STAND. COM. REP. NO. 217 -16

Honolulu, Hawaii February II , 2016

RE: H.B. No. 1554 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1554 entitled:

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

begs leave to report as follows:

The purpose of this measure is to effectuate the State-County Functions Working Group's recommendations by distributing the transient accommodations tax as follows:

- \$82,000,000 for the Tourism Special Fund, with the amount to increase with the consumer price index;
- (2) \$26,500,000 for the Convention Center Enterprise Special Fund;
- (3) \$3,000,000 for the Special Land and Development Fund;
- (4) \$1,500,000 for the Turtle Bay Conservation Easement Special Fund; and
- (5) Of the remaining revenues, 55 percent shall be allocated to the State general fund, and 45 percent shall be allocated to the counties (with no dollar cap) as follows:

(A) Kauai County, 14.5 percent (of the 45 percent);



- (B) Hawaii County, 18.6 percent;
- (C) City and County of Honolulu, 44.1 percent; and
- (D) Maui County, 22.8 percent.

The State-County Functions Working Group; Hawaii Council of Mayors; Mayor of the County of Kauai; a councilmember of the Hawaii County Council; the Hawaii Lodging and Tourism Association; Hawaii Lodging and Tourism Association, Hawaii Island Chapter; Hawaii Lodging and Tourism Association, Kauai Chapter; Maui Hotel and Lodging Association; Pono Kai Resort Owners Association; and several concerned individuals supported this measure. The Department of Budget and Finance opposed this measure. The Tax Foundation of Hawaii, Council Chair of the Maui County Council, a councilmember of the Kauai County Council, and a councilmember of the Maui County Council offered comments.

Your Committee has amended this measure by changing its effective date to July 1, 2120, to promote 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 is in accord with the intent and purpose of H.B. No. 1554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1554, H.D. 1, and be referred to your 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-eighth Legislature

HSCR 217-16

## Record of Votes of the Committee on Tourism

Bill/Resolution No.: -HAB 1554		Referral: DU FIN	Date:	2/3/2010	0
□ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:   Image: Pass, unamended (as is)   Image: Pass, with amendments (HD)   Image: Hold     Image: 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. OHNO, Takashi (VC)					
3. CACHOLA, Romy M.					
		•			
4. CHOY, Isaac W.		~			
5. DECOITE, Lynn			V		
6. ITO, Ken					/
7. KAWAKAMI, Derek S.K.		-			
R KONC Sam Satam					
8. KONG, Sam Satoru					
9. ONISHI, Richard H.K.					
10. TOKIOKA, James Kunane		~			
11. TSUJI, Clift	-	$\checkmark$			
		-			
12. WOODSON, Justin H.					~
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13. MATSUMOTO, Lauren Keal	lohilani				
14. WARD, Gene			~		<u> </u>
TOTAL (14)		7	5	0	2_
	Adopted int referral,	Not Adopted did not support recommendation. committee acronym(s)			
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					