

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 2400
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 2400 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Reduce the number of members on the Hawaii Tourism Authority Board of Directors and number of members that constitute a quorum; and
- (2) Prohibit holdover board members of the Hawai'i Tourism Authority from holding office beyond the commencement of the next legislative session following the expiration of the member's term of office.

Your Committee received comments on this measure from the Hawai'i Tourism Authority.

Your Committee finds that the Hawaii Tourism Authority is currently guided by a twelve-member, volunteer, Senate-confirmed Board of Directors. Accordingly, recruitment for volunteer service on the Hawaii Tourism Authority's board is often challenging. This measure reduces the number of board members and the number of members necessary to constitute a quorum in order to the support the Board's ability to conduct its important work.



Your Committee further finds that a recent Attorney General opinion provides that existing law allows a member of the Hawaii Tourism Authority Board of Directors to continue as a holdover member after their term has expired, without limitation, until a successor is appointed by the Governor. Your Committee finds that this interpretation is contrary to legislative intent and this measure is necessary to clarify the existing law.

Your Committee has amended this measure by:

- (1) Amending the membership provisions of the Hawaii Tourism Authority Board of Directors to exclude persons who have served as members of the Board of Directors of a current contractor of the Hawaii Tourism Authority until at least two years have expired between the person's termination from service to the contractor;
- (2) Deleting language that would have excluded persons who have served as a member of the Board of Directors of the Hawaii Visitors and Convention Bureau;
- (3) Inserting language to require that no person whose business, position, or other undertakings in which the person may have a financial interest constituting a conflict of interest shall serve as a member of the Hawaii Tourism Board of Directors;
- (4) Inserting language to require that no board member shall, for a fee or other consideration, act in a representative capacity or assist a person, business, or entity that has been awarded a contract by the Hawaii Tourism Authority; and
- (5) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2400, S.D. 1, and be referred to your Committee on Judiciary.



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


LYNN DECOITE, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

| Bill / Resolution No.:* | Committee Referral: | Date: | | |
|---|---|---------------------------------------|----------------------------------|---------|
| SB 2400 | EET, JDC | 2-13-24 | | |
| <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 |
| DECOITE, Lynn (C) | ✓ | | | |
| WAKAI, Glenn (VC) | ✓ | | | |
| FUKUNAGA, Carol | ✓ | | | |
| KIM, Donna Mercado | ✓ | | | |
| FEVELLA, Kurt | ✓ | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| TOTAL | 5 | Ø | Ø | Ø |
| Recommendation: | | | | |
| <input checked="" type="checkbox"/> Adopted | | | | |
| <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
| | | | | |
| Distribution: | | | | |
| Original File with Committee Report | Yellow Clerk's Office | Pink Drafting Agency | Goldenrod Committee File Copy | |

*Only one measure per Record of Votes