
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 signed an
2 executive order and announced new initiatives to significantly
3 increase travel and tourism in the United States. According to
4 the United States Department of Commerce, international travel
5 resulted in \$134,000,000,000 in United States exports in 2010
6 and is the nation's largest service export industry, with seven
7 per cent of total exports and twenty-four per cent of service
8 exports. The Bureau of Economic Analysis estimates that every
9 additional sixty-five international visitors to the United
10 States can generate enough exports to support one additional
11 travel and tourism-related job. According to the travel
12 industry and Bureau of Economic Analysis, international travel
13 is particularly important as overseas travelers spend on average
14 \$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 while in the State, higher than
10 any other market. The initiatives to increase the number of
11 Chinese visas processed, and ensuring that visa applicants are
12 interviewed within three weeks, are significant milestones for
13 Chinese 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 on July 1,
20 2012, \$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.



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 until June 30, 2015; 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. (SD2)

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