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**PRESENTATION OF THE
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE SENATE COMMITTEE ON
TOURISM AND INTERNATIONAL AFFAIRS

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Wednesday, February 10, 2016
2:50 p.m.

TESTIMONY ON SENATE BILL NO. 2673, RELATING TO TRAVEL AGENCIES.

TO THE HONORABLE J. KALANI ENGLISH, VICE-CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Carol Kramer and I am the Executive Officer for the Travel Agency Program, Department of Commerce and Consumer Affairs (“Department”). The Department thanks you for the opportunity to provide comments on Senate Bill No. 2673, which proposes to add a new section to require a travel agency selling activities individually or as part of a package to register as an activity desk.

When a travel agency sells activities separately, the Department agrees the travel agency shall register as an activity desk. Customer payments for travel services and activities are deposited into separate client trust accounts, under §468L-5, Hawaii Revised Statutes (“HRS”), and §468M-9, HRS, respectively.

The Department questions the need for those travel agencies selling activities as part of a package tour to register for two licenses. Requiring two licenses hampers business, over-regulates and replicates consumer protection already afforded in Chapter 468L, HRS. Consumer protection is in place under both chapters with the requirement of a client trust account.

The definition of “travel services” in Chapter 468L, HRS, includes package tours, which include the sale of activities. The legislative history shows the intent when creating the definition of travel services under §468L-1, HRS, that “the definition of ‘travel services’ has been expanded so that those who sell visitors’ activities are included within the purview of this bill.” (L1991, c 285, pt of §1; SB 390)

To require travel agencies to register as activity desks when selling activities as part of a package tour will not provide better consumer protection nor will it bring any more clarity to the law.

Thank you for the opportunity to testify on Senate Bill No. 2673.