

Honolulu, Hawaii  
March 25, 2014

RE: H.R. No. 130

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.R. No. 130  
entitled:

"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,"

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.

HR130 HSCR TOU HMS 2014-2730



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.R. No. 130 and recommends that it be referred to the Committee on Finance.

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



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TOM BROWER, Chair



HSCR 1326-14

State of Hawaii  
House of Representatives  
The Twenty-seventh Legislature

Record of Votes of the Committee on Tourism

Bill/Resolution No.: <b>HR 130</b>	Committee Referral: <b>TOU, FIN</b>	Date: <b>3/17/14</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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	✓	✓		
<b>TOTAL (10)</b>	<b>2</b>	<b>5</b>	<b>1</b>	<b>2</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: <u><i>Romy M. Cachola</i></u>				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				