Honolulu, Hawaii

## FEB 1 2 2025

RE: S.B. No. 986 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. 986 entitled:

"A BILL FOR AN ACT RELATED TO TOURISM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the types of occurrences for which the Hawaii Tourism Authority Board of Directors may request the Governor to declare a tourism emergency; and
- (2) Reduce the minimum balance to be maintained in the Tourism Emergency Special Fund through an allocation of Transient Accommodations Tax revenues.

Your Committee received comments on this measure from the Hawai'i Tourism Authority, Tax Foundation of Hawaii, and Maui Chamber of Commerce.

Your Committee finds that the Tourism Emergency Special Fund was established in 2007, to be administered by the Hawaii Tourism Authority. By reducing the minimum balance required to exist within the Special Fund and amending the types of occurrences for which the Authority can request an emergency be declared, this measure will free up funding for other tourism initiatives.

. Your Committee notes the suggestion from the Tax Foundation of Hawaii that all types of emergency funds be consolidated into the existing Emergency and Budget Reserve Fund to enable efficient use of the funds in the event an emergency does arise. Committee finds that this issue raises concerns that merit further consideration and respectfully requests that subsequent Committees to which this measure is referred examine this matter.

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Your Committee has amended this measure by:

- Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) 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. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 986, S.D. 1, and be referred to your Committee on Ways and Means.

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

## The Senate Thirty-Third Legislature State of Hawai'i

## Record of Votes Committee on Economic Development and Tourism EDT

| Bill / Resolution No.:*   | Committee Referral: |                     |                         | Date: |                        |
|---|---------------------|---------------------|-------------------------|-------|------------------------|
| 56986   | EDT, WAM 2-6-25     |                     |                         |       |                        |
| The Committee is reconsidering its previous decision on this measure.   |                     |                     |                         |       |                        |
| If so, then the previous decision was to:                               |                     |                     |                         |       |                        |
| The Recommendation is:  |                     |                     |                         |       |                        |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 |                     |                     |                         |       |                        |
| Members   |                     | Aye /               | Aye (WR)                | Nay   | Excused                |
| DECOITE, Lynn (C)   |                     | <b>V</b> /          |                         |       |                        |
| WAKAI, Glenn (VC)   |                     |                     |                         |       |                        |
| FUKUNAGA, Carol   |                     | V_                  |                         |       |                        |
| KIM, Donna Mercado  |                     |                     |                         |       |                        |
| AWA, Brenton  |                     |                     |                         |       |                        |
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| TOTAL   |                     | 3                   | 0                       | 0     | 0                      |
| Recommendation:  Adopted  Not Adopted                                   |                     |                     |                         |       |                        |
|   |                     |                     |                         |       |                        |
| Chair's or Designee's Signature:  |                     |                     |                         |       |                        |
| <b>Distribution:</b> Original File with Committee Re                    |                     | ellow<br>s Office D | Pink<br>Prafting Agency |       | denrod<br>ee File Copy |
| *Only <u>one</u> measure per Record of Votes                            |                     |                     |                         |       |                        |

Revised: 12/09/24