

STAND. COM. REP. NO.

699

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 1186
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1186, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to realize transient accommodations tax revenues from transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge.

This measure also limits the dollar amount of transient accommodations tax revenues transferred to the tourism special fund and to the counties until July 1, 2015.

Your Committee received comments in support of this measure from William J. Aila, Jr., Chairperson, Department of Land and Natural Resources.

Your Committee received comments in opposition to this measure from the City and County of Honolulu; Keith Vieira, Senior Vice President of Operations, Starwood Hotels and Resorts, Hawaii and French Polynesia; and one individual.

Your Committee received comments on this measure from Mike McCartney, President and Chief Executive Officer, Hawaii Tourism Authority; Bernard P. Carvalho, Jr., Mayor, County of Kauai; and the Tax Foundation of Hawaii.

SB1186 SD2 SSCR LRB 11-2462.doc



699

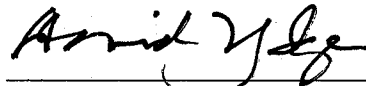
Your Committee finds that the revenues generated from application of the transient accommodations tax to transient accommodations that are furnished on a complimentary or gratuitous basis, or otherwise at no charge, would be used to fund important projects, including protecting the environment, improving public facilities impacted by visitors, and advancing Hawaiian culture and the arts.

Your Committee has amended this measure by:

- (1) Changing all dollar amounts to unspecified sums;
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the issue; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB 1186, SD)	TSM, WAM	3-1-11

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
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai		/		
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam			/	
TOTAL	12	1	1	0

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature: *Michelle N. Kidani*

Distribution: Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes