

STAND. COM. REP. NO.

1113

Honolulu, Hawaii

MARCH 17, 2017

RE: S.B. No. 1299
S.D. 1
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 Intrastate Commerce, to which was referred
S.B. No. 1299, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHARTER TOUR OPERATORS,"

begs leave to report as follows:

The purpose of this measure is to permit charter tour operators to maintain statutorily required client trust accounts in a federally insured financial institution located outside of the State.

The Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs and Vacations Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Amending the requirements that a charter tour operator must meet prior to depositing sums in a client trust account maintained in a federally insured financial institution located outside of the State, by deleting:
 - (A) The requirement that the charter tour operator provide the Director of Commerce and Consumer Affairs with irrefutable evidence that no financial



institution in the State can maintain the charter tour operator's client trust account;

- (B) The requirement that the charter tour operator bear the cost to reproduce any records requested by the Department of Commerce and Consumer Affairs (Department);
 - (C) The requirement that the charter tour operator bear the cost of any fees or expenses, including travel expenses, requested by the Department for purposes of an audit or to determine compliance; and
 - (D) The authorization for the Department to contract with a private consultant to audit the records of any charter tour operator;
- (2) Changing the effective date to July 1, 2090, to promote further discussion; and
 - (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1299, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1299, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Intrastate
Commerce,



TAKASHI OHNO, Chair



