HOUSE OF REPRESENTATIVES TWENTY-NINTH LEGISLATURE, 2018 STATE OF HAWAII H.B. NO. 2458

A BILL FOR AN ACT

RELATING TO TOURISM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the visitor industry is the largest industry in the State of Hawaii, with visitor spending at \$15.91 billion in 2016. Effective and collaborative planning is necessary at the state and county levels to address concerns of the visitor industry in each county, capitalize on opportunities, and maintain a healthy and sustainable visitor industry.

8 The legislature finds that the Hawaii tourism authority is 9 tasked with long-range statewide strategic planning for the 10 visitor industry and has previously engaged with the counties to 11 develop ten-year county tourism strategic plans. These plans, 12 which were published in 2006, need to be updated. The Hawaii 13 tourism authority should support the counties in updating visitor industry plans and efforts to implement their plans. 14 15 The purpose of this Act is to strengthen the visitor 16 industry in the State by:



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1	(1)	Requiring the Hawaii tourism authority to annually
2		update the state tourism strategic plan every five
3		years;
4	(2)	Requiring the Hawaii tourism authority to fund county
5		visitor industry strategic plans and priority
6		projects, as appropriate;
7	(3)	Transferring a portion of transient accommodations tax
8		revenues distributed to the Hawaii tourism special
9		fund to a sub account for county visitor industry
10		strategic plans and implementation of county visitor
11		industry strategic plans and priorities; and
12	(4)	Establishing a planner position in the authority to
13		administer and serve as a resource to counties in
14		updating and implementing each county visitor industry
15		strategic plan.
16	SECT	ION 2. Chapter 201B, Hawaii Revised Statutes, is
17	amended by	y adding a new section to be appropriately designated
18	and to rea	ad as follows:
19	" <u>§</u> 20:	1B- Visitor industry strategic plan; counties. (a)
20	The long-:	range strategic plan for tourism in Hawaii required by



1	section 201B-7(b)(1) shall be a single, comprehensive document		
2	that shall be updated every five years.		
3	(b)	The authority shall fund county visitor industry	
4	strategic	plans that shall be updated every three years. County	
5	visitor i	ndustry strategic plans shall:	
6	(1)	Involve collaboration with visitor industry	
7		stakeholders, including visitor bureaus, state and	
8		county agencies, the private sector, and community	
9		organizations;	
10	(2)	Address the visitor industry's strengths, weaknesses,	
11		opportunities, and threats; and	
12	(3)	Establish goals, objectives, and strategic priority	
13		projects and programs.	
14	(c)	The authority shall fund and implement visitor	
15	industry	plan updates, consider funding projects under the	
16	authority	's jurisdiction, and advocate before state and federal	
17	agencies	as appropriate.	
18	(d)	The authority shall submit a report summarizing county	
19	plan prio	rities, progress on meeting plan priorities, and	
20	recommend	ations, including any proposed legislation, to the	



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1	legislature no later than thirty days prior to the convening of
2	each regular session."
3	SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
4	amended by amending subsection (b) to read as follows:
5	"(b) Except for the revenues collected pursuant to section
6	237D-2(e), revenues collected under this chapter shall be
7	distributed in the following priority, with the excess revenues
8	to be deposited into the general fund:
9	(1) \$1,500,000 shall be allocated to the Turtle Bay
10	conservation easement special fund beginning July 1,
11	2015, for the reimbursement to the state general fund
12	of debt service on reimbursable general obligation
13	bonds, including ongoing expenses related to the
14	issuance of the bonds, the proceeds of which were used
15	to acquire the conservation easement and other real
16	property interests in Turtle Bay, Oahu, for the
17	protection, preservation, and enhancement of natural
18	resources important to the State, until the bonds are
19	fully amortized;



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(2)	\$26,500,000 shall be allocated to the convention
	center enterprise special fund established under
	section 201B-8;
(3)	[\$82,000,000] $$$ shall be allocated to the
	tourism special fund established under section 201B-
	11; provided that:
	(A) Beginning on July 1, 2012, and ending on June 30,
	2015, \$2,000,000 shall be expended from the
	tourism special fund for development and
	implementation of initiatives to take advantage
	of expanded visa programs and increased travel
	opportunities for international visitors to
	Hawaii;
	(B) Of the [\$82,000,000] <u>\$</u> allocated:
	(i) \$1,000,000 shall be allocated for the
	operation of a Hawaiian center and the
	museum of Hawaiian music and dance at the
	Hawaii convention center; [and]
	(ii) 0.5 per cent of the [\$82,000,000] <u>\$</u>
	shall be transferred to a sub-account in the
	tourism special fund to provide funding for



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1	a safety and security budget, in accordance
2	with the Hawaii tourism strategic plan
3	[2005-2015]; and
4	(iii) \$ shall be transferred to a sub-
5	account in the tourism special fund to
6	provide funding to update the statewide
7	tourism strategic plan and each county
8	visitor industry strategic plan as required
9	by section 201B- , and to support the
10	implementation of the visitor industry
11	strategic plans; and
12	(C) Of the revenues remaining in the tourism special
13	fund after revenues have been deposited as
14	provided in this paragraph and except for any sum
15	authorized by the legislature for expenditure
16	from revenues subject to this paragraph,
17	beginning July 1, 2007, funds shall be deposited
18	into the tourism emergency special fund,
19	established in section 201B-10, in a manner
20	sufficient to maintain a fund balance of
21	\$5,000,000 in the tourism emergency special fund;



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1 (4) \$103,000,000 shall be allocated as follows: Kauai 2 county shall receive 14.5 per cent, Hawaii county 3 shall receive 18.6 per cent, city and county of 4 Honolulu shall receive 44.1 per cent, and Maui county 5 shall receive 22.8 per cent; provided that commencing 6 with fiscal year 2018-2019, a sum that represents the 7 difference between a county public employer's annual required contribution for the separate trust fund 8 9 established under section 87A-42 and the amount of the 10 county public employer's contributions into that trust 11 fund shall be retained by the state director of 12 finance and deposited to the credit of the county 13 public employer's annual required contribution into 14 that trust fund in each fiscal year, as provided in 15 section 87A-42, if the respective county fails to 16 remit the total amount of the county's required annual 17 contributions, as required under section 87A-43; and 18 (5) \$3,000,000 shall be allocated to the special land and 19 development fund established under section 171-19; 20 provided that the allocation shall be expended in



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1	acco:	rdance with the Hawaii tourism authority strategic
2	plan	for:
3	(A)	The protection, preservation, maintenance, and
4		enhancement of natural resources, including
5		beaches, important to the visitor industry;
6	(B)	Planning, construction, and repair of facilities;
7		and
8	(C)	Operation and maintenance costs of public lands,
9		including beaches, connected with enhancing the
10		visitor experience.
11	All trans	ent accommodations taxes shall be paid into the
12	state treasury	each month within ten days after collection and
13	shall be kept b	by the state director of finance in special
14	accounts for di	stribution as provided in this subsection.
15	As used in	n this subsection, "fiscal year" means the twelve-
16	month period be	eginning on July 1 of a calendar year and ending
17	on June 30 of t	he following calendar year."
18	SECTION 4.	Section 201B-11, Hawaii Revised Statutes, is
19	amended by amer	nding subsection (c) to read as follows:
20	"(c) Mone	eys in the tourism special fund shall be used by
21	the authority f	or the purposes of this chapter, provided that:

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1	(1)	Not more than 3.5 per cent of this amount shall be
2		used for administrative expenses, including \$15,000
3		for a protocol fund to be expended at the discretion
4		of the president and chief executive officer; [and]
5	(2)	At least \$1,000,000 shall be made available to support
6		efforts to manage, improve, and protect Hawaii's
7		natural environment and areas frequented by
8		visitors [-] ; and
9	(3)	At least \$ shall be made available to update
10		and support the implementation of county visitor
11		industry strategic plans pursuant to section 201B"
12	SECT	ION 5. There is appropriated out of the tourism
13	special f	und the sum of \$ or so much thereof as may be
14	necessary	for fiscal year 2018-2019 for one full-time equivalent
15	(1.0 FTE)	permanent visitor industry planner position to
16	administe	r and assist the counties in updating and implementing
17	each coun	ty visitor industry strategic plan.
18	The	sum appropriated shall be expended by the Hawaii
19	tourism a	uthority for the purposes of this Act.
20	SECT	ION 6. Statutory material to be repealed is bracketed
21	and stricken. New statutory material is underscored.	

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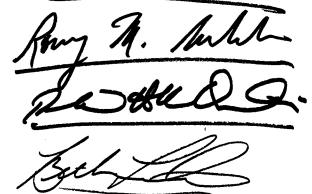
SECTION 7. This Act shall take effect on July 1, 2018.

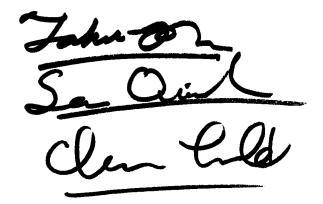
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INTRODUCED BY:

Mudini K. Mak





JAN 2 3 2018



Report Title:

Hawaii Tourism Authority; Transient Accommodations Tax; Tourism Special Fund

Description:

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Requires the Hawaii Tourism Authority to update the statewide tourism strategic plan and to fund the update of county visitor industry strategic plans. Allocates a portion of transient accommodations tax revenues for the county plans. Establishes a planner position in the Authority to administer the development and implementation of the county plans.

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

