

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 754  
H.D. 1  
S.D. 1

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committees on Tourism and Ways and Means, to which was referred H.B. No. 754, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to improve the governance of the Hawaii Tourism Authority by removing ex-officio members from the Hawaii Tourism Authority Board and placing them in an advisory group to the Hawaii Tourism Authority.

Prior to decision making on this measure, your Committees circulated a proposed draft that, in addition to the removal of ex-officio members from the Hawaii Tourism Authority Board, does the following:

- (1) Expands the scope of a tourism emergency to include a regional or global economic crisis;
- (2) Transfers tourism-related functions from the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority; and
- (3) Earmarks an unspecified percentage of moneys allocated to the Tourism Special Fund from the Transient Accommodations Tax to be used for tourism product development and cultural programs.



Your Committees received testimony commenting on the proposed draft of this measure from the Hawaii Tourism Authority. Your Committees received testimony in opposition to the proposed draft of this measure from the Department of Business, Economic Development, and Tourism, the Tourism Liaison of the Department of Business, Economic Development, and Tourism, and the Department of Transportation. The Hawaii State Foundation on Culture and Arts submitted testimony in opposition to the measure as received by your Committees. The Hawaii Hotel and Lodging Association, Outrigger Enterprises Group, and Starwood Hotels and Resorts Worldwide, Inc. submitted testimony supporting the intent of the proposed measure but with concerns.

Written testimony presented to your Committees may be reviewed on the Legislature's website.

Your Committees find that the difficult times currently being experienced by the State's major industry, tourism, may present an opportune time to undertake some administrative changes to streamline the operations of the Hawaii Tourism Authority. Changing the title of the Executive Director of the Authority to President and Chief Executive Officer, while cosmetic on its face, should instill a more business-like atmosphere in the boardroom of the Authority. Further, eliminating the "sunset" provision on the ability of the Authority to hire its own private attorneys should result in streamlining operations.

Your Committees have amended the proposed draft of the measure by:

- (1) Changing the definition of tourism emergency to include a "national or global economic crisis" rather than a "regional or global economic crisis";
- (2) Removing the phrase "regardless of when or where it occurs" from the definition of tourism emergency;
- (3) Making the establishment of an advisory group discretionary rather than mandatory, and authorizing the Authority to hold advisory group meetings on a monthly basis, or as deemed necessary by the Authority, that may be advised on suggested measures and programs by state agencies or departments that are members of the advisory group;



- (4) Inserting provisions that require the private contractor that operates the Convention Center, concessions, and concession spaces at the Convention Center to be subject to the Hawaii Public Procurement Code, chapter 103D, Hawaii Revised Statutes;
- (5) Renaming the "executive director" of the Hawaii Tourism Authority to the "president and chief executive officer", and clarifying the duties of the position;
- (6) Removing the sunset date from certain provisions of Act 58, Session Laws of Hawaii 2004;
- (7) Changing the effective date to July 1, 2020; and
- (8) Making technical, nonsubstantive changes for the purposes of consistency, clarity, and style.

As affirmed by the records of votes of the members of your Committees on Tourism and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 754, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 754, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Tourism and Ways  
and Means,

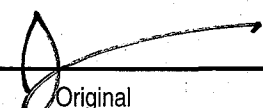
  
DONNA MERCADO KIM, Chair

  
CLARENCE K. NISHIHARA, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Tourism**  
**TSM**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 754, HD1	TSM/WAM	4/3/09
<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	
NISHIHARA, Clarence K. (C)	✓	
GALUTERIA, Brickwood (VC)	✓	
KIDANI, Michelle N.	✓	
TSUTSUI, Shan S.	✓	
SLOM, Sam		✓
<b>TOTAL</b>	4	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>		
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

The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:
HB 754, HDI	TSM / WAM	APRIL 3, 2009

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
KIM, Donna Mercado (C)	/			
TSUTSUI, Shan S. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani				/
FUKUNAGA, Carol	/			
GALUTERIA, Brickwood	/			
HEE, Clayton				/
HOOSER, Gary L.	/			
KIDANI, Michelle N.	/			
KOKUBUN, Russell S.	/			
TOKUDA, Jill N.	/			
HEMMINGS, Fred				/
<b>TOTAL</b>	<b>9</b>			<b>3</b>

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature:  
*Russell S. Kokubun*

Distribution:    Original    Yellow    Pink    Goldenrod  
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