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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. On January 19, 2012, President Obama  
2 signed an executive order and announced new initiatives to  
3 significantly increase travel and tourism in the United States.  
4 According to the United States Department of Commerce,  
5 international travel resulted in \$134,000,000,000 in United  
6 States exports in 2010 and is the nation's largest service  
7 export industry, with seven per cent of total exports and  
8 twenty-four per cent of service exports. The Bureau of Economic  
9 Analysis estimates that every additional sixty-five  
10 international visitors to the United States can generate enough  
11 exports to support one additional travel and tourism-related  
12 job. According to the travel industry and Bureau of Economic  
13 Analysis, international travel is particularly important as  
14 overseas travelers spend on average \$4,000 on each visit.

15           The legislature finds that these initiatives to increase  
16 travel and tourism in the United States will be highly  
17 beneficial to Hawaii's tourism economy and advance efforts to  
18 help provide up to an estimated 154,000 jobs in Hawaii. With



1 2.4 million international visitors arriving in Hawaii each year,  
2 Honolulu is the fifth busiest United States point-of-entry. The  
3 executive order will ease access for international travelers - a  
4 boon for Hawaii with its proximity to the growing Asia market.  
5 China in particular is an emerging market for Hawaii's tourism  
6 industry, with unprecedented growth potential. Visitor arrivals  
7 from China to Hawaii are expected to reach 125,394 in 2012, up  
8 twenty-eight per cent over 2011, with each visitor expected to  
9 spend \$380 per person per day, higher than any other market.  
10 The initiatives to increase the number of Chinese visas  
11 processed, and ensuring that visa applicants are interviewed  
12 within three weeks, are significant milestones for Chinese  
13 tourism to the United States and Hawaii.

14 In addition, visa waiver status for Taiwan has tremendous  
15 potential for the State's tourism industry. Following the visa  
16 waiver program with Korea in 2008, arrivals from the region  
17 increased thirty-five per cent and similar growth is anticipated  
18 with Taiwanese visitors.

19 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is  
20 amended by amending subsection (b) to read as follows:

21 "(b) Revenues collected under this chapter, except for  
22 revenues collected under section 237D-2(b), shall be distributed



1 as follows, with the excess revenues to be deposited into the  
2 general fund:

- 3 (1) 17.3 per cent of the revenues collected under this  
4 chapter shall be deposited into the convention center  
5 enterprise special fund established under section  
6 201B-8; provided that beginning January 1, 2002, if  
7 the amount of the revenue collected under this  
8 paragraph exceeds \$33,000,000 in any calendar year,  
9 revenues collected in excess of \$33,000,000 shall be  
10 deposited into the general fund;
- 11 (2) 34.2 per cent of the revenues collected under this  
12 chapter shall be deposited into the tourism special  
13 fund established under section 201B-11 for tourism  
14 promotion and visitor industry research; provided that  
15 for any period beginning on July 1, [~~2011~~] 2012, and  
16 ending on June 30, 2015, no more than [~~\$69,000,000~~]  
17 \$71,000,000 per fiscal year shall be deposited into  
18 the tourism special fund established under section  
19 201B-11; provided further that beginning July 1, 2012,  
20 \$2,000,000 shall be expended for development and  
21 implementation of initiatives to take advantage of  
22 expanded visa programs and increased travel



1 opportunities for international visitors to Hawaii;  
2 and provided further that beginning on July 1, 2002,  
3 of the first \$1,000,000 in revenues deposited:  
4 (A) Ninety per cent shall be deposited into the state  
5 parks special fund established in section  
6 184-3.4; and  
7 (B) Ten per cent shall be deposited into the special  
8 land and development fund established in section  
9 171-19 for the Hawaii statewide trail and access  
10 program;  
11 provided that of the 34.2 per cent, 0.5 per cent shall  
12 be transferred to a sub-account in the tourism special  
13 fund to provide funding for a safety and security  
14 budget, in accordance with the Hawaii tourism  
15 strategic plan 2005-2015; provided further that of the  
16 revenues remaining in the tourism special fund after  
17 revenues have been deposited as provided in this  
18 paragraph and except for any sum authorized by the  
19 legislature for expenditure from revenues subject to  
20 this paragraph, beginning July 1, 2007, funds shall be  
21 deposited into the tourism emergency trust fund,  
22 established in section 201B-10, in a manner sufficient



1 to maintain a fund balance of \$5,000,000 in the  
2 tourism emergency trust fund; and  
3 (3) 44.8 per cent of the revenues collected under this  
4 chapter shall be transferred as follows: Kauai county  
5 shall receive 14.5 per cent, Hawaii county shall  
6 receive 18.6 per cent, city and county of Honolulu  
7 shall receive 44.1 per cent, and Maui county shall  
8 receive 22.8 per cent; provided that for any period  
9 beginning on July 1, 2011, and ending on June 30,  
10 2015, the total amount transferred to the counties  
11 shall not exceed \$93,000,000 per fiscal year.

12 Revenues collected under section 237D-2(b) shall be  
13 deposited into the general fund. All transient accommodations  
14 taxes shall be paid into the state treasury each month within  
15 ten days after collection and shall be kept by the state  
16 director of finance in special accounts for distribution as  
17 provided in this subsection."

18 SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2012.

21



**Report Title:**

Hawaii Tourism Authority

**Description:**

Increases the allocation of the transient accommodations tax revenue for the Hawaii tourism authority from \$69,000,000 to \$71,000,000; requires \$2,000,000 to be expended for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

