

Honolulu, Hawaii

February 9, 2015

RE: H.B. No. 571

H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 571
entitled:

"A BILL FOR AN ACT RELATING TO CONDOMINIUM CONVERSIONS,"

begs leave to report as follows:

The purpose of this measure is to clarify reporting requirements relating to condominium conversions by requiring a condominium hotel developer to disclose information on the amount levied and paid for the past three years, for general excise taxes and transient accommodations taxes, and requiring each registered condominium hotel operator to file an annual report with the Real Estate Commission.

UNITE HERE Local 5 and a concerned individual supported this measure. Outrigger Enterprises Group opposed this measure. The Real Estate Commission offered comments.

Your Committee notes that the Real Estate Commission testified that it has limited expertise and capabilities to collect and retain general excise tax and transient accommodations tax information on hotel or condominium hotel units, and thus requested removing that responsibility from the Real Estate Commission, as proposed in this measure. Your Committee also notes that businesses may face a competitive disadvantage by having to disclose confidential and proprietary information, such as tax information of a prior hotel operator, the number and type of units managed, and the number of employees employed by



operators who manage a rental program at a condominium project. Although your Committee acknowledges these concerns, it is passing this measure to facilitate further discussion.

Your Committee has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 571, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 571, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

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 29

Record of Votes of the Committee on Tourism

Bill/Resolution No.: HB 571	Committee Referral: TOU, CPC, FIN	Date: 2/4/15		
<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. OHNO, Takashi (VC)	✓			
3. CACHOLA, Romy M.	✓			
4. CHOY, Isaac W.	✓			
5. ITO, Ken	✓			
6. KAWAKAMI, Derek S.K.		✓		
7. KONG, Sam Satoru		✓		
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane		✓		
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene		✓		
TOTAL (13)	9	4	0	0
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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