

Honolulu, Hawaii

April 25, 2014

RE: H.B. No. 2434  
H.D. 2  
S.D. 2  
C.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2434, H.D. 2, S.D. 2, 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 and intent of this measure is to specify uses for transient accommodations tax revenues.

Specifically, this measure:

- (1) Specifies that transient accommodations tax revenues allocated pursuant to section 237D-6.5(b)(4), Hawaii Revised Statutes, shall only be allocated and expended by agreement of the Board of Land and Natural Resources and the Hawaii Tourism Authority in accordance with the Hawaii Tourism Authority strategic plan; and



- (2) Allocates \$3,000,000 of transient accommodation tax revenue to the special land and development fund.

Your Committee on Conference finds that a historic opportunity exists to acquire a conservation easement on lands at Turtle Bay on Oahu that would preserve in perpetuity public access to pristine oceanfront land that represent one of the finest examples of our State's natural beauty. The easement can be acquired by using transient accommodations tax revenue made available by refinancing the Hawaii Convention Center debt and thereby reducing the annual appropriation to the convention center enterprise special fund necessary to service that debt.

Accordingly, your Committee on Conference has amended this measure by deleting the amendments proposed in the Senate Draft 2 and inserting provisions that require the refinancing of the convention center debt and using the savings to acquire the conservation easement and provide \$3,500,000 of additional revenue to the general fund.

More specifically, your Committee on Conference has amended this measure by deleting its contents and replacing it with language that:

- (1) Requires the Hawaii Tourism Authority to obtain an appraisal and perform due diligence on the proposed conservation easement and property rights;
- (2) Authorizes the Hawaii Tourism Authority to issue \$40,000,000 in revenue bonds and to use those proceeds to acquire a conservation easement for lands at Turtle Bay on Oahu;
- (3) Establishes the Turtle Bay conservation easement special fund;
- (4) Annually allocates transient accommodations tax revenues of \$3,000,000 to the Turtle Bay conservation easement special fund for the Hawaii Tourism Authority to fund the debt service on the revenue bonds;
- (5) Reduces the transient accommodations tax revenue allocation to the convention center enterprise special fund from \$33,000,000 to \$26,500,000;



- (6) Provides an additional \$3,500,000 in transient accommodations tax revenue to the general fund;
- (7) Requires the Hawaii Tourism Authority and the Department of Budget and Finance to restructure the convention center debt owed to the Department of Budget and Finance to accommodate an annual payment of not more than \$16,500,000;
- (8) Establishes that if the debt restructuring cannot be achieved in accordance with certain financial benchmarks, then no moneys shall be expended; and
- (9) Inserts a provision that declares that the provisions of the measure are not severable.


Your Committee on Conference notes that, upon the retirement of the debt incurred to acquire the conservation easement at Turtle Bay, the continued application of the financing mechanism established by this measure will result in an additional \$3,500,000 being deposited into the general fund.


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 H.B. No. 2434, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2434, H.D. 2, S.D. 2, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
GILBERT KAHELE, Chair

  
TOM BROWER, Co-Chair

  
MALAMA SOLOMON, Co-Chair

  
SYLVIA LURIE, Co-Chair


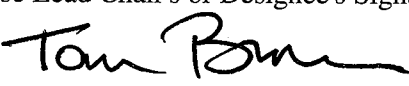
  
DAVID Y. IGE, Co-Chair



Hawaii State Legislature

Record of Votes of a  
Conference Committee

CCR 144-14

Bill / Concurrent Resolution No.: <b>HB 2434, HD 2, SD 2</b>					Date/Time: <b>04/25/14 5:58 pm</b>				
<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
KAHELE, Gilbert, Chr.	✓				BROWER, Tom, Co-Chr.	✓			
SOLOMON, Malama, Co-Chr.	✓				LUKE, Sylvia, Co-Chr.	✓			
IGE, David Y., Co-Chr.	✓				EVANS, Cindy	✓			
KEITH-AGARAN, Gilbert S.C.	✓				FALE, Richard Lee	✓			
SLOM, Sam	✓								
TOTAL	5	0	0	0	TOTAL	4	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	Yellow	Pink			Goldenrod		
		File with Conference Committee Report	House Clerk's Office	Senate Clerk's Office			Drafting Agency		