

STAND. COM. REP. NO.

1320

Honolulu, Hawaii

MAR 17 , 2023

RE: S.B. No. 1522
S.D. 2
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 S.B. No. 1522, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Office of Tourism and Destination Management, including its powers, duties, and responsibilities; and
- (2) Repeal the Hawaii Tourism Authority.

Your Committees received testimony in support of this measure from four individuals. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Taxation; Hawai'i Tourism Authority; Kohala Coast Resort Association; Hawai'i Lodging & Tourism Association; Maui Hotel & Lodging Association; Maui Chamber of Commerce; and one individual.

Your Committees find that the managing agency of the State's top economic driver is in need of an overhaul as public discourse

2023-2631 SB1522 HD1 HSCR HMSO



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 your Committees appreciate the efforts and success of the existing agency, 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.

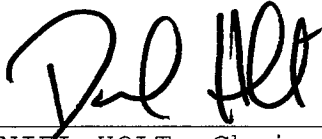
Your Committees have amended this measure by:

- (1) Amending the purpose section;
- (2) Changing the Office of Tourism and Destination Management to the Office of Destination Management;
- (3) Exempting the appointment of members of the Board of Directors of the Office of Destination Management from the advice and consent of the Senate;
- (4) Clarifying that the \$3,000,000 of Transient Accommodations Tax revenues allocated to the Special Land and Development Fund shall be expended in accordance with the Office of Destination Management strategic plan, rather than the Hawaii Tourism Authority's 2020-2025 strategic plan;
- (5) Changing the appropriation amount for the establishment, administration, operation, and positions of the Office of Destination Management from \$50,000,000 to \$100,000,000;
- (6) Adding multiple positions for the Office of Destination Management;
- (7) Establishing and appropriating an unspecified amount for a Tourism Liaison Officer within the Office of the Governor;
- (8) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (9) 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 S.B. No. 1522, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1522, S.D. 2, 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



HSCR 1320

Record of Votes of the Committee on Tourism

Bill/Resolution No.: SB1522 SD2	Committee Referral: TOU/ECD, WAL, FIN	Date: 03/16/2023
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)	✓			
2. HUSSEY-BURDICK, Natalia (VC)	✓			
3. HOLT, Daniel	✓			
4. KONG, Sam Satoru				✓
5. LA CHICA, Trish	✓			
6. LAMOSAO, Rachele F.	✓			
7. NAKAMURA, Nadine K.	✓			
8. PIERICK, Elijah			✓	
TOTAL (8)	6		1	1

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____ *NAB*

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: SB1522, SD2		Committee Referral: TOU/ECD, WAL, FIN		Date: 3/16/2023
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)	/			
2. LAMOSAO, Rachele F. (VC)	/			
3. HUSSEY-BURDICK, Natalia	/			
4. KONG, Sam Satoru				/
5. LA CHICA, Trish	/			
6. NAKAMURA, Nadine K.	/			
7. QUINLAN, Sean	/			
8. PIERICK, Elijah			/	<i>Am</i>
TOTAL (8)	6		1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>[Signature]</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				