

STAND. COM. REP. NO.

1290

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 1290
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred S.B. No. 1290, 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 amend the allocation of transient accommodations tax revenues in section 237D-6.5(b), Hawaii Revised Statutes, by:

- (1) Repealing the allocation to the Tourism Special Fund for the development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii; and
- (2) Increasing the amount of transient accommodations tax revenues allocated to the counties from \$93,000,000 to \$108,000,000 per fiscal year.

The Office of the Mayors of the City and County of Honolulu and County of Hawaii, Maui County Council, Maui Hotel and Lodging Association, Hawaii Lodging and Tourism Association, Maui Chamber of Commerce, and two concerned individuals supported this measure.

SB1290 HD1 HSCR TOU HMS 2017-3137-1



The Department of Budget and Finance, Hawaii State Association of Counties, and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Deleting changes to section 237D-6.5(b), Hawaii Revised Statutes, to restore:
 - (A) The allocation of transient accommodations tax revenues to the Tourism Special Fund from July 1, 2012, to June 30, 2015, for the development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii; and
 - (B) The \$93,000,000 allocation of transient accommodations tax revenues to the counties for fiscal years beginning after June 30, 2017; and
- (2) Beginning on July 1, 2017, allocating \$2,000,000 from transient accommodations tax revenues to the Hawaii Tourism Authority, in conjunction with the Hawaii Lodging and Tourism Association, for the implementation of initiatives to address homelessness in tourist and resort areas. Funds for projects to address homelessness in tourist and resort areas shall be matched by private donations up to the \$2,000,000 allocation to the Hawaii Tourism Authority.

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. 1290, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1290, 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,



RICHARD H.K. ONISHI, Chair



