

Honolulu, Hawaii

March 21, 2016

RE: S.B. No. 2987
S.D. 2
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 S.B. No. 2987, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to address the allocation of transient accommodations tax revenues. Specifically, this measure:

- (1) Makes permanent the annual allocation of \$103,000,000 of transient accommodations tax revenues to the counties; and
- (2) Establishes a new state-county functions working group on July 1, 2022, to study the division of duties between the State and the counties in the provision of public services and report recommendations to the Legislature, Governor, and the County mayors and councils on the appropriate allocation of the transient accommodations tax revenues between the State and counties.

A concerned individual supported this measure. The Hawaii State Association of Counties, Chairperson of the Kauai County Council, a councilmember of the Kauai County Council, Chairperson of the Maui County Council, three councilmembers of the Maui County Council, a councilmember of the Hawaii County Council, and

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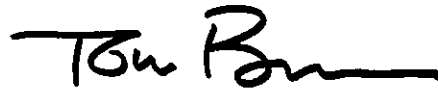


a few concerned individuals opposed this measure. The Department of Budget and Finance, Office of the Mayor of the City and County of Honolulu, Office of the Mayor of the County of Hawaii, Hawaii Lodging and Tourism Association, Maui Hotel and Lodging Association, Tax Foundation of Hawaii, and a concerned individual 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 S.B. No. 2987, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2987, S.D. 2, 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



