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To: Senate Committees on Ways and Means and on Judiciary and Labor

From: Cheryl Kakazu Park, Director

Date: February 28, 2017, 9:50 a.m.
State Capitol, Conference Room 211

Re: Testimony on S.B. No. 1084, S.D. 1
Relating to the Hawaii Tourism Authority

Thank you for the opportunity to submit testimony on this bill, which, among other things, would amend a provision **allowing** the Hawaii Tourism Authority (“HTA”) Board to disclose information relating to marketing plans after their execution to instead **require** the HTA Board to disclose such information. **OIP supports this amendment as well as the bill provision requiring the HTA board to provide minutes of its closed meetings to any legislator upon request.**

Chapter 92F, the Uniform Information Practices Act (UIPA), provides in section 92F-12(b)(2) that a government record that is **authorized** by law to be disclosed is therefore also **required** by law to be disclosed. Thus, **the existing statutory language allowing disclosure of marketing plans after their execution would also require their disclosure under the UIPA.** However, as the permissive language in the existing statute may have led the HTA Board to believe it was **not** required to disclose such information, the **proposed amendment will serve a useful purpose by clarifying that such disclosure is in fact required.** OIP also believes that **the requirement for HTA to**

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provide minutes of its closed meetings to any legislator upon request will serve as a check on potential abuses of the HTA Board's special closed meeting provision, as well as the generally applicable closed meeting purposes listed in section 92-5 of the Sunshine Law, and will allow members of the public concerned about possible abuses to go through their legislators as an alternative to appealing to OIP or filing a court action under the Sunshine Law. **Legislators, however, must be careful to protect any confidential data that they may receive, as they will be under the same duty as HTA employees and board members to keep confidential matters from public disclosure.**

Thank you for considering OIP's testimony.



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David Y. Ige
Governor

George D. Szigeti
President and Chief Executive Officer

Statement of
George D. Szigeti
Chief Executive Officer
Hawai'i Tourism Authority
on
SB1084 SD1 Relating to the Hawaii Tourism Authority
Senate Committees on Ways and Means & Judiciary and Labor
Tuesday, February 28, 2017
9:50 a.m.
Conference Room 211

Chairs Tokuda and Keith-Agaran, Vice Chairs Dela Cruz and Rhoads, and Members of the Committees:

The Hawai'i Tourism Authority (HTA) offers the following **comments** on SB1084 SD1, which would amend HTA's authorizing statute, HRS Chapter 201B, by making executive meeting minutes available to any legislator upon request, requiring disclosure of certain information after execution of market plans and strategies, requiring HTA to submit an unredacted report to the chairs of the legislative committees on tourism and finance regarding detailed and sensitive budgetary and contract information and directing that gubernatorial appointments to the Board be made within 90 days of receiving the list of applicable names.

While HTA supports the intent of the bill as amended, HTA must emphasize the importance of maintaining the confidentiality of the information that is disclosed to legislators. In this regard, HTA is particularly concerned with its executive session minutes. To assure the minutes remain confidential, HTA requests that the legislature consider adding the following language at page 4, line 16, which relates to HRS § 201B-4(a): "The governor and members of the legislature shall not disclose the executive meeting minutes to the public." When HTA acts in the marketplace on behalf of Hawai'i or otherwise works to position Hawai'i as a premier visitor destination, it is critical that strategic, propriety and other sensitive information be kept confidential. The legislature is an important partner with HTA as we work to build Hawai'i's business and competitive advantage.

HTA has no comment on the deadline for the Governor to appoint Board members, other than to clarify that such appointments are up to the Governor, or the expansion of HTA's current reporting requirements to include an additional year of budgeting of actual and planned expenditures and the disclosure of those reports to the chairs of the legislative committees on tourism and finance.

HTA and the Board take their duties to Hawai'i seriously. We welcome feedback on our decision-making processes, and we want engage the legislature in a discussion of the ways by which we can increase access to information and assure the legislature that we are acting in Hawai'i's best interests.

Mahalo for the opportunity to offer these comments.



February 24, 2017

Testimony offering comments on SB1084

Members of the Hawaii State Legislature:

The Kohala Coast Resort Association (KCRA) supports the 90 day parameter given to the Executive Office to fill appointments on the Hawaii Tourism Authority Board of Directors. We would like to recommend that Section 201B of the Hawaii Revised Statutes emphasize that at least 6 of the 12 members on the HTA board have visitor industry experience.

KCRA is a collection of master-planned resorts and hotels situated north of the airport which represents more than 3,500 hotel accommodations and an equal number of resort residential units. This is approximately 35 percent of the accommodations available on the Island of Hawai'i. KCRA member properties annually pay more than \$20 million in TAT and \$20 million in GET.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho
Administrative Director

Patrick Fitzgerald, Hualalai Resort
Kelley Cosgrove, Fairmont Orchid, Hawai'i
David Givens, Hilton Waikoloa Village
Steve Yannarell, Waikoloa Beach Marriott Resort & Spa

Scott Head, Waikoloa Land Company
Robert Whitfield, Four Seasons Resort Hualalai
Rodney Ito, Mauna Lani Bay Hotel & Bungalows
Craig Anderson, Mauna Kea Beach Hotel and Hapuna
Prince Hotel



HAWAI'I LODGING & TOURISM
ASSOCIATION

LATE

Testimony of

Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Committees on
Ways and Means
Judiciary and Labor

Senate Bill 1084 SD1: Relating to the Hawai'i Tourism Authority

Chair Tokuda, Chair Keith-Agaran, and members of the committees, mahalo for the opportunity to offer this testimony on behalf of the more than 700 members of the Hawai'i Lodging & Tourism Association.

We support Senate Bill 1084 SD1, which would stipulate open meeting, reporting, and board appointment requirements for the Hawai'i Tourism Authority.

The Hawai'i Tourism Authority is an important and vital contributor to, and supporter of, the state's top industry. Since its inception, the HTA has been the state's largest single source of public funding for marketing and promotion, and in so doing, has helped to diversify and sustain the industry. The authority is an invaluable partner in ensuring the remarkable success of tourism, which has enjoyed five consecutive years of record growth.

However, the Hawai'i Tourism Authority's internal governance practices, which was criticized of late by key legislators and industry stakeholders, point to a need for more openness and transparency in the administration of a public agency dispensing public money and greater accountability. Senate Bill 1084 SD1 seeks to ensure that the HTA's executive session marketing plans and strategies are properly disclosed after execution. It further seeks to give legislators more oversight into spending by the agency by requiring timely reports on its budget and expenditures, and establishes a timely appointment of the authority's board of directors. If the sunshine exemption is to be retained, there should be greater assurances that HTA exercise it in a much more judicious manner than has been done presently.

We strongly support the 90-day parameter given to the executive office for board appointment and the further stipulation that would default the appointment to the Senate President and Speaker of the House if the time limit is not met. We would like to recommend however that Section 201B of the Hawaii Revised Statutes highly emphasize that at least six of the 12 members of the HTA board of directors have substantive visitor industry experience, provided there are no conflicts of interest. We believe that direct industry input, through representatives on the authority board, will provide the experience and insight necessary in crafting our tourism strategies, cultivating existing markets and developing new ones, and finding other means of strengthening the state's number one industry.

Mahalo for the opportunity to testify.