
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 as follows:

22 1. By amending its title to read:

1 "~~§201B-2 Hawaii tourism authority; establishment; board;~~
2 ~~[staff.]~~ president and chief executive officer."

3 2. By amending subsection (f) and repealing subsection
4 (g):

5 "(f) The board shall appoint ~~[an executive director,]~~ one
6 person to serve as president and chief executive officer, exempt
7 from chapters 76 and 88 who shall oversee the authority staff;
8 provided that the compensation package, including salary, shall
9 not exceed nine per cent of the five per cent authorized for
10 administrative expenses under section 201B-11(c); and provided
11 further that the compensation package shall not include private
12 sector moneys or other contributions. The board shall set the
13 ~~[executive director's]~~ president and chief executive officer's
14 duties, responsibilities, holidays, vacations, leaves, hours of
15 work, and working conditions. It may grant ~~[such]~~ other
16 benefits as it deems necessary.

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

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

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

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

5 (1) Sue and be sued;

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

7 (3) ~~Make~~ Through its president and chief executive
8 officer, make and execute contracts and all other
9 instruments necessary or convenient for the exercise
10 of its powers and functions under this chapter;
11 provided that the authority may enter into contracts
12 and agreements for a period of up to five years,
13 subject to the availability of funds; and provided
14 further that the authority may enter into agreements
15 for the use of the convention center facility for a
16 period of up to ten years;

17 (4) Make and alter bylaws for its organization and
18 internal management;

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

- 1 (6) Through its [~~executive director~~] president and chief
2 executive officer, represent the authority in
3 communications with the governor and the legislature;
- 4 (7) Through its [~~executive director~~,] president and chief
5 executive officer, provide for the appointment of
6 officers, agents, a sports coordinator, and employees,
7 subject to the approval of the board, prescribing
8 their duties and qualifications, and fixing their
9 salaries, without regard to chapters 76 and 78, if
10 there is no anticipated revenue shortfall in the
11 tourism special fund and funds have been appropriated
12 by the legislature and allotted as provided by law;
- 13 (8) Through its [~~executive director~~] president and chief
14 executive officer, purchase supplies, equipment, or
15 furniture;
- 16 (9) Through its [~~executive director~~] president and chief
17 executive officer, allocate the space or spaces that
18 are to be occupied by the authority and appropriate
19 staff;
- 20 (10) [~~Engage~~] Through its president and chief executive
21 officer, engage the services of qualified persons to

- 1 implement the State's tourism marketing plan or
2 portions thereof as determined by the authority;
- 3 (11) ~~[Engage]~~ Through its president and chief executive
4 officer, engage the services of consultants on a
5 contractual basis for rendering professional and
6 technical assistance and advice;
- 7 (12) Procure insurance against any loss in connection with
8 its property and other assets and operations in
9 amounts and from insurers as it deems desirable;
- 10 (13) Contract for or accept revenues, compensation,
11 proceeds, and gifts or grants in any form from any
12 public agency or any other source, including any
13 revenues or proceeds arising from the operation or use
14 of the convention center;
- 15 (14) Develop, coordinate, and implement state policies and
16 directions for tourism and related activities taking
17 into account the economic, social, and physical
18 impacts of tourism on the State and its natural
19 resources infrastructure; provided that the authority
20 shall support the efforts of other state and county
21 departments or agencies to manage, improve, and

- 1 protect Hawaii's natural environment and areas
2 frequented by visitors;
- 3 (15) Have a permanent, strong focus on marketing and
4 promotion;
- 5 (16) Conduct market development-related research as
6 necessary;
- 7 (17) Coordinate all agencies and advise the private sector
8 in the development of tourism-related activities and
9 resources;
- 10 (18) Work to eliminate or reduce barriers to travel [~~in~~
11 ~~order~~] to provide a positive and competitive business
12 environment, including coordinating with the
13 department of transportation on issues affecting
14 airlines and air route development;
- 15 (19) Market and promote sports-related activities and
16 events;
- 17 (20) Coordinate the development of new products with the
18 counties and other persons in the public sector and
19 private sector, including the development of sports,
20 culture, health and wellness, education, technology,
21 agriculture, and nature tourism;

- 1 (21) Establish a public information and educational program
2 to inform the public of tourism and tourism-related
3 problems;
- 4 (22) Encourage the development of tourism educational,
5 training, and career counseling programs;
- 6 (23) Establish a program to monitor, investigate, and
7 respond to complaints about problems resulting
8 directly or indirectly from the tourism industry and
9 taking appropriate action as necessary;
- 10 (24) Develop and implement emergency measures to respond to
11 any adverse effects on the tourism industry, pursuant
12 to section 201B-9;
- 13 (25) Set and collect rents, fees, charges, or other
14 payments for the lease, use, occupancy, or disposition
15 of the convention center facility without regard to
16 chapter 91;
- 17 (26) Notwithstanding chapter 171, acquire, lease as lessee
18 or lessor, own, rent, hold, and dispose of the
19 convention center facility in the exercise of its
20 powers and the performance of its duties under this
21 chapter; and

1 (27) Acquire by purchase, lease, or otherwise, and develop,
2 construct, operate, own, manage, repair, reconstruct,
3 enlarge, or otherwise effectuate, either directly or
4 through developers, a convention center facility."

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

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

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

1 any use of the convention center facility as a
2 commercial enterprise; provided that effective
3 January 1, 2003, and thereafter the contract for
4 management of the convention center facility shall
5 include marketing for all uses of the facility; and
6 ~~[+] (8) [+]~~ Any and all other activities necessary to carry out
7 the intent of this chapter;
8 provided that ~~[for any contract or agreement valued at \$25,000~~
9 ~~and over,~~] the authority shall ~~[provide notice to]~~ periodically
10 submit a report of the contracts and agreements entered into by
11 the authority to the governor, the speaker of the house of
12 representatives, and the president of the senate ~~[on the same~~
13 ~~day that such notification is given to the governor]."~~

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

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

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

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

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

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

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

15 (2) Sections 3, 4, 5, 6, and 7 of Part I shall be repealed
16 on June 30, 2010, and sections [~~28-8.37~~] 201B-2[7] and
17 201B-11, Hawaii Revised Statutes, shall be reenacted
18 in the form in which they read on May 5, 2004, and
19 sections 40-1, 40-4, and 40-6, Hawaii Revised
20 Statutes, shall be reenacted in the form in which they
21 read on June 30, 1986; and

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

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 July 1, 2050.

Report Title:

Hawaii Tourism Authority; Officers and Employees; Hawaii
Procurement Code

Description:

Makes private contractor operating Hawaii convention center
subject to the Hawaii procurement code; renames and clarifies
the duties of the executive director of the Hawaii tourism
authority; removes the sunset date for certain provisions of Act
58, Session Laws of Hawaii 2004, relating to the Hawaii tourism
authority. (SD2)