

Honolulu, Hawaii

APR 03 2014

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

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

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2434, H.D. 2, 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 increase financial resources to support conservation and natural resource protection programs in the State.

More specifically this measure specifies that the portion of transient accommodations tax revenues currently allocated for expenditure, pursuant to agreement between the Hawaii Tourism Authority and the Board of Land and Natural Resources, for natural resources and facilities management costs related to the Hawaii Tourism Authority's strategic plan shall be:

- (1) Deposited into the special land and development fund, rather than the general fund; and
- (2) Distributed among the beach restoration special fund, state parks special fund, statewide trail and access program, and conservation and resources enforcement special fund.

Your Committee received written comments in support of this measure from the Department of Land and Natural Resources, Hawaii



Tourism Authority, The Chamber of Commerce of Hawaii, and Hawaii Lodging and Tourism Association. The Tax Foundation of Hawaii submitted written comments on the measure.

Your Committee finds that the Legislature enacted Act 161, Session Laws of Hawaii 2013, which modified the allocation of transient accommodations tax revenue to, among other things, provide a consistent source of funds for Hawaii to effectively market itself in a competitive tourist industry, to maintain tourist attractions, and to enhance the visitor experience. Your Committee also finds that although Act 161 set aside a portion of transient accommodations tax revenues for this purpose, it did not provide the authority to expend these funds.

Your Committee has amended this measure by:

- (1) Inserting language to specifically authorize allocations of transient accommodations tax revenues from the special land and development fund to the beach restoration special fund, state parks special fund, statewide trail and access program, and conservation and resources enforcement special fund; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

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

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




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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2434 HDZ SD1	TSM/WTL, WAM	3-28-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> 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	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	12	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

\*Only one measure per Record of Votes