
A BILL FOR AN ACT

RELATING TO THE HAWAII TOURISM AUTHORITY.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 DEPARTMENT OF TOURISM

6 § -1 **Definitions.** The following definitions, whenever
7 used in this chapter, shall have the following respective
8 meanings, unless a different meaning clearly appears in the
9 context:

10 "Department" means the department of tourism.

11 "Director" means the director of tourism.

12 § -2 **General powers and duties of the department.** (a)
13 The department shall have general charge, oversight, and care of
14 tourism and related activities in the state. It shall be the
15 objective of the department to promote activities that support,
16 maintain, and expand the state's domestic and international



1 travel market, endeavoring to generate increased visitor
2 expenditures, tax revenue, and employment.

3 § -3 Tourism-related activities. (a) The department
4 may enter into contracts and agreements that include:

- 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) Promotion of Hawaii, through a coordinated statewide
12 effort, as a place to do business, including high
13 technology business, and as a business destination;
- 14 (6) Reduction of barriers to travel;
- 15 (7) Marketing, management, use, operation, or maintenance
16 of the convention center facility, including the
17 purchase or sale of goods or services, logo items,
18 concessions, sponsorships, and license agreements, or
19 any use of the convention center facility as a
20 commercial enterprise; provided that the contract for
21 management of the convention center facility shall
22 include marketing for all uses of the facility; and

1 (8) 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 director shall provide notice to the speaker of
5 the house of representatives and the president of the senate on
6 the same day that notification is given to the governor.

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

11 § -4 Convention center enterprise special fund. (a)

12 There is established the convention center enterprise special
13 fund, into which shall be deposited:

14 (1) A portion of the revenues from the transient
15 accommodations tax, as provided by section 237D-6.5;

16 (2) All revenues or moneys derived from the operations of
17 the convention center to include all revenues from the
18 food and beverage service, all revenues from the
19 parking facilities or from any concession, and all
20 revenues from the sale of souvenirs, logo items, or
21 any other items offered for purchase at the convention
22 center;



1 (3) Private contributions, interest, compensation, gross
2 or net revenues, proceeds, or other moneys derived
3 from any source or for any purpose arising from the
4 use of the convention center facility; and

5 (4) Any appropriations by the legislature, including any
6 transfers from the tourism special fund established
7 under section -6.

8 (b) Moneys in the convention center enterprise special
9 fund shall be used by the department for:

10 (1) The payment of any and all debt service relating to
11 the convention center;

12 (2) Any expense arising from any and all use, operation,
13 maintenance, alteration, improvement, or any
14 unforeseen or unplanned repairs of the convention
15 center, including without limitation the food and
16 beverage service and parking service provided at the
17 convention center facility;

18 (3) The sale of souvenirs, logo items, or other items;

19 (4) Any future major repair, maintenance, and improvement
20 of the convention center facility as a commercial
21 enterprise or as a world-class facility for
22 conventions, entertainment, or public events; and



1 (5) Marketing the facility.

2 (c) Moneys in the convention center enterprise special
3 fund may be:

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

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

11 All interest accruing from investment of the moneys shall be
12 credited to the convention center enterprise special fund.

13 § -5 Tourism emergency trust fund. (a) There is
14 established outside the state treasury a tourism emergency trust
15 fund to be administered by the department as trustee, into which
16 shall be deposited the revenues prescribed by section
17 237D-6.5(b). All investment earnings from moneys in the trust
18 fund shall be credited to the tourism special fund.

19 (b) Moneys in the trust fund shall be used exclusively to
20 provide for the development and implementation of emergency
21 measures to respond to any tourism emergency, upon declaration
22 by the governor that a tourism emergency exists that adversely



1 affects Hawaii's tourism industry by resulting in a substantial
2 interruption in the commerce of the State and adversely
3 affecting the welfare of its people, including providing
4 emergency assistance to tourists during the tourism emergency.

5 (c) Use of the trust fund, consistent with subsection (b),
6 shall be provided for in rules adopted pursuant to chapter 91 by
7 the department as trustee for the trust fund.

8 § -6 Tourism special fund. (a) There is established
9 the tourism special fund, into which shall be deposited:

- 10 (1) A portion of the revenues from any transient
11 accommodations tax, as provided by section 237D-
12 6.5(b);
- 13 (2) Appropriations by the legislature to the tourism
14 special fund;
- 15 (3) Gifts, grants, and other funds accepted by the
16 authority; and
- 17 (4) All interest and revenues or receipts derived by the
18 department from any project or project agreements.

19 (b) Moneys in the tourism special fund may be:

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



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

5 All interest accruing from the investment of these moneys shall
6 be credited to the tourism special fund.

7 (c) Moneys in the tourism special fund shall be used by
8 the department established pursuant to section 26- for the
9 purposes of this chapter; provided that:

10 (1) Not more than five per cent of this amount shall be
11 used for administrative expenses, including \$15,000
12 for a protocol fund to be expended at the discretion
13 of the director; and

14 (2) At least \$1,000,000 shall be made available to support
15 efforts to manage, improve, and protect Hawaii's
16 natural environment and areas frequented by visitors
17 and other related programs.

18 (d) Any remaining balance in the tourism special fund that
19 is not appropriated by the legislature shall be deposited into
20 the general fund.

21 § -7 Seal; rules. The department may adopt a seal and
22 may adopt such rules as it may consider expedient for the



1 conduct of its business. The department may amend or revise the
2 rules from time to time.

3 § -8 Rules and regulations; effect. All rules made by
4 the department shall be made in conformity with chapter 91 and
5 shall have the force and effect of law."

6 SECTION 2. Chapter 26, Hawaii Revised Statutes, is amended
7 by adding a new section to part I to be appropriately designated
8 and to read as follows:

9 "§26- Department of tourism. (a) The department of
10 tourism shall be headed by a single executive to be known as the
11 director of tourism.

12 (b) The department shall be responsible for:

13 (1) Promoting, marketing, and developing the tourism
14 industry in the state;

15 (2) Developing, coordinating, and implementing long-range
16 state policies and directions for tourism and related
17 activities;

18 (3) Coordinating all agencies and advising the private
19 sector in the development of tourism-related
20 activities and resources;

21 (4) Arranging for the conduct of research through
22 contractual services with the University of Hawaii or



1 any agency or other qualified persons concerning
2 social, economic, and environmental aspects of tourism
3 development in the state;

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

6 (6) Establishing a public information and education
7 program to keep the public informed of tourism-related
8 issues and problems;

9 (7) Establishing a program to monitor and investigate
10 complaints regarding issues resulting from the tourism
11 industry, and taking appropriate action as needed;

12 (8) Performing other necessary functions to facilitate the
13 intent of this chapter; and

14 (9) Performing other functions required or authorized by
15 law."

16 SECTION 3. Section 26-4, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "§26-4 Structure of government. Under the supervision of
19 the governor, all executive and administrative offices,
20 departments, and instrumentalities of the state government and
21 their respective functions, powers, and duties shall be



1 allocated among and within the following principal departments
2 that are hereby established:

- 3 (1) Department of human resources development (Section
4 26-5) i
- 5 (2) Department of accounting and general services (Section
6 26-6) i
- 7 (3) Department of the attorney general (Section 26-7) i
- 8 (4) Department of budget and finance (Section 26-8) i
- 9 (5) Department of commerce and consumer affairs (Section
10 26-9) i
- 11 (6) Department of taxation (Section 26-10) i
- 12 (7) University of Hawaii (Section 26-11) i
- 13 (8) Department of education (Section 26-12) i
- 14 (9) Department of health (Section 26-13) i
- 15 (10) Department of human services (Section 26-14) i
- 16 (11) Department of land and natural resources (Section
17 26-15) i
- 18 (12) Department of agriculture (Section 26-16) i
- 19 (13) Department of Hawaiian home lands (Section 26-17) i
- 20 (14) Department of business [~~7~~] and economic development [~~7~~
21 ~~and tourism~~] (Section 26-18) i
- 22 (15) Department of transportation (Section 26-19) i



- 1 (16) Department of labor and industrial relations (Section
2 26-20);
3 (17) Department of defense (Section 26-21);
4 (18) Department of public safety (Section 26-14.6) [-]; and
5 (19) Department of tourism (Section 26-)."

6 SECTION 4. Section 26-52, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§26-52 Department heads and executive officers. The
9 salaries of the following state officers shall be as follows:

- 10 (1) The salary of the superintendent of education shall be
11 set by the board of education at a rate no greater
12 than \$150,000 a year;
- 13 (2) The salary of the president of the University of
14 Hawaii shall be set by the board of regents;
- 15 (3) Effective July 1, 2004, the salaries of all department
16 heads or executive officers of the departments of
17 accounting and general services, agriculture, attorney
18 general, budget and finance, business[-] and economic
19 development, [~~and tourism~~] commerce and consumer
20 affairs, Hawaiian home lands, health, human resources
21 development, human services, labor and industrial
22 relations, land and natural resources, public safety,



1 taxation, tourism, and transportation shall be as last
2 recommended by the executive salary commission.

3 Effective July 1, 2007, and every six years
4 thereafter, the salaries shall be as last recommended
5 by the commission on salaries pursuant to section
6 26-56, unless rejected by the legislature; provided
7 that the salary of the director of tourism shall be
8 the same as the director of labor and industrial
9 relations; and

10 (4) The salary of the adjutant general shall be \$85,302 a
11 year. Effective July 1, 2007, and every six years
12 thereafter, the salary of the adjutant general shall
13 be as last recommended by the commission on salaries
14 pursuant to section 26-56, unless rejected by the
15 legislature, except that if the state salary is in
16 conflict with the pay and allowance fixed by the
17 tables of the regular army or air force of the United
18 States, the latter shall prevail."

19 SECTION 5. Chapter 201, Hawaii Revised Statutes, is
20 amended by amending the title to read:

21 "CHAPTER 201

22 DEPARTMENT OF BUSINESS [] AND ECONOMIC DEVELOPMENT []



1 ~~AND TOURISM] "~~

2 SECTION 6. Section 237D-6.5, Hawaii Revised Statutes, is
3 amended by amending subsection (b) to read as follows:

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

7 (1) 17.3 per cent of the revenues collected under this
8 chapter shall be deposited into the convention center
9 enterprise special fund established under section
10 ~~[201B-8,]~~ -4; provided that beginning January 1,
11 2002, if the amount of the revenue collected under
12 this paragraph exceeds \$33,000,000 in any calendar
13 year, revenues collected in excess of \$33,000,000
14 shall be deposited into the general fund;

15 (2) 34.2 per cent of the revenues collected under this
16 chapter shall be deposited into the tourism special
17 fund established under section ~~[201B-11]~~ -6 for
18 tourism promotion and visitor industry research;
19 provided that beginning on July 1, 2002, of the first
20 \$1,000,000 in revenues deposited:



1 (A) Ninety per cent shall be deposited into the state
2 parks special fund established in section
3 184-3.4; and

4 (B) Ten per cent shall be deposited into the special
5 land and development fund established in section
6 171-19 for the Hawaii statewide trail and access
7 program;

8 provided that of the 34.2 per cent, 0.5 per cent shall
9 be transferred to a sub-account in the tourism special
10 fund to provide funding for a safety and security
11 budget, in accordance with the Hawaii tourism
12 strategic plan 2005-2015; provided further that of the
13 revenues remaining in the tourism special fund after
14 revenues have been deposited as provided in this
15 paragraph and except for any sum authorized by the
16 legislature for expenditure from revenues subject to
17 this paragraph, beginning July 1, 2007, funds shall be
18 deposited into the tourism emergency trust fund,
19 established in section [~~201B-107~~] ____-5, in a manner
20 sufficient to maintain a fund balance of \$5,000,000 in
21 the tourism emergency trust fund; and



1 (3) 44.8 per cent of the revenues collected under this
2 chapter shall be transferred as follows: Kauai county
3 shall receive 14.5 per cent, Hawaii county shall
4 receive 18.6 per cent, city and county of Honolulu
5 shall receive 44.1 per cent, and Maui county shall
6 receive 22.8 per cent.

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

11 SECTION 7. The revisor of statutes shall replace the term
12 "department of business, economic development, and tourism" or
13 like term, as appropriate, whenever it may appear in the Hawaii
14 Revised Statutes, with the term "department of business and
15 economic development," or like term, as the context requires.

16 SECTION 8. Chapter 201B, Hawaii Revised Statutes, is
17 repealed.

18 SECTION 9. All moneys currently in the convention center
19 enterprise special fund, the tourism emergency trust fund, and
20 the tourism special fund shall be transferred into the
21 respective fund of the same name established pursuant to section
22 1 of this Act.



1 SECTION 10. Any contractual obligations entered into by
2 the Hawaii tourism authority shall cease upon repeal of chapter
3 201B, Hawaii Revised Statutes, and any unexpended contractual
4 funds shall lapse to the convention center enterprise special
5 fund, tourism special fund, or the tourism emergency trust fund,
6 correspondingly, as established by this Act.

7 SECTION 11. All appropriations, records, equipment,
8 machines, files, supplies, contracts, books, papers, documents,
9 maps, and other personal property heretofore made, used,
10 acquired, or held by the Hawaii tourism authority relating to
11 the functions transferred to the department of tourism shall be
12 transferred with the functions to which they relate.

13 SECTION 12. All rights, powers, functions, and duties of
14 the Hawaii tourism authority and tourism-related rights, powers,
15 functions, and duties of the department of business, economic
16 development, and tourism, are transferred to the department of
17 tourism.

18 All officers and employees whose functions are transferred
19 by this Act shall be transferred with their functions and shall
20 continue to perform their regular duties upon their transfer,
21 subject to the state personnel laws and this Act.



1 No officer or employee of the State having tenure shall
2 suffer any loss of salary, seniority, prior service credit,
3 vacation, sick leave, or other employee benefit or privilege as
4 a consequence of this Act, and such officer or employee may be
5 transferred or appointed to a civil service position without the
6 necessity of examination; provided that the officer or employee
7 possesses the minimum qualifications for the position to which
8 transferred or appointed; and provided that subsequent changes
9 in status may be made pursuant to applicable civil service and
10 compensation laws.

11 An officer or employee of the State who does not have
12 tenure and who may be transferred or appointed to a civil
13 service position as a consequence of this Act shall become a
14 civil service employee without the loss of salary, seniority,
15 prior service credit, vacation, sick leave, or other employee
16 benefits or privileges and without the necessity of examination;
17 provided that such officer or employee possesses the minimum
18 qualifications for the position to which transferred or
19 appointed.

20 If an office or position held by an officer or employee
21 having tenure is abolished, the officer or employee shall not
22 thereby be separated from public employment, but shall remain in



1 the employment of the State with the same pay and classification
2 and shall be transferred to some other office or position for
3 which the officer or employee is eligible under the personnel
4 laws of the State as determined by the head of the department or
5 the governor.

6 SECTION 13. All rules, policies, procedures, guidelines,
7 and other material adopted or developed by the Hawaii tourism
8 authority and department of business, economic development, and
9 tourism, to implement provisions of the Hawaii Revised Statutes
10 that relate to tourism and which are reenacted or made
11 applicable to the department of tourism by this Act, shall
12 remain in full force and effect until amended or repealed by the
13 department of tourism pursuant to chapter 91, Hawaii Revised
14 Statutes. In the interim, every reference to the Hawaii tourism
15 authority and department of business, economic development and
16 tourism, in those rules, policies, procedures, guidelines, and
17 other material is amended to refer to the department of tourism
18 or director of tourism, as appropriate.

19 SECTION 14. It is the intent of this Act not to jeopardize
20 the receipt of any federal aid nor to impair the obligation of
21 the State or any agency thereof to the holders of any bond
22 issued by the State or by any such agency, and to the extent,



1 and only to the extent, necessary to effectuate this intent, the
2 governor may modify the strict provisions of this Act, but shall
3 promptly report any such modification with reasons therefor to
4 the legislature at its next session thereafter for review by the
5 legislature.

6 SECTION 15. This Act does not affect rights and duties
7 that matured, penalties that were incurred, and proceedings that
8 were begun, before its effective date.

9 SECTION 16. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 17. This Act shall take effect on July 1, 2112.



Report Title:

HTA Repeal; Department of Tourism Establishment

Description:

Repeals the Hawaii Tourism Authority. Establishes the Department of Tourism. Transfers the Convention Center Enterprise Special Fund, Tourism Special Fund, and Tourism Emergency Trust Fund to the Department of Tourism. Renames the Department of Business, Economic Development, and Tourism to the Department of Business and Economic Development. (HB1763 HD2)

