

1 international travel market, endeavoring to generate increased
2 visitor 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 effective
22 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 of tourism for the payment
12 of any and all debt service relating to the convention center,
13 any expense arising from any and all use, operation,
14 maintenance, alteration, improvement, or any unforeseen or
15 unplanned repairs of the convention center, including without
16 limitation the food and beverage service and parking service
17 provided at the convention center facility, the sale of
18 souvenirs, logo items, or other items, for any future major
19 repair, maintenance, and improvement of the convention center
20 facility as a commercial enterprise or as a world class facility
21 for conventions, entertainment, or public events, and for
22 marketing the facility.



1 (c) Moneys in the convention center enterprise special
2 fund may be:

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

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

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

12 § -5 Tourism emergency trust fund. (a) There is
13 established outside the state treasury a tourism emergency trust
14 fund to be administered by the department as trustee, into which
15 shall be deposited the revenues prescribed by section
16 237D-6.5(b). All investment earnings from moneys in the trust
17 fund shall be credited to the tourism special fund.

18 (b) Moneys in the trust fund shall be used exclusively to
19 provide for the development and implementation of emergency
20 measures to respond to any tourism emergency, upon declaration
21 by the governor that a tourism emergency exists that adversely
22 affects Hawaii's tourism industry by resulting in a substantial



1 interruption in the commerce of the State and adversely
2 affecting the welfare of its people, including providing
3 emergency assistance to tourists during the tourism emergency.

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

7 § -6 Tourism special fund. (a) There is established
8 the tourism special fund, into which shall be deposited:

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

11 (2) Appropriations by the legislature to the tourism
12 special fund;

13 (3) Gifts, grants, and other funds accepted by the
14 authority; and

15 (4) All interest and revenues or receipts derived by the
16 department from any project or project agreements.

17 (b) Moneys in the tourism special fund may be:

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

21 (2) Otherwise invested by the department until such time
22 as the moneys may be needed; provided that the



1 department shall limit its investments to those listed
2 in section 36-21.

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

5 (c) Moneys in the tourism special fund shall be used by
6 the department of tourism established pursuant to section 26-
7 for the purposes of this chapter; provided that:

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

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

16 (d) Any remaining balance in the tourism special fund that
17 is not appropriated by the legislature shall be deposited into
18 the general fund.

19 § -7 Seal; rules and regulations. The department of
20 tourism may adopt a seal and may adopt such rules and
21 regulations as it may consider expedient for the conduct of its



1 business. The department may amend or revise such rules and
2 regulations from time to time.

3 § -8 Rules and regulations; effect. All rules and
4 regulations made by the department shall be made in conformity
5 with chapter 91. They shall have the force and effect of law."

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) [-]
- 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[-] and economic
- 19 development, [~~and tourism~~] 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-87] _____ -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-107~~] -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. Any contractual obligations entered into by the
18 Hawaii tourism authority shall cease upon repeal of chapter
19 201B, Hawaii Revised Statutes, and any unexpended contractual
20 funds shall lapse to the convention center enterprise special
21 fund, tourism special fund, or the tourism emergency trust fund,
22 correspondingly, as established by this Act.



1 SECTION 10. All appropriations, records, equipment,
2 machines, files, supplies, contracts, books, papers, documents,
3 maps, and other personal property heretofore made, used,
4 acquired, or held by the Hawaii tourism authority relating to
5 the functions transferred to the department of tourism shall be
6 transferred with the functions to which they relate.

7 SECTION 11. This Act does not affect rights and duties
8 that matured, penalties that were incurred, and proceedings that
9 were begun, before its effective date.

10 SECTION 12. In codifying the new sections added by
11 section 1 of this Act, the revisor of statutes shall substitute
12 appropriate section numbers for the numbers used in designating
13 the new sections in this Act.

14 SECTION 13. The revisor of statutes shall replace the term
15 "department of business, economic development, and tourism" or
16 like term, as appropriate, whenever it may appear in the Hawaii
17 Revised Statutes, with the term "department of business and
18 economic development".

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

21



1 SECTION 15. This Act shall take effect on July 1, 2009.

2

INTRODUCED BY:

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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; 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.

