

July 13, 2005

The Honorable Calvin K. Y. Say, Speaker
and Members of the House of Representatives
Twenty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear Mr. Speaker and Members of the House:

Re: Senate Bill No. 1729 SD2 HD2 CD1

On July 12, 2005, Senate Bill No. 1729, entitled "Relating to Tourism" became law without my signature, pursuant to Section 16 of Article III of the State Constitution.

This bill increases the percentage of transient accommodations tax going into the Tourism Special Fund and provides that the first \$1 million shall be used for parks and trails improvements. While we support more funding to address past years of neglect and underfunding for parks and recreational areas, these monies do not become available until July 1, 2007, two years hence. It is unfortunate the Legislature decided to delay this critical funding at a time when our public recreational areas are experiencing a peak in visitors and higher utilization.

More troubling is the fact that this bill removes transparency and openness in the utilization of public funds by the Hawaii Tourism Authority. In particular, this bill places the Tourism Special Fund and Convention Center Enterprise Fund outside of the State Treasury. The State's Department of Accounting and General Services will no longer have purview over these accounts, even though tens of millions of dollars will be deposited in and spent from them.

Finally, this bill removes the voting power of the Department of Business Economic Development and Tourism representative on the Hawaii Tourism Authority Board. This comes at a time when that person has been internationally recognized for her expertise in the field of tourism and has been a highly effective Cabinet level coordinator for government and private-sector tourism initiatives. This effort to infringe upon the Executive Branch powers is wrong and my Administration will work to get this voting authority restored.

Therefore, I allowed Senate Bill No. 1729 SD2 HD2 CD1 to become law as Act 235 effective July 12, 2005 without my signature.

Sincerely,

LINDA LINGLE