
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. Chapter 201B, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§201B- Applicability of Hawaii public procurement
5 code; convention center contractor. The private contractor that
6 operates the convention center, by its receipt of, directly or
7 indirectly, and expenditure of public funds from the department
8 of business, economic development, and tourism or the Hawaii
9 tourism authority, or both, shall be subject to chapter 103D."

10 SECTION 2. Section 102-2, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The bidding requirements of subsection (a) shall not
13 apply to concessions or space on public property set aside for
14 the following purposes:

15 (1) For operation of ground transportation services and
16 parking lot operations at airports, except for motor
17 vehicle rental operations under chapter 437D;



- 1 (2) For lei vendors;
- 2 (3) For airline and aircraft operations;
- 3 (4) For automatic teller machines and vending machines,
4 except vending machines located at public schools
5 operated by blind or visually handicapped persons in
6 accordance with section 302A-412;
- 7 (5) For operation of concessions set aside without any
8 charge;
- 9 (6) For operation of concessions by handicapped or blind
10 persons; except concessions operated in the public
11 schools by blind or visually handicapped persons in
12 accordance with section 302A-412;
- 13 (7) For operation of concessions on permits revocable on
14 notice of thirty days or less; provided that no such
15 permits shall be issued for more than a one year
16 period;
- 17 (8) For operation of concessions or concession spaces for
18 a beach service association dedicated to the
19 preservation of the Hawaii beach boy tradition,
20 incorporated as a nonprofit corporation in accordance
21 with state law, and whose members are appropriately
22 licensed or certified as required by law;



1 (9) For operation of concessions at county zoos, botanic
 2 gardens, or other county parks which are
 3 environmentally, culturally, historically, or
 4 operationally unique and are supported, by nonprofit
 5 corporations incorporated in accordance with state law
 6 solely for purposes of supporting county aims and
 7 goals of the zoo, botanic garden, or other county
 8 park, and operating under agreement with the
 9 appropriate agency solely for such purposes, aims, and
 10 goals;

11 (10) For operation of concessions that furnish goods or
 12 services for which there is only one source, as
 13 determined by the head of the awarding government
 14 agency in writing that shall be included in the
 15 contract file;

16 [~~(11) For operation of concession or concession spaces at~~
 17 ~~the convention center under chapter 201B;~~] and

18 [~~(12)~~] (11) For any of the operations of the Hawaii health
 19 systems corporation and its regional system boards."

20 SECTION 3. Section 201B-2, Hawaii Revised Statutes, is
 21 amended to read as follows:

1 "**§201B-2 Hawaii tourism authority; establishment; board;**
2 [~~staff.~~] **president and chief executive officer.** (a) There is
3 established the Hawaii tourism authority, which shall be a body
4 corporate and a public instrumentality of the State, for the
5 purpose of implementing this chapter. The authority shall be
6 placed within the department of business, economic development,
7 and tourism for administrative purposes only.

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

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

14 (2) The twelve public, voting members shall be composed of
15 at least one representative each from the city and
16 county of Honolulu and the counties of Hawaii, Kauai,
17 and Maui; the remaining public members shall be
18 appointed at-large;

19 (3) Of the twelve public, voting members, three shall be
20 appointed by the governor from a list of three names
21 submitted for each appointment by the president of the
22 senate, and three shall be appointed by the governor



1 from a list of three names submitted for each
2 appointment by the speaker of the house of
3 representatives; provided that if fewer than three
4 names are submitted for each appointment, the governor
5 may disregard the list;

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

16 (5) The governor shall make appointments to ensure the
17 fulfillment of all requirements; provided that any
18 appointments made after July 1, 2002, shall be made to
19 fulfill the requirements in place when the
20 appointments are made;



1 (6) The director of business, economic development, and
2 tourism, or a designated representative, shall be an
3 ex officio nonvoting member;

4 (7) The director of transportation, or a designated
5 representative, shall be an ex officio nonvoting
6 member;

7 (8) The chairperson of the board of land and natural
8 resources, or a designated representative, shall be an
9 ex officio nonvoting member;

10 (9) The executive director of the state foundation on
11 culture and the arts, or a designated representative,
12 shall be an ex officio nonvoting member; and

13 (10) No person who has served as a member of the board of
14 directors of the Hawaii Visitors and Convention Bureau
15 shall be eligible to sit as a public, voting member of
16 the board of directors of the Hawaii tourism authority
17 until at least two years have expired between the
18 person's termination from service on the Hawaii
19 Visitors and Convention Bureau board and the person's
20 appointment to the authority's board of directors.

21 (c) The public members shall be appointed by the governor
22 for terms of four years. Each public member shall hold office



1 until the member's successor is appointed and qualified.

2 Section 26-34 shall be applicable insofar as it relates to the
3 number of terms and consecutive number of years a member may
4 serve on the board.

5 (d) The board shall elect a chairperson from among the
6 voting members. The director of business, economic development,
7 and tourism or the designated representative shall not be
8 chairperson of the board.

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

15 (f) The board shall appoint [~~an executive director,~~] an
16 individual to serve as president and chief executive officer,
17 exempt from chapters 76 and 88 who shall oversee the authority
18 staff; provided that the compensation package, including salary,
19 shall not exceed nine per cent of the five per cent authorized
20 for administrative expenses under section 201B-11(c); and
21 provided further that the compensation package shall not include
22 [~~private sector~~] private-sector moneys or other contributions.



1 The board shall set the [~~executive director's~~] president and
2 chief executive officer's duties, responsibilities, holidays,
3 vacations, leaves, hours of work, and working conditions. It
4 may grant [~~such~~] other benefits as it deems necessary.

5 [~~The board may appoint a sports coordinator, exempt from~~
6 ~~chapters 76, 78, and 88, who shall provide management services~~
7 ~~for all sporting events supported through the authority.~~

8 [~~(g) The authority may employ persons not subject to~~
9 ~~chapters 76 and 78 to perform and execute the functions of the~~
10 ~~authority.]"~~

11 SECTION 4. Section 201B-3, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

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

15 (1) Sue and be sued;

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

17 (3) [~~Make~~] Through its president and chief executive
18 officer, make and execute contracts and all other
19 instruments necessary or convenient for the exercise
20 of its powers and functions under this chapter;
21 provided that the authority may enter into contracts
22 and agreements for a period of up to five years,



1 subject to the availability of funds; and provided
2 further that the authority may enter into agreements
3 for the use of the convention center facility for a
4 period of up to ten years;

5 (4) Make and alter bylaws for its organization and
6 internal management;

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

10 (6) Through its [~~executive director~~] president and chief
11 executive officer, represent the authority in
12 communications with the governor and the legislature;

13 (7) Through its [~~executive director~~], president and chief
14 executive officer, provide for the appointment of
15 officers, agents, a sports coordinator, and employees,
16 subject to the approval of the board, prescribing
17 their duties and qualifications, and fixing their
18 salaries, without regard to chapters 76 and 78, if
19 there is no anticipated revenue shortfall in the
20 tourism special fund and funds have been appropriated
21 by the legislature and allotted as provided by law;



- 1 (8) Through its [~~executive director~~] president and chief
2 executive officer, purchase supplies, equipment, or
3 furniture;
- 4 (9) Through its [~~executive director~~] president and chief
5 executive officer, allocate the space or spaces that
6 are to be occupied by the authority and appropriate
7 staff;
- 8 (10) [~~Engage~~] Through its president and chief executive
9 officer, engage the services of qualified persons to
10 implement the State's tourism marketing plan or
11 portions thereof as determined by the authority;
- 12 (11) [~~Engage~~] Through its president and chief executive
13 officer, engage the services of consultants on a
14 contractual basis for rendering professional and
15 technical assistance and advice;
- 16 (12) Procure insurance against any loss in connection with
17 its property and other assets and operations in
18 amounts and from insurers as it deems desirable;
- 19 (13) Contract for or accept revenues, compensation,
20 proceeds, and gifts or grants in any form from any
21 public agency or any other source, including any



- 1 revenues or proceeds arising from the operation or use
2 of the convention center;
- 3 (14) Develop, coordinate, and implement state policies and
4 directions for tourism and related activities taking
5 into account the economic, social, and physical
6 impacts of tourism on the State and its natural
7 resources infrastructure; provided that the authority
8 shall support the efforts of other state and county
9 departments or agencies to manage, improve, and
10 protect Hawaii's natural environment and areas
11 frequented by visitors;
- 12 (15) Have a permanent, strong focus on marketing and
13 promotion;
- 14 (16) Conduct market development-related research as
15 necessary;
- 16 (17) Coordinate all agencies and advise the private sector
17 in the development of tourism-related activities and
18 resources;
- 19 (18) Work to eliminate or reduce barriers to travel [~~in~~
20 ~~order~~] to provide a positive and competitive business
21 environment, including coordinating with the



- 1 department of transportation on issues affecting
2 airlines and air route development;
- 3 (19) Market and promote sports-related activities and
4 events;
- 5 (20) Coordinate the development of new products with the
6 counties and other persons in the public sector and
7 private sector, including the development of sports,
8 culture, health and wellness, education, technology,
9 agriculture, and nature tourism;
- 10 (21) Establish a public information and educational program
11 to inform the public of tourism and tourism-related
12 problems;
- 13 (22) Encourage the development of tourism educational,
14 training, and career counseling programs;
- 15 (23) Establish a program to monitor, investigate, and
16 respond to complaints about problems resulting
17 directly or indirectly from the tourism industry and
18 taking appropriate action as necessary;
- 19 (24) Develop and implement emergency measures to respond to
20 any adverse effects on the tourism industry, pursuant
21 to section 201B-9;



- 1 (25) Set and collect rents, fees, charges, or other
2 payments for the lease, use, occupancy, or disposition
3 of the convention center facility without regard to
4 chapter 91;
- 5 (26) Notwithstanding chapter 171, acquire, lease as lessee
6 or lessor, own, rent, hold, and dispose of the
7 convention center facility in the exercise of its
8 powers and the performance of its duties under this
9 chapter; and
- 10 (27) Acquire by purchase, lease, or otherwise, and develop,
11 construct, operate, own, manage, repair, reconstruct,
12 enlarge, or otherwise effectuate, either directly or
13 through developers, a convention center facility."

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

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

- 18 (1) Tourism promotion, marketing, and development;
19 (2) Market development-related research;
20 (3) Product development and diversification issues focused
21 on visitors;



1 (4) Promotion, development, and coordination of sports-
2 related activities and events;

3 (5) Promotion of Hawaii, through a coordinated statewide
4 effort, as a place to do business, including high
5 technology business, and as a business destination;

6 (6) Reduction of barriers to travel;

7 ~~[(7)]~~ Marketing, management, use, operation, or maintenance
8 of the convention center facility, including the
9 purchase or sale of goods or services, logo items,
10 concessions, sponsorships, and license agreements, or
11 any use of the convention center facility as a
12 commercial enterprise; provided that effective
13 January 1, 2003, and thereafter the contract for
14 management of the convention center facility shall
15 include marketing for all uses of the facility; and

16 ~~[(8)]~~ Any and all other activities necessary to carry out
17 the intent of this chapter;

18 provided that ~~[for any contract or agreement valued at \$25,000~~
19 ~~and over,]~~ the authority shall ~~[provide notice to]~~ periodically
20 submit a report of the contracts and agreements entered into by
21 the authority to the governor, the speaker of the house of



1 representatives, and the president of the senate [~~on the same~~
2 ~~day that such notification is given to the governor~~]."

3 SECTION 6. Section 201B-11, Hawaii Revised Statutes, is
4 amended by amending subsection (c) to read as follows:

5 "(c) Moneys in the tourism special fund shall be used by
6 the authority for the purposes of this chapter; provided that:

7 (1) Not more than five per cent of this amount shall be
8 used for administrative expenses, including \$15,000
9 for a protocol fund to be expended at the discretion
10 of the [~~executive director;~~] president and chief
11 executive officer; and

12 (2) At least \$1,000,000 shall be made available to support
13 efforts to manage, improve, and protect Hawaii's
14 natural environment and areas frequented by visitors."

15 SECTION 7. Act 58, Session Laws of Hawaii 2004, as amended
16 by section 50 of Act 22, Session Laws of Hawaii 2005, as amended
17 by section 1 of Act 306, Session Laws of Hawaii 2006, is amended
18 by amending section 14 to read as follows:

19 "SECTION 14. This Act shall take effect upon its approval;
20 provided that:

21 (1) The amendments made to sections 40-1, 40-4, and 40-6,
22 Hawaii Revised Statutes, by part I of this Act shall



1 not be repealed when those sections are reenacted on
2 June 30, 2006, by section 1 of Act 137, Session Laws
3 of Hawaii 2005;

4 (2) [~~Part~~] Sections 3, 4, 5, 6, and 7 of part I shall be
5 repealed on June 30, 2010, and sections [~~28-8.3,~~
6 201B-2[~~7~~] and 201B-11, Hawaii Revised Statutes, shall
7 be reenacted in the form in which they read on May 5,
8 2004, and sections 40-1, 40-4, and 40-6, Hawaii
9 Revised Statutes, shall be reenacted in the form in
10 which they read on June 30, 1986; and

11 (3) Section 9 shall take effect on July 1, 2004."

12 SECTION 8. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 9. This Act shall take effect July 1, 2020.



Report Title:

HTA; President and CEO; Convention Center; Procurement Code

Description:

Makes private contractor operating the Hawaii Convention Center subject to the Hawaii procurement code. Renames and clarifies the duties of the Executive Director of the Hawaii Tourism Authority (HTA). Removes the sunset date for certain provisions of Act 58, Session Laws of Hawaii 2004, relating to HTA. Effective July 1, 2020. (SB1167 HD1)

