
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 the
5 following:

- 6 (1) Tourism promotion, marketing, and development;
- 7 (2) Market development-related research;
- 8 (3) Product development and diversification issues focused
9 on visitors;
- 10 (4) Promotion, development, and coordination of sports-
11 related activities and events;
- 12 (5) Promotion of Hawaii, through a coordinated statewide
13 effort, as a place to do business, including high
14 technology business, and as a business destination;
- 15 (6) Reduction of barriers to travel;
- 16 (7) Marketing, management, use, operation, or maintenance
17 of the convention center facility, including the
18 purchase or sale of goods or services, logo items,
19 concessions, sponsorships, and license agreements, or
20 any use of the convention center facility as a
21 commercial enterprise; provided that thereafter the
22 contract for management of the convention center

1 facility shall include marketing for all uses of the
2 facility; and

3 (8) Any and all other activities necessary to carry out
4 the intent of this chapter;

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

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

13 **§ -4 Convention center enterprise special fund.** (a)

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

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

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

1 any other items offered for purchase at the convention
2 center;

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

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

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

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

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

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

21 (4) Any future major repair, maintenance, and improvement
22 of the convention center facility as a commercial

1 enterprise or as a world class facility for
2 conventions, entertainment, or public events; and

3 (5) Marketing the facility.

4 (c) Moneys in the convention center enterprise special
5 fund may be:

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

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

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

15 **§ -5 Tourism emergency trust fund.** (a) There is
16 established outside the state treasury a tourism emergency trust
17 fund to be administered by the department as trustee, into which
18 shall be deposited the revenues prescribed by section
19 237D-6.5(b). All investment earnings from moneys in the trust
20 fund shall be credited to the tourism special fund.

21 (b) Moneys in the trust fund shall be used exclusively to
22 provide for the development and implementation of emergency

1 measures to respond to any tourism emergency, upon declaration
2 by the governor that a tourism emergency exists that adversely
3 affects Hawaii's tourism industry by resulting in a substantial
4 interruption in the commerce of the State and adversely
5 affecting the welfare of its people, including providing
6 emergency assistance to tourists during the declared emergency.

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

10 § -6 **Tourism special fund.** (a) There is established
11 the tourism special fund, into which shall be deposited:

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

20 (b) Moneys in the tourism 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 department until such time
5 as the moneys may be needed; provided that the
6 department shall limit its investments to those listed
7 in section 36-21.

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

10 (c) Moneys in the tourism special fund shall be used by
11 the department for the purposes of this chapter; provided that:

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

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

20 (d) In any given fiscal year, any remaining balance in the
21 tourism special fund that is not appropriated by the legislature
22 shall be deposited into the general fund.

1 § -7 **Seal; rules.** The department may adopt a seal and
2 may adopt rules in accordance with chapter 91 for the purposes
3 of this chapter. All rules adopted by the department shall have
4 the force and effect of law. The department may amend or revise
5 its rules from time to time."

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

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) [~~7~~]

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[~~7~~] and economic
19 development, [~~and tourism, 7~~] 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 [7] 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-10,7~~] -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. Chapter 201B, Hawaii Revised Statutes, is
12 repealed.

13 SECTION 8. All moneys currently in the convention center
14 enterprise special fund, the tourism emergency trust fund, and
15 the tourism special fund shall be transferred with each
16 respective fund established pursuant to section 1 of this Act.

17 SECTION 9. All appropriations, contracts, records,
18 equipment, machines, files, supplies, books, papers, documents,
19 maps, and other personal property heretofore made, used,
20 acquired, or held by the Hawaii tourism authority relating to
21 the functions transferred to the department of tourism shall be
22 transferred with the functions to which they relate.

1 SECTION 10. (a) The governor shall convene a working
2 group on interagency relations to develop a comprehensive plan
3 for transferring certain rights, powers, functions, duties, and
4 resources, to the newly established department of tourism,
5 including those related to the Hawaii tourism authority,
6 pursuant to this Act.

7 (b) The comprehensive plan shall identify:

8 (1) Each position to be transferred by position number;
9 and

10 (2) All moneys budgeted in support of each position to be
11 transferred, including moneys for direct and indirect
12 employee benefits, at the lowest level on the state
13 program structure.

14 (c) The working group shall include the following
15 individuals or their designees:

16 (1) Three members appointed by the president of the
17 senate;

18 (2) Three members appointed by the speaker of the house of
19 representatives;

20 (3) Three members appointed by the governor;

21 (4) The attorney general or the attorney general's
22 designee; and

1 (5) The executive director of the Hawaii tourism
2 authority.

3 SECTION 11. The working group on interagency relations
4 shall cease to exist on June 30, 2012.

5 SECTION 12. This Act does not affect rights and duties
6 that matured, penalties that incurred, and proceedings that
7 began, before its effective date.

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

13 SECTION 14. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 15. This Act shall take effect on January 1, 2050;
16 provided that the department of tourism established pursuant to
17 section 1 of this Act shall be established as a fully
18 functioning state department on January 1, 2011.

Report Title:

Hawaii Tourism Authority; Department of Tourism; Tourism
Emergency Trust Fund; Tourism Special Fund; Convention Center
Enterprise Special Fund

Description:

Repeals the Hawaii tourism authority; establishes the department
of tourism; establishes an interagency working group to
facilitate the transitioning of the department of tourism;
transfers the convention center enterprise special fund, the
tourism special fund, and the 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. Effective 1/1/2050. (SD2)