

STAND. COM. REP. NO.

1079

Honolulu, Hawaii

MARCH 25, 2015

RE: S.B. No. 743
S.D. 1
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 S.B. No. 743, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to protect activity desk providers and consumers by establishing fiduciary and other responsibilities for activity desks. Specifically, this measure:

- (1) Requires an activity desk to designate an individual, officer, director, member, or manager who shall be a signatory on and fully responsible for the client trust account;
- (2) Specifies responsibilities and requirements applicable to the signatory; and
- (3) Establishes criminal penalties for violations of the signatory requirements.

The Activity Desks Program of the Department of Commerce and Consumer Affairs, Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs, and the Activities and Attractions Association of Hawaii offered comments.

SB743 HD1 HSCR TOU HMS 2015-2678



Your Committee has amended this measure by deleting its contents and inserting language that:

- (1) Instead requires, at the time of registration and renewal, the designation of a principal who shall have direct management and supervision of the activity desk;
- (2) Specifies responsibilities and requirements applicable to the designated principal;
- (3) Defines "principal" to mean a corporate officer or director, a partner in a partnership, a sole proprietor, or an individual with an ownership interest in the activity desk;
- (4) Requires the activity desk to disclose the name and contact information of the designated principal to a client trust account beneficiary upon request; and
- (5) Delays implementation of the activity desk principal requirements until December 31, 2017.

Your Committee has also changed the effective date of this measure 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 S.B. No. 743, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 743, S.D. 1, 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



