

Honolulu, Hawaii

April 25, 2014

RE: H.B. No. 1671
H.D. 1
S.D. 1
C.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 1671, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to change the amount of transient accommodations tax revenues allocated to the counties from \$93,000,000 to an unspecified percentage of revenues collected.

Your Committee on Conference finds that the Legislature, in enacting Act 161, Session Laws of Hawaii 2013, established a cap of \$93,000,000 on the amount of transient accommodations tax revenues allocated to the counties. Your Committee on Conference believes that increasing the maximum amount of transient accommodations tax revenues allocated to the counties will allow the counties to better provide for public safety, parks, road maintenance, and visitor-related services.



However, your Committee on Conference believes that a study to determine the appropriate division of duties and responsibilities to provide public services should be conducted before permanently establishing the transient accommodations tax revenue allocations between the State and counties. In light of this belief, your Committee on Conference has amended this measure by:

- (1) Changing the amount of transient accommodations tax revenues to be allocated to the counties from an unspecified percentage to \$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal year 2015-2016, and \$93,000,000 for each fiscal year thereafter;
- (2) Establishing a working group to evaluate the division of duties and responsibilities between the State and counties relating to the provision of public services and recommend the appropriate amount of transient accommodations tax revenues to be allocated to the counties; and
- (3) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1671, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1671, H.D. 1, S.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE



GILBERT KAHELE, Chair



TOM BROWER, Co-Chair



WILL ESPERO, Co-Chair



SYLVIA LUKE, Co-Chair



DAVID Y. IGE, Co-Chair



