

Honolulu, Hawaii

MAR 23 , 2018

RE: S.B. No. 2504
S.D. 2
H.D. 1

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 S.B. No. 2504, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY,"

begs leave to report as follows:

The purpose of this measure is to clarify allowable administrative expenses which can be expended from the Tourism Special Fund by providing that administrative expenditures are basic office operational expenses and not expenditures of moneys to market Hawaii as a tourist destination.

The Hawai'i Tourism Authority submitted comments on this measure.

After careful consideration, your Committee has amended this measure by deleting its contents and substituting therefor the provisions of House Bill No. 2010 H.D.1 that address the financial issues relating to debt, maintenance, and operation of the Hawaii Convention Center by:

- (1) Cancelling the debt and liabilities owed to the State by the Hawaii Tourism Authority (HTA) for Convention Center construction costs and related interest;



- (2) Establishing the Convention Center Repair and Maintenance Special Fund and requiring HTA to submit annual reports to the Legislature on expenditures from the special fund;
- (3) Establishing the Convention Center Emergency Special Fund to be used exclusively to respond to emergencies related to the Convention Center and requiring HTA to submit annual reports to the Legislature on expenditures from the special fund;
- (4) Relieving the Convention Center Enterprise Special Fund from paying debts owed to the Department of Budget and Finance and reducing the cap on the amount of TAT revenues allocated to the fund;
- (5) Annually increasing the allocation of TAT revenues to the Tourism Emergency Special Fund from 2018 to 2021; and
- (6) Allocating TAT revenues to the Convention Center Repair and Maintenance Special Fund and Convention Center Emergency Special Fund for fiscal years 2018-2019 to 2021-2022.

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. 2504, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2504, 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



