

STAND. COM. REP. NO. 143

Honolulu, Hawaii  
February 12, 2015

RE: H.B. No. 723  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 723  
entitled:

"A BILL FOR AN ACT RELATING TO ACTIVITY DESKS,"

begs leave to report as follows:

The purpose of this measure is to update regulatory  
requirements for activity desks by:

- (1) Requiring activity desks to designate fiduciaries in  
case of certain business closures and to submit monthly  
client trust account reports to the Department of  
Commerce and Consumer Affairs; and
- (2) Exempting from regulation activity desks that operate  
without accepting consumer moneys for third-party  
services.

The Activities & Attractions Association of Hawaii supported  
this measure. The Professional and Vocational Licensing Division  
of the Department of Commerce and Consumer Affairs opposed this  
measure. The Regulated Industries Complaints Office of the  
Department of Commerce and Consumer Affairs offered comments.

Your Committee notes that the Regulated Industries Complaints  
Office of the Department of Commerce and Consumer Affairs  
testified that the activity desk regulatory exemption is ambiguous  
and does not clearly identify conduct that is exempt from

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regulation under Chapter 468M, Hawaii Revised Statutes. Your Committee also notes that the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs testified that it had concerns regarding fiduciary and reporting requirements as well as the types of services that would warrant an exemption. Although your Committee acknowledges these concerns, your Committee recommends that this measure proceed through the legislative process to facilitate further discussion.

Your Committee has amended this measure by changing its effective date to July 1, 2020, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 723, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism,



TOM BROWER, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

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**Record of Votes of the Committee on Tourism**

Bill/Resolution No.: <b>HB 723</b>	Committee Referral: <b>TOU, CPC</b>	Date: <b>2/4/15</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TOU Members	Ayes	Ayes (WR)	Nays	Excused
1. BROWER, Tom (C)	✓			
2. OHNO, Takashi (VC)	✓			
3. CACHOLA, Romy M.	✓			
4. CHOY, Isaac W.	✓			
5. ITO, Ken	✓			
6. KAWAKAMI, Derek S.K.	✓			
7. KONG, Sam Satoru		✓		
8. ONISHI, Richard H.K.	✓			
9. TOKIOKA, James Kunane	✓			
10. TSUJI, Clift	✓			
11. WOODSON, Justin H.	✓			
12. MATSUMOTO, Lauren Kealohilani	✓			
13. WARD, Gene		✓		
<b>TOTAL (13)</b>	<b>11</b>	<b>2</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u></u>				
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