Honolulu, Hawaii

March 25 , 2014

RE: H.C.R. No. 171

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.C.R. No. 171 entitled:

     "HOUSE CONCURRENT 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,"

begs leave to report as follows:

     The purpose of this measure is to preserve jobs in the
accommodations industry, maintain inventory at traditional resort
hotels, and prevent the loss of tax revenues by 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.

     UNITE HERE! Local 5, The Mestizo Association, and several
concerned individuals supported this measure. The Hawaii Lodging
and Tourism Association, Wyndham Vacation Ownership, and the
American Resort Development Association opposed this measure.

     Your Committee understands that the ownership and financing
structure of Hawaii's hotels and resorts has changed drastically
and the trend to convert traditional hotels into nontraditional
lodging such as condominium hotels and timeshares has resulted in
an overall loss of 3,250 jobs in the accommodations sector between
2006 and 2011 for a loss of $34,000,000 each year in tax revenue.

Your Committee respectfully notes that many workers in the accommodations sector have expressed concern about losing their jobs due to this conversion trend.

The Legislature and the Honolulu City Council are simultaneously considering measures to address this trend and its impact on the State economy. The Hawaii Tourism Authority also plans to examine the impacts these conversions have on Hawaii.

Members of your Committee raised valid concerns and questions about the impact of this measure on county home rule, the pros and cons of traditional resort hotel lodging and nontraditional lodging and the importance of finding the appropriate balance between the two, the jurisdiction of certain departments to produce monthly reports on jobs and wages, and what the reporting frequency should be.

Your Committee believes that this measure warrants advancement in the legislative process for the purposes of further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee concurs with the intent and purpose of H.C.R. No. 171 and recommends that it 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 1327-14

Record of Votes of the Committee on Tourism

Bill/Resolution No.: HCR 171	Committee Referral: TOU, FIN	Date: 3/17/14

❑ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☑ Pass, unamended (as is) ❑ Pass, with amendments (HD) ❑ Hold
❑ 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)	2	5	1	2

The recommendation is: ☑ Adopted ❑ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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