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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 by amending subsection (b) to read as follows:  
3           "(b) The authority shall be headed by a policy-making  
4 board of directors that shall consist of twelve members;  
5 provided that:  
6           (1) The members shall be appointed by the governor as  
7           provided in section 26-34, except as provided by this  
8           section;  
9           (2) The members shall include at least one representative  
10           each from the city and county of Honolulu and the  
11           counties of Hawaii, Kauai, and Maui;  
12           (3) Three members shall be appointed by the governor from  
13           a list of three names submitted for each appointment  
14           by the president of the senate, and three members  
15           shall be appointed by the governor from a list of  
16           three names submitted for each appointment by the  
17           speaker of the house of representatives; provided that



1           the governor shall appoint each member within ninety  
2           days of receiving the applicable list of names, except  
3           that if fewer than three names are submitted for each  
4           appointment, the governor may disregard the list;

5           (4) At least six members shall have knowledge, experience,  
6           and expertise in the area of accommodations,  
7           transportation, retail, entertainment, or attractions,  
8           and at least one member appointed by the governor  
9           shall have knowledge, experience, and expertise in the  
10          area of Hawaiian cultural practices; provided that no  
11          more than three members shall represent, be employed  
12          by, or be under contract to any sector of the industry  
13          represented on the board;

14          (5) The governor shall make appointments to ensure the  
15          fulfillment of all requirements of paragraphs (2) and  
16          (4); provided that upon the occurrence of a vacancy  
17          subject to paragraph (3), the governor shall notify  
18          the president of the senate and the speaker of the  
19          house of representatives of any unfulfilled  
20          requirements pursuant to paragraphs (2) and (4), and  
21          the president of the senate or the speaker of the



1 house of representatives, as appropriate, shall submit  
2 nominees who fulfill those requirements; and

3 (6) No person who has served as a member of the board of  
4 directors of the Hawaii Visitors and Convention Bureau  
5 shall be eligible to sit as a member of the board of  
6 directors of the Hawaii tourism authority until at  
7 least two years have expired between the person's  
8 termination from service on the Hawaii Visitors and  
9 Convention Bureau board and the person's appointment  
10 to the authority's board of directors."

11 SECTION 2. Section 201B-4, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "§201B-4 Meetings of the board. (a) The meetings of the  
14 board shall be open to the public as provided in section 92-3,  
15 except that when it is necessary for the board to receive:

16 (1) Information that is proprietary to a particular  
17 enterprise or the disclosure of which might be harmful  
18 to the business interests of the enterprise; or

19 (2) Information that is necessary to protect Hawaii's  
20 competitive advantage as a visitor destination[  
21 ~~provided that information relating to marketing plans~~

1           ~~and strategies may be disclosed after the execution of~~  
2           ~~the marketing plans and strategies],~~  
3 the board may enter into an executive meeting that is closed to  
4 the public in accordance with the procedures provided for  
5 holding an executive meeting under part I of chapter 92 [-];  
6 provided that information relating to marketing plans and  
7 strategies shall be disclosed after the execution of the  
8 marketing plans and strategies.

9           (b) The board shall be subject to the procedural  
10 requirements of section 92-4 [~~, and this authorization shall be~~  
11 ~~in addition to], the exceptions listed in section (a), and the  
12 exceptions listed in section 92-5, to enable the authority board  
13 to respect the proprietary requirements of enterprises with  
14 which it has business dealings."~~

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

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

- 19           (1) Tourism promotion, marketing, and development;
- 20           (2) Market development-related research;



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



- 1 (B) Provide information and research to assist in the  
2 development and implementation of state tourism  
3 policy; and
- 4 (C) Provide tourism information on:
- 5 (i) Visitor arrivals, visitor characteristics,  
6 and expenditures;
- 7 (ii) The number of transient accommodation units  
8 available, occupancy rates, and room rates;
- 9 (iii) Airline-related data including seat capacity  
10 and number of flights;
- 11 (iv) The economic, social, and physical impacts  
12 of tourism on the State; and
- 13 (v) The effects of the marketing programs of the  
14 authority on the measures of effectiveness  
15 developed pursuant to section 201B-6(b); and
- 16 (9) Any and all other activities necessary to carry out  
17 the intent of this chapter;
- 18 ~~[provided that the authority shall periodically submit a report~~  
19 ~~of the contracts and agreements entered into by the authority to~~  
20 ~~the governor, the speaker of the house of representatives, and~~  
21 ~~the president of the senate.] provided that at least twenty days~~



1 prior to the convening of each regular session of the  
2 legislature, the authority shall submit an unredacted report of  
3 the summary descriptions and the planned and actual expenditures  
4 of contracts and agreements entered into by the authority and a  
5 detailed annual budget of the authority's planned and actual  
6 expenditures for a two-year period covering the current and  
7 immediately preceding fiscal years to the governor, the speaker  
8 of the house of representatives, the president of the senate,  
9 and the chairs of the legislative committees with primary  
10 jurisdiction over tourism and financial oversight. If the  
11 report contains information that may be withheld from public  
12 disclosure under section 201B-7(d), the governor and members of  
13 the legislature shall not disclose the unredacted report to the  
14 public."

15 SECTION 4. Section 201B-11, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 **"§201B-11 Tourism special fund.** (a) There is established  
18 in the state treasury the tourism special fund, into which shall  
19 be deposited:



- 1 (1) A portion of the revenues from any transient  
2 accommodations tax, as provided by section 237D-6.5;  
3 and  
4 (2) Appropriations by the legislature to the tourism  
5 special fund; and  
6 (3) Gifts, grants, and other funds accepted by the  
7 authority.  
8 (b) Moneys in the tourism special fund may be:  
9 (1) Placed in interest-bearing accounts; provided that the  
10 depository in which the money is deposited furnishes  
11 security as provided in section 38-3; or  
12 (2) Otherwise invested by the authority until such time as  
13 the moneys may be needed; provided that the authority  
14 shall limit its investments to those listed in section  
15 36-21.  
16 All interest accruing from the investment of these moneys shall  
17 be credited to the tourism special fund.  
18 (c) Moneys in the tourism special fund shall be used by  
19 the authority for the purposes of this chapter, provided that:  
20 (1) Not more than 3.5 per cent of this amount shall be  
21 used for administrative expenses, including \$15,000





1 for a protocol fund to be expended at the discretion  
2 of the president and chief executive officer; and  
3 (2) At least \$1,000,000 shall be made available to support  
4 efforts to manage, improve, and protect Hawaii's  
5 natural environment and areas frequented by visitors.  
6 (d) The board shall develop policies and procedures on  
7 approving any expenditures of excess or carryover funds."

8 SECTION 5. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 6. This Act shall take effect on July 1, 2050.



**Report Title:**

Hawaii Tourism Authority; Budget; Expenditures; Reporting Requirement; Board Meetings; Board of Directors Appointments

**Description:**

Amends the appointment process of certain members of the Hawaii Tourism Authority's (Authority) Board of Directors (Board). Clarifies the Authority's reporting and disclosure of specific information. Requires the Board to develop policies and procedures on approving expenditures of excess or carryover funds. (SB1084 HD1)

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

