

Honolulu, Hawaii

APR 23 , 2021

RE: H.B. No. 862
H.D. 2
S.D. 2
C.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 862, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO STATE GOVERNMENT,"

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 of this measure is to:

- (1) Abolish the Office of Aerospace Development, Aerospace Advisory Committee, and the Hawaii Unmanned Aerial Systems Test Site Advisory Board;
- (2) Transfer administration of the Pacific International Space Center for Exploration Systems from the Department of Business, Economic Development, and Tourism to the University of Hawaii at Hilo;



- (3) Transfer the administration of and the budget for the Challenger Center Hawaii Program from the Office of Aerospace Development to the Department of Education;
- (4) Prohibit holdover board members of the Hawaii Tourism Authority;
- (5) Specify that monies in the Tourism Emergency Special Fund are to be used exclusively for emergency measures that directly relate to safety and security initiatives;
- (6) Require that the 3.5 percent cap on spending from the Tourism Special Fund include all governance and employment expenses, organization-wide costs, and a protocol fund, as administrative expenses;
- (7) Repeal the allocation from the transient accommodations tax to the Tourism Special Fund and Tourism Emergency Special Fund;
- (8) Repeal the Hawaii Tourism Authority's authorization to establish an advisory group;
- (9) Require the State and local workforce development boards to develop written conflict of interest policies;
- (10) Require the Governor to fix the compensation for the Hawaii Workforce Development Council's Executive Director and require the Department of Labor and Industrial Relations to provide support staff;
- (11) Clarify the employment of professional staff by the Public Utilities Commission;
- (12) Transfer Hawaiian cultural duties and responsibilities from the Hawaii Tourism Authority to the State Foundation on Culture and the Arts;
- (13) Mandate that the Hawaii Tourism Authority collaborate with the State Foundation on Culture and the Arts for its visitor industry marketing; and
- (14) Appropriate funds.



Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have prohibited holdover board members of the Hawaii Tourism Authority;
- (2) Deleting language that would have transferred Hawaiian cultural duties and responsibilities from the Hawaii Tourism Authority to the State Foundation on Culture and the Arts;
- (3) Deleting language that would have mandated that the Hawaii Tourism Authority collaborate with the State Foundation on Culture and the Arts for marketing purposes;
- (4) Deleting language that would have specified that monies in the Tourism Emergency Special Fund are to be used exclusively for specific emergency measures;
- (5) Deleting language that would have required that the 3.5 percent cap on spending from the Tourism Special Fund include specific types of administrative expenses;
- (6) Reverting to existing statutory language that authorizes the Hawaii Tourism Authority to establish an advisory group;
- (7) Reverting to existing statutory language that allocates a portion of the transient accommodations tax into the Tourism Emergency Special Fund;
- (8) Deleting language that would have required state and local workforce development boards to develop written conflict of interest policies;
- (9) Deleting language that would have required the Governor to fix the compensation for the Hawaii Workforce Development Council's Executive Director and require the Department of Labor and Industrial Relations to provide support staff;
- (10) Deleting language that would have clarified the employment of professional staff by the Public Utilities Commission;



- (11) Deleting language that would have transferred and appropriated funds for three permanent full-time equivalent (3.0 FTE) positions from the Hawaii Tourism Authority to the State Foundation on Culture and the Arts;
- (12) Deleting language that would have appropriated \$4,000,000 in general funds to the Hawaii Tourism Authority;
- (13) Authorizing the counties to establish, by ordinance, a county transient accommodations tax at a rate not to exceed three percent;
- (14) Decreasing the transient accommodations tax allocation to the Convention Center Enterprise Special Fund from \$16,500,000 to \$11,000,000;
- (15) Repealing the transient accommodations tax allocation to the counties;
- (16) Effective January 1, 2022, repealing the Tourism Special Fund and making conforming amendments and removing certain compensation package limits for the President and Chief Executive Officer of the Hawaii Tourism Authority;
- (17) Deleting language that would have authorized the Hawaii Tourism Authority to conduct market development-related research as necessary;
- (18) Repealing the Hawaii Tourism Authority's exemption from the Hawaii Public Procurement Code;
- (19) Appropriating \$60,000,000 out of the funds received by the State from the American Rescue Plan Act, Public Law 117-2, section 9901, for the Hawaii Tourism Authority;
- (20) Removing the severability clause;
- (21) Changing the effective date to July 1, 2021; and
- (22) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



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. 862, 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. 862, 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



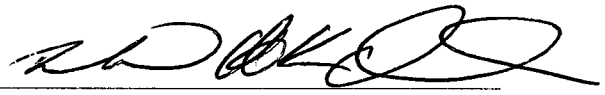
GLENN WAKAI
Chair



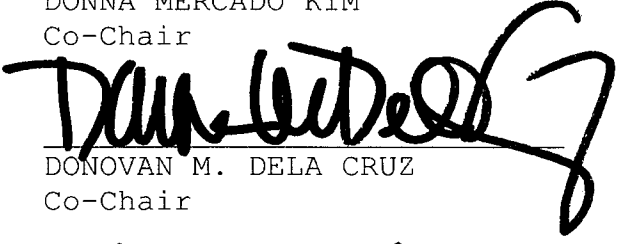
SEAN QUINLAN
Co-Chair



DONNA MERCADO KIM
Co-Chair




RICHARD H.K. ONISHI
Co-Chair



DONOVAN M. DELA CRUZ
Co-Chair



SYLVIA LUKE
Co-Chair



ROSALYN H. BAKER
Co-Chair



Hawaii State Legislature

CCR 184

Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: HB 862, HD 2, SD 2	Date/Time: 4/22/21 7:30 pm
--	-----------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

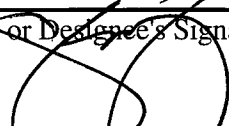

The Committee is reconsidering its previous decision.

<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
WAKAI, Glenn, Chr.	✓				QUINLAN, Sean, Co-Chr.	✓			
KIM, Donna Mercado, Co-Chr.	✓				ONISHI, Richard H.K., Co-Chr.	✓			
DELA CRUZ, Donovan M., Co-Chr.	✓				LUKE, Sylvia, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				OKIMOTO, Val	✓			
MISALUCHA, Bennette E.	✓								
FEVELLA, Kurt			✓						
TOTAL	5	0	1	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