

JAN 28 2009

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# 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. Section 201B-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

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

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

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

16           (2) The twelve public, voting members shall be composed of  
17 at least one representative each from the city and



1 county of Honolulu and the counties of Hawaii, Kauai,  
2 and Maui; the remaining public members shall be  
3 appointed at-large;

4 (3) Of the twelve public, voting members, three shall be  
5 appointed by the governor from a list of three names  
6 submitted for each appointment by the president of the  
7 senate, and three shall be appointed by the governor  
8 from a list of three names submitted for each  
9 appointment by the speaker of the house of  
10 representatives; provided that if fewer than three  
11 names are submitted for each appointment, the governor  
12 may disregard the list;

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



- 1           (5) The governor shall make appointments to ensure the  
2                   fulfillment of all requirements; provided that any  
3                   appointments made after July 1, 2002, shall be made to  
4                   fulfill the requirements in place when the  
5                   appointments are made;
- 6           (6) The director of business, economic development, and  
7                   tourism, or a designated representative, shall be an  
8                   ex officio nonvoting member;
- 9           (7) The director of transportation, or a designated  
10                   representative, shall be an ex officio nonvoting  
11                   member;
- 12          (8) The chairperson of the board of land and natural  
13                   resources, or a designated representative, shall be an  
14                   ex officio nonvoting member;
- 15          (9) The executive director of the state foundation on  
16                   culture and the arts, or a designated representative,  
17                   shall be an ex officio nonvoting member; and
- 18          (10) No person who has served as a member of the board of  
19                   directors of the Hawaii Visitors and Convention Bureau  
20                   shall be eligible to sit as a public, voting member of  
21                   the board of directors of the Hawaii tourism authority  
22                   until at least two years have expired between the



1 person's termination from service on the Hawaii  
2 Visitors and Convention Bureau board and the person's  
3 appointment to the authority's board of directors.

4 (c) The public members shall be appointed by the governor  
5 for terms of four years. Each public member shall hold office  
6 until the member's successor is appointed and qualified.

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

10 (d) The board shall elect a chairperson from among the  
11 voting members. The director of business, economic development,  
12 and tourism or the designated representative shall not be  
13 chairperson of the board.

14 (e) Seven voting members shall constitute a quorum and a  
15 minimum of seven affirmative votes shall be necessary for all  
16 actions by the authority. The members shall serve without  
17 compensation, but shall be reimbursed for expenses, including  
18 traveling expenses, necessary for the performance of their  
19 duties.

20 (f) The board shall appoint [~~an executive director,~~] one  
21 person to serve as president and chief executive officer, exempt  
22 from chapters 76 and 88 who shall oversee the authority staff;



1 provided that the compensation package, including salary, shall  
2 not exceed nine per cent of the five per cent authorized for  
3 administrative expenses under section 201B-11(c); and provided  
4 further that the compensation package shall not include private  
5 sector moneys or other contributions. The board shall set the  
6 ~~[executive director's]~~ president and chief executive officer's  
7 duties, responsibilities, holidays, vacations, leaves, hours of  
8 work, and working conditions. It may grant such other benefits  
9 as it deems necessary.

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

13 ~~(g) The authority may employ persons not subject to~~  
14 ~~chapters 76 and 78 to perform and execute the functions of the~~  
15 ~~authority.]"~~

16 SECTION 2. Section 201B-3, Hawaii Revised Statutes, is  
17 amended by amending subsection (a) to read as follows:

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

20 (1) Sue and be sued;

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



- 1           (3)   [Make] Through its president and chief executive  
2                   officer, make and execute contracts and all other  
3                   instruments necessary or convenient for the exercise  
4                   of its powers and functions under this chapter;  
5                   provided that the authority may enter into contracts  
6                   and agreements for a period of up to five years,  
7                   subject to the availability of funds; and provided  
8                   further that the authority may enter into agreements  
9                   for the use of the convention center facility for a  
10                  period of up to ten years;
- 11           (4)   Make and alter bylaws for its organization and  
12                  internal management;
- 13           (5)   Unless otherwise provided in this chapter, adopt rules  
14                  in accordance with chapter 91 with respect to its  
15                  projects, operations, properties, and facilities;
- 16           (6)   Through its [~~executive director~~] president and chief  
17                  executive officer, represent the authority in  
18                  communications with the governor and the legislature;
- 19           (7)   Through its [~~executive director,~~] president and chief  
20                  executive officer, provide for the appointment of  
21                  officers, agents, a sports coordinator, and employees,  
22                  subject to the approval of the board, prescribing



1 their duties and qualifications, and fixing their  
2 salaries, without regard to chapters 76 and 78, if  
3 there is no anticipated revenue shortfall in the  
4 tourism special fund and funds have been appropriated  
5 by the legislature and allotted as provided by law;

6 (8) Through its [~~executive director~~] president and chief  
7 executive officer, purchase supplies, equipment, or  
8 furniture;

9 (9) Through its [~~executive director~~] president and chief  
10 executive officer, allocate the space or spaces that  
11 are to be occupied by the authority and appropriate  
12 staff;

13 (10) [~~Engage~~] Through its president and chief executive  
14 officer, engage the services of qualified persons to  
15 implement the State's tourism marketing plan or  
16 portions thereof as determined by the authority;

17 (11) [~~Engage~~] Through its president and chief executive  
18 officer, engage the services of consultants on a  
19 contractual basis for rendering professional and  
20 technical assistance and advice;



- 1           (12) Procure insurance against any loss in connection with  
2                   its property and other assets and operations in  
3                   amounts and from insurers as it deems desirable;
- 4           (13) Contract for or accept revenues, compensation,  
5                   proceeds, and gifts or grants in any form from any  
6                   public agency or any other source, including any  
7                   revenues or proceeds arising from the operation or use  
8                   of the convention center;
- 9           (14) Develop, coordinate, and implement state policies and  
10                   directions for tourism and related activities taking  
11                   into account the economic, social, and physical  
12                   impacts of tourism on the [State] state and its  
13                   natural resources infrastructure; provided that the  
14                   authority shall support the efforts of other state and  
15                   county departments or agencies to manage, improve, and  
16                   protect Hawaii's natural environment and areas  
17                   frequented by visitors;
- 18           (15) Have a permanent, strong focus on marketing and  
19                   promotion;
- 20           (16) Conduct market development-related research as  
21                   necessary;





- 1 (17) Coordinate all agencies and advise the private sector  
2 in the development of tourism-related activities and  
3 resources;
- 4 (18) Work to eliminate or reduce barriers to travel [~~in~~  
5 ~~order~~] to provide a positive and competitive business  
6 environment, including coordinating with the  
7 department of transportation on issues affecting  
8 airlines and air route development;
- 9 (19) Market and promote sports-related activities and  
10 events;
- 11 (20) Coordinate the development of new products with the  
12 counties and other persons in the public sector and  
13 private sector, including the development of sports,  
14 culture, health and wellness, education, technology,  
15 agriculture, and nature tourism;
- 16 (21) Establish a public information and educational program  
17 to inform the public of tourism and tourism-related  
18 problems;
- 19 (22) Encourage the development of tourism educational,  
20 training, and career counseling programs;
- 21 (23) Establish a program to monitor, investigate, and  
22 respond to complaints about problems resulting



1 directly or indirectly from the tourism industry and  
2 taking appropriate action as necessary;

3 (24) Develop and implement emergency measures to respond to  
4 any adverse effects on the tourism industry, pursuant  
5 to section 201B-9;

6 (25) Set and collect rents, fees, charges, or other  
7 payments for the lease, use, occupancy, or disposition  
8 of the convention center facility without regard to  
9 chapter 91;

10 (26) Notwithstanding chapter 171, acquire, lease as lessee  
11 or lessor, own, rent, hold, and dispose of the  
12 convention center facility in the exercise of its  
13 powers and the performance of its duties under this  
14 chapter; and

15 (27) Acquire by purchase, lease, or otherwise, and develop,  
16 construct, operate, own, manage, repair, reconstruct,  
17 enlarge, or otherwise effectuate, either directly or  
18 through developers, a convention center facility."

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

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



- 1 (1) Tourism promotion, marketing, and development;
- 2 (2) Market development-related research;
- 3 (3) Product development and diversification issues focused  
4 on visitors;
- 5 (4) Promotion, development, and coordination of sports-  
6 related activities and events;
- 7 (5) Promotion of Hawaii, through a coordinated statewide  
8 effort, as a place to do business, including high  
9 technology business, and as a business destination;
- 10 (6) Reduction of barriers to travel;
- 11 [+](7)[+] Marketing, management, use, operation, or maintenance  
12 of the convention center facility, including the  
13 purchase or sale of goods or services, logo items,  
14 concessions, sponsorships, and license agreements, or  
15 any use of the convention center facility as a  
16 commercial enterprise; provided that effective January  
17 1, 2003, and thereafter the contract for management of  
18 the convention center facility shall include marketing  
19 for all uses of the facility; and
- 20 [+](8)[+] Any and all other activities necessary to carry out  
21 the intent of this chapter;



1 provided that [~~for any contract or agreement valued at \$25,000~~  
2 ~~and over,~~] the authority shall [~~provide notice to~~] periodically  
3 submit a report of the contracts and agreements entered into by  
4 the authority to the governor, the speaker of the house of  
5 representatives, and the president of the senate [~~on the same~~  
6 ~~day that such notification is given to the governor]."~~

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

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

11 (1) Not more than five per cent of this amount shall be  
12 used for administrative expenses, including \$15,000  
13 for a protocol fund to be expended at the discretion  
14 of the [~~executive director;~~] president and chief  
15 executive officer; 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 SECTION 5. Act 58, Session Laws of Hawaii 2004, as amended  
20 by section 50 of Act 22, Session Laws of Hawaii 2005, as amended  
21 by section 1 of Act 306, Session Laws of Hawaii 2006, is amended  
22 by amending section 14 to read as follows:



# S.B. NO. 1167

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

3           (1) The amendments made to sections 40-1, 40-4, and 40-6,  
4 Hawaii Revised Statutes, by part I of this Act shall  
5 not be repealed when those sections are reenacted on  
6 June 30, 2006, by section 1 of Act 137, Session Laws  
7 of Hawaii 2005; and

8           ~~[(2) Part I shall be repealed on June 30, 2010, and  
9 sections 28-8.3, 201B-2, and 201B-11, Hawaii Revised  
10 Statutes, shall be reenacted in the form in which they  
11 read on May 5, 2004, and sections 40-1, 40-4, and  
12 40-6, Hawaii Revised Statutes, shall be reenacted in  
13 the form in which they read on June 30, 1986; and~~

14           ~~(3)]~~ (2) Section 9 shall take effect on July 1, 2004."

15           SECTION 6. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17           SECTION 7. This Act shall take effect upon its approval.  
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INTRODUCED BY:

Clarence Mishikawa

*Michelle N. Kudari*  
*Norman Sakano*



**Report Title:**

Hawaii Tourism Authority; Officers and Employees

**Description:**

Renames and clarifies the duties of the Executive Director.  
Removes the sunset date for certain provisions of Act 58,  
Session laws of Hawaii 2004.

