
A BILL FOR AN ACT

RELATING TO TOURISM.

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

1 SECTION 1. Section 201-3, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§201-3 Specific research and promotional functions of the**
4 **department.** Without prejudice to its general functions and
5 duties, the department of business, economic development, and
6 tourism shall have specific functions in the following areas:

7 (1) Industrial development. The department shall
8 [~~determine~~]:

9 (A) Determine through technical and economic surveys
10 the profit potential of new or expanded
11 industrial undertakings; [~~develop~~]

12 (B) Develop through research projects and other means
13 new and improved industrial products and
14 processes; [~~promote~~]

15 (C) Promote studies and surveys to determine consumer
16 preference as to design and quality and to
17 determine the best methods of packaging,



1 transporting, and marketing the [~~State's~~] state's
2 industrial products; [~~disseminate~~]

3 (D) Disseminate information to assist the present
4 industries of the [~~State,~~] state, to attract new
5 industries to the [~~State,~~] state, and to
6 encourage capital investment in present and new
7 industries in the [~~State; assist~~] state;

8 (E) Assist associations of producers and distributors
9 of industrial products to introduce these
10 products to consumers; and [~~make~~]

11 (F) Make grants or contracts as may be necessary or
12 advisable to accomplish the foregoing;

13 (2) Land development. The department shall [~~encourage~~]:

14 (A) Encourage the most productive use of all land in
15 the [~~State~~] state in accordance with a general
16 plan developed by the department; [~~encourage~~]

17 (B) Encourage the improvement of land tenure
18 practices on leased private lands; [~~promote~~]

19 (C) Promote an informational program directed to
20 landowners, producers of agricultural and
21 industrial commodities, and the general public
22 regarding the most efficient and most productive



1 use of the lands in the [~~State; and make~~] state;
2 and

3 (D) Make grants or contracts as may be necessary or
4 advisable to accomplish the foregoing;

5 (3) Credit development. The department shall [~~conduct~~]:

6 (A) Conduct continuing study of agricultural and
7 industrial credit needs; [~~encourage~~]

8 (B) Encourage the development of additional private
9 and public credit sources for agricultural and
10 industrial enterprises; [~~promote~~]

11 (C) Promote an informational program to acquaint
12 financial institutions with agricultural and
13 industrial credit needs and the potential for
14 agricultural and industrial expansion, and inform
15 producers of agricultural and industrial products
16 as to the manner in which to qualify for loans;
17 and [~~make~~]

18 (D) Make grants or contracts as may be necessary or
19 advisable to accomplish the foregoing;

20 (4) Promotion. The department shall disseminate
21 information developed for or by the department
22 pertaining to economic development to assist present



1 industry in the [~~State,~~] state, attract new industry
2 and investments to the [~~State,~~] state, and assist new
3 and emerging industry with good growth potential or
4 prospects in jobs, exports, and new products. The
5 industrial and economic promotional activities of the
6 department may include the use of literature,
7 advertising, demonstrations, displays, market testing,
8 lectures, travel, motion picture and slide films, and
9 other promotional and publicity devices as may be
10 appropriate;

11 [~~(5) Tourism research and statistics. The department shall~~
12 ~~maintain a program of research and statistics for the~~
13 ~~purpose of:~~

14 ~~(A) Measuring and analyzing tourism trends;~~

15 ~~(B) Providing information and research to assist in~~
16 ~~the development and implementation of state~~
17 ~~tourism policy;~~

18 ~~(C) Encouraging and arranging for the conduct of~~
19 ~~tourism research and information development~~
20 ~~through voluntary means or through contractual~~
21 ~~services with qualified agencies, firms, or~~
22 ~~persons; and~~



1 ~~(D) Providing tourism information to policy makers,~~
2 ~~the public, and the visitor industry. This~~
3 ~~includes:~~

4 ~~(i) Collecting and publishing visitor-related~~
5 ~~data including visitor arrivals, visitor~~
6 ~~characteristics and expenditures;~~

7 ~~(ii) Collecting and publishing hotel-related~~
8 ~~statistics including the number of units~~
9 ~~available, occupancy rates, and room rates;~~

10 ~~(iii) Collecting and publishing airline-related~~
11 ~~data including seat capacity and number of~~
12 ~~flights;~~

13 ~~(iv) Collecting information and conducting~~
14 ~~analyses of the economic, social, and~~
15 ~~physical impacts of tourism on the State;~~

16 ~~(v) Conducting periodic studies of the impact of~~
17 ~~ongoing marketing programs of the Hawaii~~
18 ~~tourism authority on Hawaii's tourism~~
19 ~~industry, employment in Hawaii, state taxes,~~
20 ~~and the State's lesser known and~~
21 ~~underutilized destinations; and~~



1 ~~(vi) Cooperate with the Hawaii tourism authority~~
2 ~~and provide it with the above information in~~
3 ~~a timely manner;]~~ and

4 [~~(6)~~] (5) Self-sufficiency standard. The department shall
5 establish and update biennially a self-sufficiency
6 standard that shall incorporate existing methods of
7 calculation, and shall reflect, at a minimum, costs
8 relating to housing, food, child care, transportation,
9 health care, clothing and household expenses, federal
10 and state tax obligations, family size, children's
11 ages, geography, and the number of household wage
12 earners. The department shall report to the
13 legislature concerning the self-sufficiency standard
14 no later than twenty days prior to the convening of
15 the regular session of 2009, and every odd-numbered
16 year thereafter. The recommendations shall address,
17 among other things, the [~~utilization~~] use of any
18 federal funding that may be available for the purposes
19 of establishing and updating the self-sufficiency
20 standard.

21 The department shall be the central agency to coordinate
22 film permit activities in the [~~State-~~] state."



1 SECTION 2. Section 201B-2, Hawaii Revised Statutes, is
2 amended by amending subsections (b), (c), (d), and (e) to read
3 as follows:

4 "(b) The authority shall be headed by a policy-making
5 board of directors [~~which consists~~] that shall consist of twelve
6 [~~public, voting~~] members [~~, and four ex officio nonvoting~~
7 ~~members~~]; provided that:

8 (1) [~~Twelve public, voting~~] The members shall be appointed
9 by the governor as provided in section 26-34, except
10 as otherwise provided by law;

11 (2) The [~~twelve public, voting~~] members shall be composed
12 of at least one representative each from the city and
13 county of Honolulu and the counties of Hawaii, Kauai,
14 and Maui; the remaining [~~public~~] members shall be
15 appointed at-large;

16 (3) [~~Of the twelve public, voting members, three~~] Three
17 members shall be appointed by the governor from a list
18 of three names submitted for each appointment by the
19 president of the senate, and three shall be appointed
20 by the governor from a list of three names submitted
21 for each appointment by the speaker of the house of
22 representatives; provided that if fewer than three



1 names are submitted for each appointment, the governor
2 may disregard the list;

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

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

18 [~~(6) The director of business, economic development, and~~
19 ~~tourism, or a designated representative, shall be an~~
20 ~~ex officio nonvoting member;~~



1 ~~(7) The director of transportation, or a designated~~
2 ~~representative, shall be an ex officio nonvoting~~
3 ~~member;~~

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

7 ~~(9) The executive director of the state foundation on~~
8 ~~culture and the arts, or a designated representative,~~
9 ~~shall be an ex officio nonvoting member;]~~ and

10 ~~[(10)]~~ (6) No person who has served as a member of the board
11 of directors of the Hawaii Visitors and Convention
12 Bureau shall be eligible to sit as a [~~public, voting~~]
13 member of the board of directors of the Hawaii tourism
14 authority until at least two years have expired
15 between the person's termination from service on the
16 Hawaii Visitors and Convention Bureau board and the
17 person's appointment to the authority's board of
18 directors.

19 (c) [~~The public members~~] Members shall be appointed by the
20 governor for terms of four years. Each [~~public~~] member shall
21 hold office until the member's successor is appointed and
22 qualified. Section 26-34 shall be applicable insofar as it



1 relates to the number of terms and consecutive number of years a
2 member may serve on the board.

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

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

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

15 "(b) In accordance with subsection (a), the authority
16 shall [~~be responsible for developing~~] develop measures of
17 effectiveness to assess the overall benefits and effectiveness
18 of the marketing plan and include documentation of the directly
19 attributable benefits of the plan to the following:

- 20 (1) Hawaii's tourism industry;
21 (2) Employment in Hawaii;
22 (3) State taxes; and



1 (4) The State's lesser known and [~~underutilized~~] underused
2 destinations."

3 SECTION 4. Section 201B-7, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

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

7 (1) Tourism promotion, marketing, and development;

8 (2) Market development-related research;

9 (3) Product development and diversification issues focused
10 on visitors;

11 (4) Promotion, development, and coordination of sports-
12 related activities and events;

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

16 (6) Reduction of barriers to travel;

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



1 1, 2003, and thereafter, the contract for management
2 of the convention center facility shall include
3 marketing for all uses of the facility; ~~and]~~

4 ~~[+]~~ (8) ~~[+]~~ Tourism research and statistics to:

5 (A) Measure and analyze tourism trends;

6 (B) Provide information and research to assist in the
7 development and implementation of state tourism
8 policy;

9 (C) Provide tourism information on:

10 (i) Visitor arrivals, visitor characteristics,
11 and expenditures;

12 (ii) The number of transient accommodation units
13 available, occupancy rates, and room rates;

14 (iii) Airline-related data including seat capacity
15 and number of flights;

16 (iv) The economic, social, and physical impacts
17 of tourism on the state; and

18 (v) The impact of ongoing marketing programs of
19 the authority on Hawaii's tourism industry,
20 employment in Hawaii, state taxes, and the
21 state's lesser known and underused
22 destinations;



1 and

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

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

8 SECTION 5. Section 201B-9, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "~~§~~201B-9~~§~~ **Tourism emergency.** (a) If the board
11 determines that the occurrence of a world conflict, terrorist
12 threat, national or global economic crisis, natural disaster,
13 outbreak of disease, or other catastrophic event, regardless of
14 when or where it occurs, adversely affects Hawaii's tourism
15 industry by resulting in a substantial interruption in the
16 commerce of the State and adversely affecting the welfare of its
17 people, the board shall submit a request to the governor to
18 declare that a tourism emergency exists.

19 (b) Upon declaration by the governor that a tourism
20 emergency exists pursuant to subsection (a), the authority shall
21 develop and implement measures to respond to the tourism
22 emergency, including providing assistance to tourists during the



1 emergency; provided that any tourism emergency response measure
2 implemented pursuant to this subsection shall not include any
3 provision that would adversely affect the organized labor force
4 in tourism-related industries. With respect to a national or
5 global economic crisis only, in addition to the governor's
6 declaration of the existence of a tourism emergency, no action
7 in response to the tourism emergency declaration may be taken by
8 the authority without the governor's express approval."

9 SECTION 6. Section 201B-13, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "[+]§201B-13[+] **Assistance by state and county**
12 **agencies[-]; advisory group.** (a) Any state or county agency
13 may render services upon request of the authority.

14 (b) The authority shall establish an advisory group, which
15 shall include the director of business, economic development,
16 and tourism, director of transportation, chairperson of the
17 board of land and natural resources, and executive director of
18 the state foundation on culture and the arts to advise the
19 authority on matters relating to their respective departments or
20 agency in the preparation and execution of:

21 (1) Measures to respond to tourism emergencies pursuant to
22 section 201B-9;



- 1 (2) Programs for the management, improvement, and
- 2 protection of Hawaii's natural environment and other
- 3 areas frequented by visitors;
- 4 (3) Measures to address issues affecting airlines, air
- 5 routes, and barriers to travel to Hawaii; and
- 6 (4) Programs to perpetuate the cultures of Hawaii and
- 7 engage local communities to sustain and preserve the
- 8 native Hawaiian culture."

9 SECTION 7. 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 on July 1, 2002, of]~~:

6 (A) Not less than _____ per cent of the revenues
7 deposited shall be used for tourism product
8 development and cultural programs;

9 (B) Of the first \$1,000,000 in revenues deposited:

10 ~~[(A)]~~ (i) Ninety per cent shall be deposited into the
11 state parks special fund established in
12 section 184-3.4; and

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

17 ~~[provided that of the 34.2 per cent,]~~

18 (C) 0.5 per cent shall be transferred to a sub-
19 account in the tourism special fund to provide
20 funding for a safety and security budget, in
21 accordance with the Hawaii tourism strategic plan
22 2005-2015; ~~[provided further that of]~~ and



1 (D) Of the revenues remaining in the tourism special
2 fund after revenues have been deposited as
3 provided in this paragraph and except for any sum
4 authorized by the legislature for expenditure
5 from revenues subject to this paragraph,
6 [~~beginning July 1, 2007,~~] funds shall be
7 deposited into the tourism emergency trust fund,
8 established in section 201B-10, in a manner
9 sufficient to maintain a fund balance of
10 \$5,000,000 in the tourism emergency trust fund;

11 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 8. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 9. This Act shall take effect upon its approval,
4 except that section 7 shall take effect on July 1, 2009.



Report Title:

Tourism; HTA Board; Tourism Emergency

Description:

Makes technical amendment to tourism law regarding development of measures of effectiveness. Removes ex-officio members from the Hawaii Tourism Authority (HTA) Board and places them in an advisory group to HTA. Expands the scope of a tourism emergency to include a national or global economic crisis. Transfers tourism-related functions from the Department of Business, Economic Development, and Tourism to HTA. Earmarks an unspecified percentage of moneys allocated to the Tourism Special Fund from the Transient Accommodations Tax to be used for tourism product development and cultural programs. (SB264 HD1)

