monthly,  
26 public report that tracks the growth and loss of full-time  
27 equivalent jobs and average wages as an indicator of the health  
28 of the visitor industry; and

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30 BE IT FURTHER RESOLVED that certified copies of this  
31 Resolution be transmitted to Hawaii's congressional delegation;  
32 the Chair of the Hawaii Tourism Authority Board of Directors;  
33 the President and Chief Executive Officer of the Hawaii Tourism  
34 Authority; the Director of Business, Economic Development, and  
35 Tourism; the Director of Labor and Industrial Relations; the  
36 Mayors of each county; and the Chairpersons of the County  
37 Councils of Hawaii, Maui, Kauai and the City and County of  
38 Honolulu.

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