

JAN 18 2008

A BILL FOR AN ACT

RELATING TO THE HAWAII ENTERTAINMENT AND SPORTS AUTHORITY.

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

1 SECTION 1. The legislature finds that the entertainment
2 and sports industries in Hawaii combine for an estimated \$500
3 million and play a vital role in providing jobs, creating
4 positive media exposure, and enhancing the quality of life for
5 the community. In 2004, the United States sports industry was
6 estimated at \$213 billion, which is more than double the size of
7 the United States automobile industry and seven times the size
8 of the film industry.

9 The legislature further finds that Hawaii's unique culture,
10 picturesque setting, and supporting industries combine to
11 establish the State as a premier destination for entertainment
12 and sports productions and events. The State must take an
13 active role in the development and promotion of these multi-
14 million dollar industries as a means of utilizing our natural
15 environment, assets, and resources in establishing a strong
16 economy.



1 The purpose of this Act is to establish the Hawaii
2 entertainment and sports authority to strengthen and grow
3 Hawaii's entertainment and sports industries through the
4 promotion and development of productions, events, and other
5 related activities in the State, including establishing Hawaii
6 as a site for international sports and entertainment activities.

7 SECTION 2. The Hawaii Revised Statutes is amended by
8 adding a new chapter to be appropriately designated and to read
9 as follows:

10 "CHAPTER

11 HAWAII ENTERTAINMENT AND SPORTS AUTHORITY

12 § -1 Definitions. As used in this chapter, unless the
13 context clearly requires otherwise:

14 "Agency" means any agency, department, authority, board,
15 commission, the University of Hawaii, or any other unit of the
16 State or county.

17 "Authority" means the Hawaii entertainment and sports
18 authority as established in section -2.

19 "Board" means the board of directors of the Hawaii
20 entertainment and sports authority as established in section
21 -2, and any successor thereto.



1 "Entertainment" means the entertainment industry which
2 shall include but not be limited to films, television, theater,
3 print advertisements, documentaries, art and comedy festivals,
4 beauty pageants, concerts, and other events and productions.

5 "Plan" or "marketing plan" means the entertainment and
6 sports marketing plan as established in section -6.

7 "Public agency" means any office, department, board,
8 commission, bureau, division, public corporation agency, or
9 instrumentality of the federal, state, or county government.

10 "Special fund" means the Hawaii entertainment and sports
11 special fund as established in section -8.

12 "Sports" means the sports industry which shall include but
13 not be limited to all activities to produce an additional value
14 through the production and marketing of sports-related products
15 and services, such as professional sports teams and
16 organizations; golf courses and golfing centers; motor
17 racetracks; exercise and fitness facilities; dance schools and
18 studios; and other related sports activities.

19 **§ -2 Hawaii sports and entertainment authority;**
20 **establishment; board.** (a) There is established within the
21 department of business, economic development, and tourism, the
22 Hawaii sports and entertainment authority, which shall be a body



1 corporate and a public instrumentality of the State, for the
2 purpose of implementing this chapter.

3 (b) The authority shall be headed by a policy-making board
4 of directors consisting of thirteen voting members, appointed by
5 the governor as provided in section 26-34, except as otherwise
6 provided by law; provided that:

7 (1) Of the thirteen public, voting members:

8 (A) Three shall be appointed by the governor from a
9 list of three names submitted for each
10 appointment by the president of the senate;

11 (B) Three members shall be appointed by the governor
12 from a list of three names submitted for each
13 appointment by the speaker of the house of
14 representatives;

15 (C) Two members shall be appointed by the governor;

16 (D) Of all the members appointed under this
17 paragraph, there shall be at least one
18 representative each from the city and county of
19 Honolulu and the counties of Hawaii, Kauai, and
20 Maui; and

21 (E) The remaining members shall be appointed at-
22 large;



- 1 (2) The director of business, economic development,
2 tourism, or a designated representative, shall be an
3 ex officio voting member;
- 4 (3) The executive director of the Hawaii tourism
5 authority, or a designated representative, shall be an
6 ex officio voting member;
- 7 (4) The president of the University of Hawaii, or a
8 designated representative, shall be an ex officio
9 voting member;
- 10 (5) The athletics director of the intercollegiate office
11 of athletics of the University of Hawaii, or a
12 designated representative, shall be an ex officio
13 voting member;
- 14 (6) The chairperson of the board of land and natural
15 resources, or a designated representative, shall be an
16 ex officio voting members; and
- 17 (7) At least ten of the twelve voting members shall have
18 knowledge, experience, and expertise in the areas of
19 sports communication or management, sports tourism,
20 visitor industry management, marketing, promotion,
21 facilities management, transportation, retail,
22 entertainment, or visitor attractions; provided that



1 no more than five members shall represent, be employed
2 by, or be under contract to any sector of the industry
3 represented on the board;

4 (c) The members shall be appointed by the governor for
5 terms of four years. Each public member shall hold office until
6 the member's successor is appointed and qualified. Section 26-
7 34 shall be applicable insofar as it relates to the number of
8 terms and consecutive number of years a member may serve on the
9 board.

10 (d) The board shall elect a chairperson from among the
11 voting members.

12 (e) Seven voting members shall constitute a quorum and a
13 minimum of seven affirmative votes shall be necessary for all
14 actions by the authority. The members shall serve without
15 compensation, but shall be reimbursed for expenses, including
16 travel expenses, necessary in the performance of their duties.

17 (f) The board shall appoint an executive director, exempt
18 from chapter 76 who shall oversee the authority staff; provided
19 that the compensation package shall not include private sector
20 moneys or other contributions. The board shall set the
21 executive director's duties, responsibilities, holidays,



1 vacations, leaves, hours of work, and working conditions. It
2 may grant any other benefits as it deems necessary.

3 **§ -3 Powers and duties.** (a) Except as otherwise
4 limited by this chapter, the authority may:

5 (1) Sue and be sued;

6 (2) Have a seal and alter the same at pleasure;

7 (3) Make and execute contracts and all other instruments
8 necessary or convenient for the exercise of its powers
9 and functions under this chapter; provided that the
10 authority may enter into contracts and agreements for
11 a period of up to five years, subject to the
12 availability of funds;

13 (4) Make and alter bylaws for its organization and
14 internal management;

15 (5) Unless otherwise provided in this chapter, adopt rules
16 in accordance with chapter 91 with respect to its
17 projects, operations, properties, and facilities;

18 (6) Through its executive director, represent the
19 authority in communications with the governor and with
20 the legislature;

21 (7) Through its executive director appoint officers,
22 agents, and employees, prescribe their duties and



- 1 qualifications, and fix their salaries, without regard
2 to chapters 76 and 78;
- 3 (8) Through its executive director purchase supplies,
4 equipment, or furniture;
- 5 (9) Through its executive director allocate the space or
6 spaces which are to be occupied by the authority and
7 appropriate staff;
- 8 (10) Engage the services of qualified persons to implement
9 the authority's entertainment and sports marketing
10 plan or portions thereof as determined by the
11 authority;
- 12 (11) Engage the services of consultants on a contractual
13 basis for rendering professional and technical
14 assistance and advice;
- 15 (12) Procure insurance against any loss in connection with
16 its property and other assets and operations in any
17 amounts and from any insurers as it deems desirable;
- 18 (13) Contract for or accept revenues, compensation,
19 proceeds, and gifts or grants in any form from any
20 public agency or any other source;
- 21 (14) Develop a vision and long-range plan for
22 entertainment, sports tourism, educational or training



1 programs, and sports-related activities and events, in
2 Hawaii;

3 (15) Develop, coordinate, and implement state policies and
4 directions for entertainment, sports tourism, and
5 related activities taking into account the economic,
6 social, and physical impacts of entertainment and
7 sports tourism on the State; provided that the
8 authority shall support the efforts of other state and
9 county departments or agencies to manage, improve, and
10 protect Hawaii's entertainment venues, sports
11 facilities, natural environment, and areas frequented
12 by visitors;

13 (16) Acquire by purchase, lease, or otherwise, and develop,
14 construct, operate, own, manage, repair, reconstruct,
15 enlarge, or otherwise effectuate either directly or
16 through developers, an entertainment or sports
17 education or training venue or facility;

18 (17) Set and collect rents, fees, charges, or other
19 payments for the lease, use, occupancy, or disposition
20 of an entertainment or sports venue or facility under
21 its authority without regard to chapter 91;



- 1 (18) Notwithstanding chapter 171, acquire lease as lessee
2 or lessor, own, rent, hold, and dispose of an
3 entertainment or sports venue or facility under its
4 authority in the exercise of its powers and the
5 performance of duties under this chapter;
- 6 (19) Maintain a permanent, strong focus on marketing and
7 promotion;
- 8 (20) Conduct market development-related research and
9 economic impact studies as necessary;
- 10 (21) Coordinate all agencies and advise the private sector
11 in the development of entertainment and sports-related
12 productions, activities, and resources;
- 13 (22) Market and promote entertainment and sports-related
14 productions, activities, and events;
- 15 (23) Coordinate the development of new entertainment and
16 sports industry initiatives with the county sports and
17 entertainment commission and other persons in the
18 public sector and private sector;
- 19 (24) Establish a public information and educational program
20 to inform the public of the entertainment industry,
21 sports tourism, and related problems;



1 (25) Encourage the development of entertainment and sports
2 administration or management, educational, training,
3 and career counseling programs; and

4 (26) Establish a program to monitor, investigate, and
5 respond to complaints about problems resulting
6 directly or indirectly from the entertainment and
7 sports industry in the State and take appropriate
8 action as necessary.

9 (b) The authority shall:

10 (1) Promote, market, and develop the sports industry and
11 sports-related activities and events in the State,
12 including the development of sports venues for hosting
13 international sporting events;

14 (2) Attract, promote, market, and develop world-class film
15 and entertainment events and productions in the State;

16 (3) Develop and implement an entertainment and sports
17 marketing plan, which shall be updated every year, to
18 promote and market the State as a desirable
19 entertainment and sports tourism destination;

20 (4) Arrange for the conduct of research through
21 contractual services with the University of Hawaii or
22 any agency or other qualified persons concerning



1 social, economic, and environmental aspects of the
2 entertainment and sports industry development in the
3 State;

4 (5) Provide technical or other assistance to agencies and
5 private industry upon request; and

6 (6) Review annually the expenditure of public funds by any
7 visitor industry organization with which the authority
8 contracts to perform entertainment or sports tourism
9 promotion, marketing, and development and making
10 recommendations necessary to ensure the effective use
11 of the funds for the development of the entertainment
12 industry and sports tourism. The authority shall also
13 prepare annually a report of expenditures, including
14 descriptions and evaluations of events or programs
15 funded, together with any recommendations the
16 authority may make and shall submit the report to the
17 governor and the legislature as part of the annual
18 report required under section -13.

19 (c) The authority shall do any and all things necessary to
20 carry out its purposes, to exercise the powers and
21 responsibilities given in this chapter, and to perform other
22 functions required or authorized by law.



1 **§ -4 Private attorneys; authorized.** (a) The board may
2 appoint or retain by contract one or more attorneys who are
3 independent of the attorney general to provide legal services
4 for the board solely in cases of contract negotiations in which
5 the attorney general lacks sufficient expertise; provided that
6 the independent attorney shall consult and work in conjunction
7 with the designated deputy attorney general assigned to the
8 Hawaii entertainment and sports authority.

9 (b) The board may fix the compensation of the attorneys
10 appointed or retained pursuant to this section. Attorneys
11 appointed or retained by contract shall be exempt from chapters
12 76, 78, and 88.

13 **§ -5 Meetings of the board.** (a) The meetings of the
14 board shall be open to the public as provided in section 92-3,
15 except that when it is necessary for the board to receive
16 information that is proprietary to a particular enterprise or
17 the disclosure of which might be harmful to the business
18 interests of the enterprise, the board may enter into an
19 executive meeting that is closed to the public.

20 (b) The board shall be subject to the procedural
21 requirements of section 92-4, and this authorization shall be in
22 addition to the exceptions listed in section 92-5, to enable the



1 board to respect the proprietary requirements of enterprises
2 with which it has business dealings.

3 § -6 Entertainment and sports industry marketing plan;
4 measures of effectiveness. (a) The authority shall be
5 responsible for developing a strategic entertainment and sports
6 marketing plan that shall be updated every year and includes the
7 following:

- 8 (1) Statewide promotional efforts and programs;
 - 9 (2) Targeted markets;
 - 10 (3) Efforts to enter into brand marketing projects that
11 make effective use of cooperative advertising
12 programs;
 - 13 (4) Measures of effectiveness for the authority's
14 promotional programs; and
 - 15 (5) Coordination of marketing plans of all destination
16 marketing organizations receiving state funding prior
17 to finalization of the authority's marketing plan.
- 18 (b) In accordance with subsection (a), the authority shall
19 be responsible for developing measures of effectiveness to
20 assess the overall benefits and effectiveness of the
21 entertainment and sports marketing plan and include



1 documentation of the directly attributable benefits of the plan
2 to the following:

- 3 (1) Hawaii's sports industry;
- 4 (2) Hawaii's entertainment industry;
- 5 (3) Employment in Hawaii;
- 6 (4) State taxes; and
- 7 (5) The State's lesser known and underutilized
8 entertainment venues and sports facilities.

9 **§ -7 Entertainment and sports industry-related**

10 **activities.** (a) The authority may enter into contracts and
11 agreements that include the following:

- 12 (1) Entertainment or sports tourism promotion, marketing,
13 and development;
- 14 (2) Market development-related research;
- 15 (3) Product development and diversification issues focused
16 on entertainment or sports-related visitors;
- 17 (4) Promotion, development, and coordination of
18 entertainment or sports-related productions,
19 activities, and events;
- 20 (5) Promotion of Hawaii, through a coordinated statewide
21 effort, as an entertainment or sports destination;
- 22 (6) Reduction of barriers to travel; and



1 (7) Any and all other activities necessary to carry out
2 the intent of this chapter;
3 provided that for any contract or agreement valued at \$25,000
4 and over, the authority shall provide notice to the president of
5 the senate and the speaker of the house of representatives on
6 the same day that notification of the same is provided to the
7 governor.

8 (b) The authority may delegate to staff the responsibility
9 for soliciting, awarding, and executing contracts, and
10 monitoring and facilitating any and all functions developed in
11 accordance with subsection (a).

12 **§ -8 Hawaii entertainment and sports special fund;**
13 **established.** (a) There is established the entertainment and
14 sports special fund, into which shall be deposited:

- 15 (1) A portion of the revenues from any transient
16 accommodations tax, as provided by section 237D-6.5;
17 (2) Appropriations by the legislature to the special fund;
18 (3) Gifts, grants, memberships, sponsorships, and other
19 funds accepted by the authority; and
20 (4) All interest and revenues or receipts derived by the
21 authority from any project or project agreements.

22 (b) Moneys in the special fund may be:



1 (1) Placed in interest-bearing accounts; provided that the
2 depository in which the money is deposited furnishes
3 security as provided in section 38-3; or

4 (2) Otherwise invested by the authority until such time as
5 the moneys may be needed; provided that the authority
6 shall limit its investments to those listed in section
7 36-21.

8 All interest accruing from the investment of these moneys shall
9 be credited to the special fund.

10 (c) Moneys in the tourism special fund shall be used by
11 the authority for the purposes of this chapter.

12 § -9 Exemptions. (a) All revenues and receipts derived
13 by the authority from any project or a project agreement or
14 other agreement pertaining thereto shall be exempt from all
15 state taxation. Any right, title, and interest of the authority
16 in any project shall also be exempt from all state taxation.
17 Except as otherwise provided by law, the interest of a qualified
18 person or other user of a project or a project agreement or
19 other agreements related to a project shall not be exempt from
20 taxation to a greater extent than it would be if the costs of
21 the project were directly financed by the qualified person or
22 user.



1 (b) The authority shall not be subject to chapter 103D and
2 any and all other requirements of law for competitive bidding
3 for project agreements, construction contracts, lease and
4 sublease agreements, or other contracts unless a project
5 agreement with respect to a project otherwise shall require.

6 (c) Notwithstanding any law to the contrary, the authority
7 shall be exempt from section 26-35 with the exception of section
8 26-35(a)(2), (3), (7), and (8) and subsection (b).

9 § -10 Assistance by state and county agencies. Any
10 state or county agency may render services upon request of the
11 authority.

12 § -11 Declaration of public function, purpose, and
13 necessity. The powers and functions granted to and exercised by
14 the authority under this chapter are declared to be public and
15 governmental functions, exercised for a public purpose, and
16 matters of public necessity.

17 § -12 Court proceedings; preferences; venue. (a) Any
18 action or proceeding to which the authority, the State, or the
19 county may be a party, in which any question arises as to the
20 validity of this chapter, shall be preferred over all other
21 civil cases, except election cases, in the circuit court of the
22 circuit where the case or controversy arises, and shall be heard



1 and determined in preference to all other civil cases pending
2 therein except election cases, irrespective of position on the
3 calendar.

4 (b) Upon application of counsel to the authority, the same
5 preference shall be granted in any action or proceeding
6 questioning the validity of this chapter in which the authority
7 may be allowed to intervene.

8 (c) Any action or proceeding to which the authority, the
9 State, or the county may be party, in which any question arises
10 as to the validity of this chapter or any portion of this
11 chapter, or any action of the authority may be filed in the
12 circuit court of the circuit where the case or controversy
13 arises, which court is hereby vested with original jurisdiction
14 over the action.

15 (d) Notwithstanding any provision of law to the contrary,
16 declaratory relief from the circuit court may be obtained for
17 any action.

18 (e) Any party aggrieved by the decision of the circuit
19 court may appeal in accordance with part I of chapter 641, and
20 the appeal shall be given priority.

21 § -13 Annual report. The authority shall submit a
22 complete and detailed report of its activities, expenditures,



1 and results to the governor and the legislature at least twenty
2 days prior to the convening of each regular session of the
3 legislature."

4 SECTION 3. Section 36-27, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§36-27 Transfers from special funds for central service**
7 **expenses.** Except as provided in this section, and
8 notwithstanding any other law to the contrary, from time to
9 time, the director of finance, for the purpose of defraying the
10 prorated estimate of central service expenses of government in
11 relation to all special funds, except the:

- 12 (1) Special out-of-school time instructional program fund
13 under section 302A-1310;
- 14 (2) School cafeteria special funds of the department of
15 education;
- 16 (3) Special funds of the University of Hawaii;
- 17 (4) State educational facilities improvement special fund;
- 18 (5) Convention center enterprise special fund under
19 section 201B-8;
- 20 (6) Special funds established by section 206E-6;
- 21 (7) Housing loan program revenue bond special fund;
- 22 (8) Housing project bond special fund;



- 1 (9) Aloha Tower fund created by section 206J-17;
- 2 (10) Funds of the employees' retirement system created by
- 3 section 88-109;
- 4 (11) Unemployment compensation fund established under
- 5 section 383-121;
- 6 (12) Hawaii hurricane relief fund established under chapter
- 7 431P;
- 8 (13) Hawaii health systems corporation special funds;
- 9 (14) Tourism special fund established under section
- 10 201B-11;
- 11 (15) Universal service fund established under chapter 269;
- 12 (16) Emergency and budget reserve fund under section
- 13 328L-3;
- 14 (17) Public schools special fees and charges fund under
- 15 section 302A-1130(f);
- 16 (18) Sport fish special fund under section 187A-9.5;
- 17 (19) Neurotrauma special fund under section 321H-4;
- 18 (20) Deposit beverage container deposit special fund under
- 19 section 342G-104;
- 20 (21) Glass advance disposal fee special fund established by
- 21 section 342G-82;



- 1 (22) Center for nursing special fund under section
2 304A-2163;
- 3 (23) Passenger facility charge special fund established by
4 section 261-5.5;
- 5 (24) Solicitation of funds for charitable purposes special
6 fund established by section 467B-15;
- 7 (25) Land conservation fund established² by section 173A-5;
- 8 (26) Court interpreting services revolving fund under
9 section 607-1.5;
- 10 (27) Trauma system special fund under section 321-22.5;
- 11 (28) Hawaii cancer research special fund;
- 12 (29) Community health centers special fund; ~~and~~
- 13 (30) Emergency medical services special fund; and
- 14 (31) Hawaii entertainment and sports special fund;

15 shall deduct five per cent of all receipts of all other special
16 funds, which deduction shall be transferred to the general fund
17 of the State and become general realizations of the State. All
18 officers of the State and other persons having power to allocate
19 or disburse any special funds shall cooperate with the director
20 in effecting these transfers. To determine the proper revenue
21 base upon which the central service assessment is to be
22 calculated, the director shall adopt rules pursuant to chapter



1 91 for the purpose of suspending or limiting the application of
2 the central service assessment of any fund. No later than
3 twenty days prior to the convening of each regular session of
4 the legislature, the director shall report all central service
5 assessments made during the preceding fiscal year."

6 SECTION 4. Section 36-30, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) Each special fund, except the:

- 9 (1) Transportation use special fund established by section
10 261D-1;
- 11 (2) Special out-of-school time instructional program fund
12 under section 302A-1310;
- 13 (3) School cafeteria special funds of the department of
14 education;
- 15 (4) Special funds of the University of Hawaii;
- 16 (5) State educational facilities improvement special fund;
- 17 (6) Special funds established by section 206E-6;
- 18 (7) Aloha Tower fund created by section 206J-17;
- 19 (8) Funds of the employees' retirement system created by
20 section 88-109;
- 21 (9) Unemployment compensation fund established under
22 section 383-121;



- 1 (10) Hawaii hurricane relief fund established under chapter
- 2 431P;
- 3 (11) Convention center enterprise special fund established
- 4 under section 201B-8;
- 5 (12) Hawaii health systems corporation special funds;
- 6 (13) Tourism special fund established under section
- 7 201B-11;
- 8 (14) Universal service fund established under chapter 269;
- 9 (15) Emergency and budget reserve fund under section
- 10 328L-3;
- 11 (16) Public schools special fees and charges fund under
- 12 section 302A-1130(f);
- 13 (17) Sport fish special fund under section 187A-9.5;
- 14 (18) Neurotrauma special fund under section 321H-4;
- 15 (19) Center for nursing special fund under section
- 16 304A-163;
- 17 (20) Passenger facility charge special fund established by
- 18 section 261-5.5;
- 19 (21) Court interpreting services revolving fund under
- 20 section 607-1.5;
- 21 (22) Trauma system special fund under section 321-22.5;
- 22 (23) Hawaii cancer research special fund;



- 1 (24) Community health centers special fund; ~~[and]~~
2 (25) Emergency medical services special fund; and
3 (26) Hawaii entertainment and sports special fund;

4 shall be responsible for its pro rata share of the
5 administrative expenses incurred by the department responsible
6 for the operations supported by the special fund concerned."

7 SECTION 5. Section 201B-2, Hawaii Revised Statutes, is
8 amended by amending subsection (f) to read as follows:

9 "(f) The board shall appoint an executive director, exempt
10 from chapters 76 and 88 who shall oversee the authority staff;
11 provided that the compensation package, including salary, shall
12 not exceed nine per cent of the five per cent authorized for
13 administrative expenses under section 201B-11(c); and provided
14 further that the compensation package shall not include private
15 sector moneys or other contributions. The board shall set the
16 executive director's duties, responsibilities, holidays,
17 vacations, leaves, hours of work, and working conditions. It
18 may grant such other benefits as it deems necessary.

19 ~~["The board may appoint a sports coordinator, exempt from
20 chapters 76, 78, and 88, who shall provide management services
21 for all sporting events supported through the authority.]"~~



1 SECTION 6. Section 201B-3, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Except as otherwise limited by this chapter, the
4 authority may:

- 5 (1) Sue and be sued;
- 6 (2) Have a seal and alter the same at pleasure;
- 7 (3) Make and execute contracts and all other instruments
8 necessary or convenient for the exercise of its powers
9 and functions under this chapter; provided that the
10 authority may enter into contracts and agreements for
11 a period of up to five years, subject to the
12 availability of funds; and provided further that the
13 authority may enter into agreements for the use of the
14 convention center facility for a period of up to ten
15 years;
- 16 (4) Make and alter bylaws for its organization and
17 internal management;
- 18 (5) Unless otherwise provided in this chapter, adopt rules
19 in accordance with chapter 91 with respect to its
20 projects, operations, properties, and facilities;



- 1 (6) Through its executive director represent the authority
2 in communications with the governor and the
3 legislature;
- 4 (7) Through its executive director, provide for the
5 appointment of officers, agents, and employees,
6 subject to the approval of the board, prescribing
7 their duties and qualifications, and fixing their
8 salaries, without regard to chapters 76 and 78, if
9 there is no anticipated revenue shortfall in the
10 tourism special fund and funds have been appropriated
11 by the legislature and allotted as provided by law;
- 12 (8) Through its executive director purchase supplies,
13 equipment, or furniture;
- 14 (9) Through its executive director allocate the space or
15 spaces that are to be occupied by the authority and
16 appropriate staff;
- 17 (10) Engage the services of qualified persons to implement
18 the State's tourism marketing plan or portions thereof
19 as determined by the authority;
- 20 (11) Engage the services of consultants on a contractual
21 basis for rendering professional and technical
22 assistance and advice;



- 1 (12) Procure insurance against any loss in connection with
2 its property and other assets and operations in
3 amounts and from insurers as it deems desirable;
- 4 (13) Contract for or accept revenues, compensation,
5 proceeds, and gifts or grants in any form from any
6 public agency or any other source, including any
7 revenues or proceeds arising from the operation or use
8 of the convention center;
- 9 (14) Develop, coordinate, and implement state policies and
10 directions for tourism and related activities taking
11 into account the economic, social, and physical
12 impacts of tourism on the State and its natural
13 resources infrastructure; provided that the authority
14 shall support the efforts of other state and county
15 departments or agencies to manage, improve, and
16 protect Hawaii's natural environment and areas
17 frequented by visitors;
- 18 (15) Have a permanent, strong focus on marketing and
19 promotion;
- 20 (16) Conduct market development-related research as
21 necessary;



- 1 (17) Coordinate all agencies and advise the private sector
2 in the development of tourism-related activities and
3 resources;
- 4 (18) Work to eliminate or reduce barriers to travel in
5 order to provide a positive and competitive business
6 environment, including coordinating with the
7 department of transportation on issues affecting
8 airlines and air route development;
- 9 ~~[(19) Market and promote sports-related activities and~~
10 ~~events;~~
- 11 ~~(20)]~~ (19) Coordinate the development of new products with
12 the counties and other persons in the public sector
13 and private sector, including the development of
14 sports, in conjunction with the Hawaii entertainment
15 and sports authority, culture, health and wellness,
16 education, technology, agriculture, and nature
17 tourism;
- 18 ~~[(21)]~~ (20) Establish a public information and educational
19 program to inform the public of tourism and tourism-
20 related problems;
- 21 ~~[(22)]~~ (21) Encourage the development of tourism
22 educational, training, and career counseling programs;



- 1 [~~(23)~~] (22) Establish a program to monitor, investigate, and
2 respond to complaints about problems resulting
3 directly or indirectly from the tourism industry and
4 taking appropriate action as necessary;
- 5 [~~(24)~~] (23) Develop and implement emergency measures to
6 respond to any adverse effects on the tourism
7 industry, pursuant to section 201B-9;
- 8 [~~(25)~~] (24) Set and collect rents, fees, charges, or other
9 payments for the lease, use, occupancy, or disposition
10 of the convention center facility without regard to
11 chapter 91;
- 12 [~~(26)~~] (25) Notwithstanding chapter 171, acquire, lease as
13 lessee or lessor, own, rent, hold, and dispose of the
14 convention center facility in the exercise of its
15 powers and the performance of its duties under this
16 chapter; and
- 17 [~~(27)~~] (26) Acquire by purchase, lease, or otherwise, and
18 develop, construct, operate, own, manage, repair,
19 reconstruct, enlarge, or otherwise effectuate, either
20 directly or through developers, a convention center
21 facility."



1 SECTION 7. Section 201B-7, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The authority may enter into contracts and agreements
4 that include the following:

- 5 (1) Tourism promotion, marketing, and development;
- 6 (2) Market development-related research;
- 7 (3) Product development and diversification issues focused
8 on visitors;

9 ~~[(4) Promotion, development, and coordination of sports-~~
10 ~~related activities and events;~~

11 ~~-(5)]~~ (4) Promotion of Hawaii, through a coordinated
12 statewide effort, as a place to do business, including
13 high technology business, and as a business
14 destination;

15 ~~[-(6)]~~ (5) Reduction of barriers to travel;

16 ~~[-(7)]~~ (6) Marketing, management, use, operation, or
17 maintenance of the convention center facility,
18 including the purchase or sale of goods or services,
19 logo items, concessions, sponsorships, and license
20 agreements, or any use of the convention center
21 facility as a commercial enterprise; provided that
22 effective January 1, 2003, and thereafter the contract



1 for management of the convention center facility shall
2 include marketing for all uses of the facility; and
3 ~~[(8)]~~ (7) Any and all other activities necessary to carry
4 out the intent of this chapter;

5 provided that for any contract or agreement valued at \$25,000
6 and over, the authority shall provide notice to the speaker of
7 the house of representatives and the president of the senate on
8 the same day that such notification is given to the governor."

9 SECTION 8. Section 237D-6.5, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) Revenues collected under this chapter shall be
12 distributed as follows, with the excess revenues to be deposited
13 into the general fund:

14 (1) 17.3 per cent of the revenues collected under this
15 chapter shall be deposited into the convention center
16 enterprise special fund established under section
17 201B-8; provided that beginning January 1, 2002, if
18 the amount of the revenue collected under this
19 paragraph exceeds \$33,000,000 in any calendar year,
20 revenues collected in excess of \$33,000,000 shall be
21 deposited into the general fund;



1 (2) 34.2 per cent of the revenues collected under this
2 chapter shall be deposited into the tourism special
3 fund established under section 201B-11 for tourism
4 promotion and visitor industry research; provided that
5 [beginning]:

6 (A) Beginning on July 1, 2008, the first \$
7 deposited shall be transferred to the Hawaii
8 entertainment and sports special fund established
9 under section -8 for the development of the
10 entertainment and sports industries in the State;

11 (B) Beginning on July 1, 2002, of the [first] next
12 \$1,000,000 in revenues deposited:

13 ~~(A)~~ (i) Ninety per cent shall be deposited into the
14 state parks special fund established in
15 section 184-3.4; and

16 ~~(B)~~ (ii) Ten per cent shall be deposited into the
17 special land and development fund
18 established in section 171-19 for the Hawaii
19 statewide trail and access program;

20 provided that of the 34.2 per cent, 0.5 per cent shall
21 be transferred to a sub-account in the tourism special
22 fund to provide funding for a safety and security



1 budget, in accordance with the Hawaii tourism
2 strategic plan 2005-2015; provided further that of the
3 revenues remaining in the tourism special fund after
4 revenues have been deposited as provided in this
5 paragraph and except for any sum authorized by the
6 legislature for expenditure from revenues subject to
7 this paragraph, beginning July 1, 2007, funds shall be
8 deposited into the tourism emergency trust fund,
9 established in section 201B-10, in a manner sufficient
10 to maintain a fund balance of \$5,000,000 in the
11 tourism emergency trust fund; and

12 (3) 44.8 per cent of the revenues collected under this
13 chapter shall be transferred as follows: Kauai county
14 shall receive 14.5 per cent, Hawaii county shall
15 receive 18.6 per cent, city and county of Honolulu
16 shall receive 44.1 per cent, and Maui county shall
17 receive 22.8 per cent.

18 All transient accommodations taxes shall be paid into the
19 state treasury each month within ten days after collection and
20 shall be kept by the state director of finance in special
21 accounts for distribution as provided in this subsection."



1 SECTION 9. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so
 3 much thereof as may be necessary for fiscal year 2008-2009 to be
 4 deposited into the Hawaii entertainment and sports special fund.

5 SECTION 10. There is appropriated out of the Hawaii
 6 entertainment and sports special fund of the State of Hawaii the
 7 sum of \$ or so much thereof as may be necessary for
 8 fiscal year 2008-2009 for the establishment of the Hawaii
 9 entertainment and sports authority and the development of the
 10 entertainment and sports industries in the State; provided that
 11 the sum appropriated shall be in addition to the sums
 12 appropriated out of the Hawaii entertainment and sports special
 13 fund in the supplemental appropriations Act or any other Act.

14 The sum appropriated shall be expended by the Hawaii
 15 entertainment and sports authority.

16 SECTION 11. Statutory material to be repealed is bracketed
 17 and stricken. New statutory material is underscored.


18 SECTION 12. This Act shall take effect on July 1, 2008.

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INTRODUCED BY:

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Report Title:

Hawaii Entertainment and Sports Authority; Appropriation

Description:

Establishes the Hawaii entertainment and sports authority to market, promote, develop, and coordinate entertainment and sports-related activities and events. Provides for funding and appropriates funds for the authority's establishment and operations.

