

Honolulu, Hawaii
February 15, 2018

RE: H.B. No. 2010

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 2010 entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

begs leave to report as follows:

The purpose of this measure is to increase the financial stability of the Hawaii Tourism Authority (HTA) by:

- (1) Cancelling any amounts owed and liabilities incurred by HTA to the State in connection to any general obligation bonds issued pursuant to Act 7, Special Session Laws of Hawaii 1993, relating to the construction of the Hawaii Convention Center;
- (2) Establishing a Convention Center Repair and Maintenance Special Fund;
- (3) Establishing a Convention Center Emergency Special Fund outside of the State treasury, to be administered by the HTA Board, for responding to emergencies related to the Hawaii Convention Center;
- (4) Relieving the Convention Center Enterprise Special Fund from using its funds to pay debts owed to the Department of Budget and Finance relating to the convention center and reducing the cap of \$26,500,000 to \$16,000,000 of



transient accommodations tax (TAT) revenues allocated to this Special Fund;

- (5) Increasing the allocation of TAT revenues to the Tourism Emergency Special Fund based on a schedule that annually increases the allowable balance in this Special Fund beginning with \$10,000,000 on July 1, 2018 to \$25,000,000 beginning on July 1, 2021;
- (6) Allocating \$2,000,000 of TAT revenues each fiscal year to the Convention Center Repair and Maintenance Special Fund beginning with fiscal year 2018-2019 to fiscal year 2021-2022; and
- (7) Allocating \$5,000,000 of TAT revenues each fiscal year to the Convention Center Emergency Special Fund beginning with fiscal year 2018-2019 to fiscal year 2021-2022.

The Hawai'i Tourism Authority supported this measure. The Department of Budget and Finance and Tax Foundation of Hawaii provided comments.

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 H.B. No. 2010 and recommends that it pass Second Reading 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



