Honolulu, Hawaii

FEB 1 2 2025

RE: S.B. No. 83
        S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

     Your Committee on Economic Development and Tourism, to which
was referred S.B. No. 83 entitled:

     "A BILL FOR AN ACT RELATING TO HOTELS,"

begs leave to report as follows:

     The purpose and intent of this measure is to:

     (1) Require hotelkeepers to provide adequate notice of
          service disruptions to guests and third-party vendors
          under certain conditions; and

     (2) Allow for recovery of damages.

     Your Committee received testimony in support of this measure
from UNITE HERE Local 5, Hawaii State AFL-CIO, and one individual.

     Your Committee received testimony in opposition to this
measure from the Kohala Coast Resort Association.

     Your Committee received comments on this measure from the
Department of the Attorney General.

     Your Committee finds that when hotel disruptions occur,
guests may experience potential access limitations to amenities
like restaurants and bars, longer wait times, and may even be
forced to change their reservation due to reduced availability.

Forms of disruption, including but not limited to nonfunctioning amenities, construction work, infestations, unavailability of utilities, or any strike or picketing activity can potentially lead to a negative travel experience. Your Committee further finds that maintaining the reputation of Hawaii as a beautiful travel destination is critical to bolstering the State's tourism economy, thus benefiting local communities. To avoid the negative ramifications of these types of hotel disruptions, this measure will require hotelkeepers to provide adequate notice of service disruptions to guests and third-party vendors.

Your Committee notes the concerns raised by the Department of the Attorney General that this measure may face legal challenges pursuant to the United States Constitution, as a potential restriction on commercial speech in violation of the First Amendment and as a measure that potentially impairs existing contracts in violation of the Contract Clause.

Accordingly, your Committee has amended this measure by:

(1) Inserting language of legislative intent, clarifying the justifications for the requirements proposed in the measure;

(2) Inserting a non-impairment clause to clarify that the measure shall not be applied to impair any existing contracts in a manner violative of the Hawaii State Constitution or the United States Constitution; and

(3) 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 Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 83, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 83, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Judiciary.

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

_____
LYNN DECOITE, Chair

Record of Votes
Committee on Economic Development and Tourism
EDT

Bill / Resolution No.:*	Committee Referral:	Date:
SB 83	EDT, CPN/JDC	2-4-25

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended
2312 ☑ Pass, with amendments
2311 ☐ Hold
2310 ☐ Recommit
2313

Members	Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)	✓			
WAKAI, Glenn (VC)	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado		✓		
AWA, Brenton			✓	
TOTAL	3	1	1	0

Recommendation: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

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*Only <u>one</u> measure per Record of Votes

Revised: 12/09/24