

STAND. COM. REP. NO. **2529**

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2673  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred S.B. No. 2673, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRAVEL AGENCIES,"

begs leave to report as follows:

The purpose and intent of this measure is to require a travel agency that sells activities individually or as part of a tour package to register as an activity desk.

Your Committee received testimony in support of this measure from the Activities & Attractions Association of Hawaii, Holo Holo Charters, and Quicksilver Charters. Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that travel agencies may sometimes act as activity desks when the travel agencies sell or arrange activities furnished by an activity provider for travelers. However, these travel agencies are not currently required to register as an activity desk. Accordingly, this measure requires travel agencies that sell activities individually or as part of a tour package to register as an activity desk, which will ensure better protection for those consumers who purchase activities from travel agencies.

Your Committee has heard the concerns raised by the Department of Commerce and Consumer Affairs in testimony.

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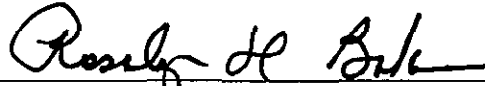
Although the Department agreed that a travel agency that sells activities separately should register as an activity desk, the Department expressed concerns regarding whether travel agencies that sell activities as part of a tour package need to register for two licenses. According to the Department, requiring two licenses may constitute overregulation and may replicate the consumer protections already afforded under chapter 468L, Hawaii Revised Statutes, relating to travel agencies. Furthermore, the Department noted that legislative history indicates that the definition of travel services within chapter 468L, Hawaii Revised Statutes, was expanded in the 1990s to include those who sell visitors' activities. Your Committee notes the Department's concerns and believes this issue merits further discussion as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2673, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2673, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2673, SD1	TSI, CPH	2-26-16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.				/
SLOM, Sam				/
<b>TOTAL</b>	<b>4</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes