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# A BILL FOR AN ACT

RELATING TO TOURISM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the *Special Master's*  
2 *Report to the Hawaii Tourism Authority on Recommendations*  
3 *Regarding The Hawaii Visitors and Convention Bureau*, dated  
4 December 31, 2003, by the Candon Consulting Group, LLC,  
5 recommended that the independence of the respective boards of  
6 directors of the Hawaii tourism authority and the Hawaii  
7 Visitors and Convention Bureau be preserved. The report states:

8           "There have been and are individuals who have served  
9 consecutively as Directors of both the HTA Board and the  
10 HVCB Board and visa-versa. This situation invites  
11 questions about the arm's length nature of the relationship  
12 between these two Boards and their respective  
13 organizations. If enough members of each Board regularly  
14 switch from one to the other, the independence of each  
15 entity would diminish or disappear."

16           The legislature finds that the problem is especially  
17 improper in the awarding of tourism marketing contracts to the



1 Hawaii Visitors and Convention Bureau by the Hawaii tourism  
2 authority, notwithstanding the request for proposals procurement  
3 process. In addition, there is the unstated but evident problem  
4 of the inability to obtain innovative and fresh marketing ideas  
5 when the bidder and the agency are effectively one and the same.

6 The purpose of this Act is to prohibit anyone who has  
7 served on the board of directors of the Hawaii Visitors and  
8 Convention Bureau, a private entity, from serving on the board  
9 of the Hawaii tourism authority for a two-year period  
10 immediately following service on the board of the Hawaii  
11 Visitors and Convention Bureau.

12 SECTION 2. Section 201B-2, Hawaii Revised Statutes, is  
13 amended by amending subsection (b) to read as follows:

14 "(b) The authority shall be headed by a policy-making  
15 board of directors which consists of twelve public, voting  
16 members, and four ex officio nonvoting members; provided that:

17 (1) Twelve public, voting members shall be appointed by  
18 the governor as provided in section 26-34, except as  
19 otherwise provided by law;

20 (2) The twelve public, voting members shall be composed of  
21 at least one representative each from the city and  
22 county of Honolulu and the counties of Hawaii, Kauai,



1 and Maui; the remaining public members shall be  
2 appointed at-large;

3 (3) Of the twelve public, voting members, three shall be  
4 appointed by the governor from a list of three names  
5 submitted for each appointment by the president of the  
6 senate, and three shall be appointed by the governor  
7 from a list of three names submitted for each  
8 appointment by the speaker of the house of  
9 representatives; provided that if fewer than three  
10 names are submitted for each appointment, the governor  
11 may disregard the list;

12 (4) At least six of the twelve public, voting members  
13 shall have knowledge, experience, and expertise in the  
14 area of visitor industry management, marketing,  
15 promotion, transportation, retail, entertainment, or  
16 visitor attractions, and at least one shall have  
17 knowledge, experience, and expertise in the area of  
18 Hawaiian cultural practices; provided that no more  
19 than three members shall represent, be employed by, or  
20 be under contract to any sector of the industry  
21 represented on the board;



- 1           (5) The governor shall make appointments to ensure the  
2                   fulfillment of all requirements; provided that any  
3                   appointments made after July 1, 2002, shall be made to  
4                   fulfill the requirements in place when the  
5                   appointments are made;
- 6           (6) The director of business, economic development, and  
7                   tourism, or a designated representative, shall be an  
8                   ex officio nonvoting member;
- 9           (7) The director of transportation, or a designated  
10                  representative, shall be an ex officio nonvoting  
11                  member;
- 12          (8) The chairperson of the board of land and natural  
13                  resources, or a designated representative, shall be an  
14                  ex officio nonvoting member; [and]
- 15          (9) The executive director of the state foundation on  
16                  culture and the arts, or a designated representative,  
17                  shall be an ex officio nonvoting member[-]; and
- 18          (10) No person who has served as a member of the board of  
19                  directors of the Hawaii Visitors and Convention Bureau  
20                  shall be eligible to sit as a public, voting member of  
21                  the board of directors of the Hawaii tourism authority  
22                  until at least two years have expired between the



1           person's termination from service on the Hawaii  
2           Visitors and Convention Bureau board and the person's  
3           appointment to the authority's board of directors."

4           SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6           SECTION 4. This Act shall take effect upon its approval.



S.B. NO. 866  
S.D. 1  
H.D. 1  
C.D. 1

**Report Title:**

Hawaii Tourism Authority; Board of Directors

**Description:**

Requires that Hawaii Visitors and Convention Bureau (HVCB) board members wait at least two years after termination of service from HVCB before serving on the Hawaii tourism authority's board of directors. Effective on approval. (CD1)

