

Honolulu, Hawaii

, 2011

APR 29 2011

RE: S.B. No. 1186
S.D. 2
H.D. 1
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1186, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS TAX,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to address the State's budget shortfall by increasing state revenues from the transient accommodations tax.

Specifically, this measure, from July 1, 2011, to June 30, 2015:

- (1) Imposes a minimum daily tax on transient accommodations furnished at no charge;



- (2) Increases the tax rate on resort time share vacation units by an additional two per cent to conform with the tax rate on other transient accommodations; and
- (3) Limits the transient accommodations tax revenue distribution to the counties to approximately the same amount distributed in fiscal year 2009-2010.

Your Committee on Conference finds that this measure is intended to temporarily increase and preserve the amount of state revenues derived from the transient accommodations tax and is a necessary component of the package of legislation aimed at addressing the State's current economic crisis.

Your Committee on Conference has amended this measure by:

- (1) Removing the time limit on the daily tax of \$10 and clarifying that the tax applies to every transient accommodation that is furnished on a complimentary or gratuitous basis or otherwise at no charge, including that furnished as part of a package;
- (2) Eliminating the provision increasing the tax rate on resort time share vacation units;
- (3) Limiting transient accommodations tax revenues deposited into the tourism special fund from July 1, 2011, to June 30, 2015, to no more than \$69,000,000 per fiscal year;
- (4) Capping the total amount of transient accommodations tax revenues distributed to the counties from July 1, 2011, to June 30, 2015, to \$93,000,000 per fiscal year;
- (5) Eliminating the provision specifying how the allocations of the transient accommodations tax to the counties are to be made; and
- (6) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

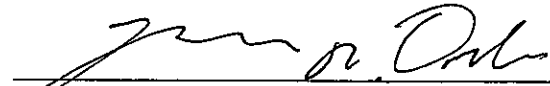
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1186, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1186, S.D. 2, H.D. 1, C.D. 1.




Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE


MARCUS R. OSHIRO, Chair

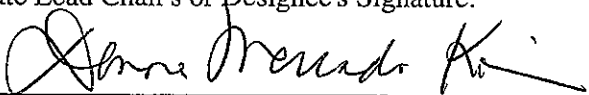


DONNA MERCADO KIM, Chair


DAVID Y. ISE, Co-Chair


RONALD D. KOUCHI, Co-Chair



Hawaii State Legislature
Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 1186, SD 2, HD 1					Date/Time: 4-29-11 / 9:40 pm						
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).											
<input type="checkbox"/> The Committee is reconsidering its previous decision.											
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.						
Senate Managers		A	WR	N	E	House Managers		A	WR	N	E
KIM, Donna Mercado, Chr.		✓				OSHIRO, Marcus R., Chr.		✓			
IGE, David Y., Co-Chr.		✓				CHONG, Pono		✓			
KOUCHI, Ronald D., Co-Chr.		✓				CHOY, Isaac W.		✓			
ENGLISH, J. Kalani		✓				LEE, Marilyn B.		✓			
TOKUDA, Jill N.		✓				RIVIERE, Gil		✓			
TOTAL		5	0	0	0	TOTAL		5	0	0	0
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused				
Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted						
Senate Lead Chair's or Designee's Signature: 					House Lead Chair's or Designee's Signature: 						
Distribution:		Original <i>File with Conference Committee Report</i>			Yellow <i>House Clerk's Office</i>		Pink <i>Senate Clerk's Office</i>		Goldenrod <i>Drafting Agency</i>		