
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 effective
21 January 1, 2003, and thereafter the contract for



1 management of the convention center facility shall
2 include marketing for all uses of the 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 such 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, for
21 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 (4) 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 tourism 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 established pursuant to section 26- for the
12 purposes of this chapter; provided that:

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

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



1 (d) Any remaining balance in the tourism special fund that
2 is not appropriated by the legislature shall be deposited into
3 the general fund.

4 § -7 **Seal; rules and regulations.** The department may
5 adopt a seal and may adopt such rules and regulations as it may
6 consider expedient for the conduct of its business. The
7 department may amend or revise such rules and regulations from
8 time to time.

9 § -8 **Rules and regulations; effect.** All rules and
10 regulations made by the department shall be made in conformity
11 with chapter 91. They shall have the force and effect of law."

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

15 "§26- Department of tourism. (a) The department of
16 tourism shall be headed by single executive to be known as the
17 director of tourism.

18 (b) The department shall be responsible for:

19 (1) Promoting, marketing, and developing the tourism
20 industry in the state;



- 1 (2) Developing, coordinating, and implementing long-range
2 state policies and directions for tourism and related
3 activities;
- 4 (3) Coordinating all agencies and advising the private
5 sector in the development of tourism-related
6 activities and resources;
- 7 (4) Arranging for the conduct of research through
8 contractual services with the University of Hawaii or
9 any agency or other qualified persons concerning
10 social, economic, and environmental aspects of tourism
11 development in the state;
- 12 (5) Providing technical or other assistance to agencies
13 and private industry upon request;
- 14 (6) Establishing a public information and education
15 program to keep the public informed of tourism-related
16 issues and problems;
- 17 (7) Establishing a program to monitor and investigate
18 complaints regarding issues resulting from the tourism
19 industry, and taking appropriate action as needed;
- 20 (8) Performing other necessary functions to facilitate the
21 intent of this chapter; and



1 (9) Performing other functions required or authorized by
2 law."

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

5 "**§26-4 Structure of government.** Under the supervision of
6 the governor, all executive and administrative offices,
7 departments, and instrumentalities of the state government and
8 their respective functions, powers, and duties shall be
9 allocated among and within the following principal departments
10 that are hereby established:

11 (1) Department of human resources development (Section
12 26-5);

13 (2) Department of accounting and general services (Section
14 26-6);

15 (3) Department of the attorney general (Section 26-7);

16 (4) Department of budget and finance (Section 26-8);

17 (5) Department of commerce and consumer affairs (Section
18 26-9);

19 (6) Department of taxation (Section 26-10);

20 (7) University of Hawaii (Section 26-11);

21 (8) Department of education (Section 26-12);

22 (9) Department of health (Section 26-13);



- 1 (10) Department of human services (Section 26-14);
2 (11) Department of land and natural resources (Section
3 26-15);
4 (12) Department of agriculture (Section 26-16);
5 (13) Department of Hawaiian home lands (Section 26-17);
6 (14) Department of business[~~7~~] and economic development[~~7~~
7 ~~and tourism~~] (Section 26-18);
8 (15) Department of transportation (Section 26-19);
9 (16) Department of labor and industrial relations (Section
10 26-20);
11 (17) Department of defense (Section 26-21);
12 (18) Department of public safety (Section 26-14.6) [~~7~~]; and
13 (19) Department of tourism (Section 26-)."

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

16 "**§26-52 Department heads and executive officers.** The
17 salaries of the following state officers shall be as follows:

- 18 (1) The salary of the superintendent of education shall be
19 set by the board of education at a rate no greater
20 than \$150,000 a year;
21 (2) The salary of the president of the University of
22 Hawaii shall be set by the board of regents;



1 (3) Effective July 1, 2004, the salaries of all department
2 heads or executive officers of the departments of
3 accounting and general services, agriculture, attorney
4 general, budget and finance, business[~~7~~] and economic
5 development, [~~and tourism,~~] commerce and consumer
6 affairs, Hawaiian home lands, health, human resources
7 development, human services, labor and industrial
8 relations, land and natural resources, public safety,
9 taxation, tourism, and transportation shall be as last
10 recommended by the executive salary commission.

11 Effective July 1, 2007, and every six years
12 thereafter, the salaries shall be as last recommended
13 by the commission on salaries pursuant to section
14 26-56, unless rejected by the legislature; provided
15 that the salary of the director of tourism shall be
16 the same as the director of labor and industrial
17 relations; and

18 (4) The salary of the adjutant general shall be \$85,302 a
19 year. Effective July 1, 2007, and every six years
20 thereafter, the salary of the adjutant general shall
21 be as last recommended by the commission on salaries
22 pursuant to section 26-56, unless rejected by the



1 legislature, except that if the state salary is in
2 conflict with the pay and allowance fixed by the
3 tables of the regular army or air force of the United
4 States, the latter shall prevail."

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

7 "CHAPTER 201

8 DEPARTMENT OF BUSINESS [~~7~~] AND ECONOMIC DEVELOPMENT

9 [~~7, AND TOURISM~~]"

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

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

15 (1) 17.3 per cent of the revenues collected under this
16 chapter shall be deposited into the convention center
17 enterprise special fund established under section
18 [~~201B-8;~~] -4; provided that beginning January 1,
19 2002, if the amount of the revenue collected under
20 this paragraph exceeds \$33,000,000 in any calendar
21 year, revenues collected in excess of \$33,000,000
22 shall be 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~~] -6 for
4 tourism promotion and visitor industry research;
5 provided that beginning on July 1, 2002, of the first
6 \$1,000,000 in revenues deposited:

7 (A) Ninety per cent shall be deposited into the state
8 parks special fund established in section
9 184-3.4; and

10 (B) Ten per cent shall be deposited into the special
11 land and development fund established in section
12 171-19 for the Hawaii statewide trail and access
13 program;

14 provided that of the 34.2 per cent, 0.5 per cent shall
15 be transferred to a sub-account in the tourism special
16 fund to provide funding for a safety and security
17 budget, in accordance with the Hawaii tourism
18 strategic plan 2005-2015; provided further that of the
19 revenues remaining in the tourism special fund after
20 revenues have been deposited as provided in this
21 paragraph and except for any sum authorized by the
22 legislature for expenditure from revenues subject to



1 this paragraph, beginning July 1, 2007, funds shall be
2 deposited into the tourism emergency trust fund,
3 established in section [~~201B-10,~~] -5, in a manner
4 sufficient to maintain a fund balance of \$5,000,000 in
5 the tourism emergency trust fund; and

6 (3) 44.8 per cent of the revenues collected under this
7 chapter shall be transferred as follows: Kauai county
8 shall receive 14.5 per cent, Hawaii county shall
9 receive 18.6 per cent, city and county of Honolulu
10 shall receive 44.1 per cent, and Maui county shall
11 receive 22.8 per cent.

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

16 SECTION 7. The revisor of statutes shall replace the term
17 "department of business, economic development, and tourism" or
18 like term, as appropriate, whenever it may appear in the Hawaii
19 Revised Statutes, with the term "department of business and
20 economic development."

21 SECTION 8. Chapter 201B, Hawaii Revised Statutes, is
22 repealed.



1 SECTION 9. All moneys currently in the convention center
2 enterprise special fund, the tourism emergency trust fund, and
3 the tourism special fund shall be transferred with each
4 respective fund established pursuant to section 1 of this Act.

5 SECTION 10. Any contractual obligations entered into by
6 the Hawaii tourism authority shall cease upon repeal of chapter
7 201B, Hawaii Revised Statutes, and any unexpended contractual
8 funds shall lapse to the convention center enterprise special
9 fund, tourism special fund, or the tourism emergency trust fund,
10 correspondingly, as established by this Act.

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

17 SECTION 12. This Act does not affect rights and duties
18 that matured, penalties that were incurred, and proceedings that
19 were begun, before its effective date.

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

22 SECTION 14. 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 HD1)

