

STAND. COM. REP. NO. 2936

Honolulu, Hawaii

**MAR 02 2018**

RE: S.B. No. 2224  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2224, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

begs leave to report as follows:

The purpose and intent of this measure is to change the allocation of transient accommodations tax revenues.

Specifically, this measure:

- (1) Renames the convention center enterprise special fund as the convention center operations and maintenance special fund;
- (2) Repeals the allocation of transient accommodations tax revenues to the convention center operations and maintenance special fund and amends the authorized uses of the fund;
- (3) Defines the term "administrative expenses" for purposes of the tourism special fund; and
- (4) Redistributes the allocation of transient accommodations tax revenues from the Hawaii Tourism Authority to other state agencies for certain purposes.



Your Committee received written comments on this measure from the Office of the Auditor; Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; University of Hawaii System; and Tax Foundation of Hawaii.

Your Committee finds that directly allocating revenues from the transient accommodations tax to specific agencies, as proposed by this measure, will better ensure that the specific areas affected by the visitor industry receive resources needed to remedy any concerns that arise from the visitor industry.

Your Committee has amended this measure by:

- (1) Adding a cap of \$6,000,000 to the amount of moneys that may be deposited into the convention center operations and maintenance special fund, with excess moneys being deposited into the general fund;
- (2) Providing that, of the moneys in the tourism special fund:
  - (A) No more than \$2,500,000 shall be used for research expenses; and
  - (B) No more than \$5,800,000 shall be used for sports marketing purposes;
- (3) Redistributing the allocation of transient accommodations tax revenues as follows:
  - (A) Allocating \$60,300,000 to the tourism special fund; provided that \$1,000,000 shall be allocated for the operation of a Hawaiian center and the Museum of Hawaiian Music and Dance at the Hawaii Convention Center;
  - (B) Allocating \$16,500,000 to the Department of Business, Economic Development, and Tourism to be expended for economic development initiatives and programs;

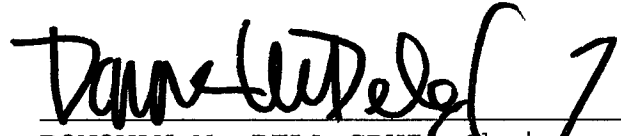


- (C) Allocating \$3,500,000 to the Department of Education to be used for a grant program for initiatives and programs related to hospitality and tourism industry careers; provided that the Department of Education shall report on its expenditures to the Legislature;
  - (D) Allocating \$7,891,000 to the University of Hawaii System for academic programs relating to hospitality and tourism industry career pathways;
  - (E) Allocating \$3,000,000 to University of Hawaii athletics for student athlete travel;
  - (F) Allocating \$9,608,554 to the Department of Land and Natural Resources to be used to support efforts to manage, improve, and protect the State's environment and address the impact of tourism on the State's natural resources;
  - (G) Allocating \$8,000,000 to the counties to be expended to ensure the safety of visitors to county parks and beaches; and
  - (H) Allocating \$8,000,000 to be expended on grants, pursuant to Chapter 42F, Hawaii Revised Statutes, including but not limited to Hawaiian cultural initiatives, community programs, product development, and tourism related grants, as determined by the legislature; and
- (4) Making technical nonsubstantive edits for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2224, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2224, S.D. 2.



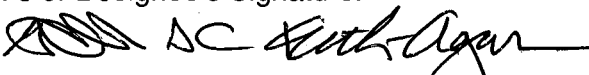
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
\_\_\_\_\_  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Twenty-Ninth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2224, SOI</b>	Committee Referral: <b>ETT, WAM</b>	Date: <b>3/2/18</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.				X
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
<b>TOTAL</b>	<b>8</b>			<b>3</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes