

STAND. COM. REP. NO.

179

Honolulu, Hawaii

, 2023

FEB 08

RE: H.B. No. 1375
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Tourism and Economic Development, to which was referred H.B. No. 1375 entitled:

"A BILL FOR AN ACT RELATING TO TOURISM,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish the powers, duties, and responsibilities of the Destination Management Agency, including its director and commission;
- (2) Establish the Tourism Special Fund, to receive an allocation from transient accommodations tax revenue; and
- (3) Repeal the Hawaii Tourism Authority.

Your Committees received testimony in support of this measure from three individuals. Your Committees received comments on this measure from the Department of Taxation; Department of Business, Economic Development, and Tourism; Office of Information Practices; Hawai'i Tourism Authority; Hawai'i Lodging & Tourism Association; Civil Beat Law Center for the Public Interest; Tax Foundation of Hawaii; and one individual.

2023-1179 HB1375 HD1 HSCR HMSO



Your Committees find that the managing agency of the State's top economic driver is in need of an overhaul as public discourse and perception have grown more critical of the increasing number of visitors to the State and their impact on the State's environment resources and infrastructure. While the existing agency has proven to be successful in attracting visitors from around the world, your Committees believe it is now time to focus on destination management and regenerative tourism. This measure will address public concerns by establishing a new agency that focuses on managing tourism rather than marketing tourism.

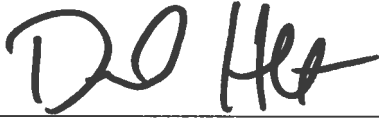
Your Committees have amended this measure by:

- (1) Deleting language that would have required the advice and consent of the Senate for the appointment of Destination Management Commission members;
- (2) Establishing the County Assistance Special Fund and authorizing the counties to apply to the Destination Management Agency to receive matching funds from the County Assistance Special Fund for projects in their destination management action plans;
- (3) Changing the allocation of transient accommodations tax revenue to the Tourism Special Fund to \$100,000,000 and specifying that of that amount, \$50,000,000 is to be deposited into the County Assistance Special Fund;
- (4) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1375, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1375, H.D. 1, and be referred to your Committee on Water & Land.



Respectfully submitted on
behalf of the members of the
Committees on Tourism and
Economic Development,



DANIEL HOLT, Chair



SEAN QUINLAN, Chair



