

Honolulu, Hawaii
FEBRUARY 5 2014

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

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

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1671 entitled:

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

begs leave to report as follows:

The purpose of this measure is to assist the counties financially so they can better support tourism and tourism-related services by removing the current dollar amount cap on transient accommodations tax revenues to be distributed to the counties and establishing the distribution of these revenues as a percentage of transient accommodations tax collected.

The Hawaii Council of Mayors, Mayor of the City and County of Honolulu, Mayor of the County of Hawaii, Mayor of the County of Maui, the chair of the Honolulu City Council, the chair and two councilmembers of the Kauai County Council, the chair and three councilmembers of the Maui County Council, Director of Finance of the County of Kauai, Outrigger Hotels Hawaii, and two concerned individuals supported this measure. The Department of Budget and Finance, Hawaii Tourism Authority, and the Tax Foundation of Hawaii offered comments on this measure.

Your Committee has amended this measure by changing its effective date to July 1, 2050, to promote further discussion.



Your Committee understands that much of the cost associated with tourism are carried by the counties. This includes the ever-increasing costs of providing county services to these visitors. Your Committee is also aware that the counties have faced financial challenges in providing these county services since the cap on transient accommodations tax revenues distributed to the counties was put in place in 2011.

Accordingly, your Committee respectfully requests the Committee on Finance to thoroughly examine the transient accommodations tax allocations to the counties and evaluate the impact of the current transient accommodations tax rates on the gross rental or gross rental proceeds derived from furnishing transient accommodations.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1671, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1671, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Tourism,



TOM BROWER, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 160-14

Record of Votes of the Committee on Tourism

Bill/Resolution No.: HB 1671	Committee Referral: TOU, FIN	Date: 02-03-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	✓			
2. CACHOLA, Romy M. (VC)	✓			
3. AWANA, Karen	✓			
4. CHOY, Isaac W.	✓			
5. OHNO, Takashi	-	✓		
6. ONISHI, Richard H.K.				✓
7. TAKAI, K. Mark				✓
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. WARD, Gene		✓		
TOTAL (10)	6	2		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
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