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# A BILL FOR AN ACT

RELATING TO TOURISM GOVERNANCE.

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

PART I

SECTION 1. The legislature finds that tourism is uniquely critical to the economy of the State and a significant generator of government revenue. However, tourism is also a potential source of intrusion onto the daily lives of residents and creates strains on state and county infrastructure and services.

Accordingly, the legislature believes that the tourism industry requires the best possible system of governance and oversight. The system must involve both state and county agencies and private industry and community stakeholders to ensure a balance among visitor and resident interests while guaranteeing that there is an ultimate emphasis on resident prosperity and well-being. The legislature further finds that coordination among these groups will ensure effective and coordinated approaches to long-term planning, appropriate marketing, impact mitigation and other aspects of destination



1 management, and regular analysis of tourism's costs and  
2 benefits.

3 Act 156, Session Laws of Hawaii 1998 (Act 156), which  
4 established the Hawaii tourism authority, specified that the  
5 authority should "[h]ave a permanent, strong focus on marketing  
6 and promotion[.]" This mandate led to a perception among  
7 residents that the authority was responsible for the very high  
8 visitor counts in the late 2010s, a phenomenon that critics  
9 often called "overtourism". Act 156 also authorized the  
10 authority to coordinate with other agencies and required it to  
11 create a "long-term strategic plan for tourism in Hawaii[.]"  
12 However, when the authority crafted such a plan for the 2005  
13 through 2015 period that included agreements with other agencies  
14 and entities to take on responsibility for certain activities,  
15 the Hawaii tourism authority found that it did not have any  
16 means to enforce these agreements. Accordingly, subsequent  
17 strategic plans have focused on goals and actions strictly  
18 within the authority's own purview.

19 After resident concerns about tourism impacts continued to  
20 grow through the late 2010s, the Hawaii tourism authority  
21 approved a plan in 2020 aimed at "destination management". In



1 developing this idea, the authority worked with all four county  
2 governments to create and implement island-specific destination  
3 management action plans. While the legislature finds the  
4 destination management action plan process to be encouraging,  
5 the legislature notes that it is concerned that, without a  
6 formal system of coordination and enforcement capabilities, the  
7 authority will likely face the same problems it experienced in  
8 its 2005-2015 strategic plan, likely resulting in the  
9 destination management action plans achieving few lasting  
10 results.

11 The legislature notes that Hawaii is not the only place  
12 where existing tourism governance systems have been challenged  
13 by resident demands for better destination management. In the  
14 past year, university scholars have authored blogs and articles  
15 pointing out that new coordinated tourism governance structures  
16 have been adopted or proposed in a number of diverse  
17 destinations, including the United States Columbia River Gorge,  
18 Los Angeles, Barcelona, Edinburgh, Iceland, and Amsterdam. Some  
19 of these structures appear to be primarily intra-governmental  
20 while others incorporated regular input from community, labor,  
21 business, environmental, and cultural organizations. However,



1 these systems have not yet been systematically studied and it is  
2 unclear how applicable these systems would be to Hawaii.

3 Accordingly, the purpose of this part is to require the  
4 legislative reference bureau to conduct a study that identifies  
5 and analyzes alternative tourism governance systems.

6 SECTION 2. (a) The legislative reference bureau shall  
7 conduct a study that identifies and analyzes actual and proposed  
8 alternative tourism governance systems used or proposed to be  
9 used in locations that are reasonably similar to Hawaii, as  
10 provided in this section. For the purposes of this section,  
11 "reasonably similar to Hawaii" means a location where:

12 (1) Multiple levels of government entities and, if  
13 applicable, non-governmental entities must coordinate  
14 to address issues involving tourism, particularly at  
15 state or provincial and local levels;

16 (2) Tourism has an important role in the location's  
17 economy; and

18 (3) Tourism has a large impact on the location's  
19 communities;

20 provided that certain small island nations may also be  
21 appropriate for the study to the extent that the study's focus



1 is on agency coordination and not on national powers that are  
2 unavailable to a state-level government entity within the United  
3 States.

4 (b) For each alternative tourism governance system, the  
5 study shall examine:

6 (1) The role of destination management organizations,  
7 whether destination management organizations are  
8 always present, and if destinations where destination  
9 management organizations are not present succeed  
10 economically and in terms of resident satisfaction  
11 with tourism. For tourism governance systems with  
12 strong destination management organizations present,  
13 the study shall assess whether balance has been  
14 achieved between agency effectiveness and any resident  
15 sense that tourism is being given an outsized role in  
16 government;

17 (2) Different approaches to optimizing coordination among  
18 agencies and entities for destination management,  
19 marketing, planning, and impact mitigation. The  
20 analysis shall include an assessment of methods to



1 standardize throughout the State, if desired,

2 approaches to:

3 (A) Pricing and other tools to control congestion;

4 (B) Assure balanced access to publicly maintained

5 attractions, such as scenic and recreational

6 areas, between residents and visitors; and

7 (C) Manage vacation rentals and other dispersed

8 tourism-related commercial activities;

9 (3) Different approaches to communicate and engage with

10 business, labor, environmental, cultural, and

11 community interest groups, including the use of

12 standing advisory committees, if any; and

13 (4) Various aspects of revenue generation, including:

14 (A) Sources of revenue, including various forms of

15 tourism taxes and fees, and whether taxes or fees

16 paid by local residents or businesses are used;

17 (B) Stability of the revenue stream, including the

18 extent to which the system can rely on an

19 ongoing, adequate stream of funding and how much

20 the revenue stream fluctuates over time; and



1 (C) Allocation of revenue, including the methods and  
2 principles used to distribute revenue across  
3 multiple levels of government and across  
4 government agencies within each level of  
5 government.

6 (c) In conducting the study, the legislative reference  
7 bureau shall solicit input from community, governmental, and  
8 other stakeholder groups to identify relevant characteristics of  
9 Hawaii's tourism sector and its governance history, which must  
10 be understood and accommodated by any new governance system.  
11 Stakeholder groups shall be asked to identify:

12 (1) The apparent strengths and weaknesses of the current  
13 tourism governance system where governance is  
14 conducted primarily by the Hawaii tourism authority.  
15 The survey shall query the current level of trust in  
16 this system among the stakeholders; and

17 (2) Other structural considerations, including levels of  
18 government organization and structure critical to  
19 assessing whether various alternative tourism  
20 governance systems would be appropriate to Hawaii.



1 (d) Based on the research conducted and input received  
2 pursuant to subsections (b) and (c), the legislative reference  
3 bureau shall synthesize three potential alternative tourism  
4 governance systems that may be applied in Hawaii and summarize  
5 the systems in a general outline form. To the extent feasible,  
6 the outline shall identify each system's relative advantages and  
7 disadvantages regarding:

8 (1) Effective and competitive marketing based on  
9 appropriate messaging in regard to current issues of  
10 importance, such as responsible and respectful  
11 visitation, regenerative tourism goals, and authentic  
12 cultural experiences;

13 (2) Effective rapid response to ongoing or periodic issues  
14 requiring mitigation, especially those that require  
15 multi-agency cooperation to address;

16 (3) Capacity to manage visitor volume through tools, such  
17 as limits on lodging units, and ability to determine  
18 limits of acceptable growth given the available tools;

19 (4) Capacity to respond to:

20 (A) Current challenges, such as implementing a  
21 destination management program; and





(B) Ongoing or foreseeable future issues, such as public health or natural disaster response, climate change, and technological advances in transportation and hospitality;

(5) Capacity to develop long-range statewide multi-agency strategic plans for critical aspects of tourism, such as infrastructure and workforce development;

(6) Capacity to continue longstanding Hawaii tourism authority programs and responsibility, including convention center oversight and grants to community, cultural, and natural resource stakeholders;

(7) Ability to conduct periodic assessments of tourism's fiscal and societal costs and benefits, including both traditional economic measures and hidden costs and less monetizable benefits and costs at both the county and state levels;

(8) Ability to utilize tourism to further other economic diversification and development goals for the State;

(9) Ease or difficulty of converting to each system from the State's existing governance system while retaining desired assets and experience now vested in the Hawaii



1 tourism authority, including the Hawaii tourism  
2 authority's evolving destination management action  
3 plan process; and

4 (10) A rough assessment of revenue implications for state  
5 and county governments from the conversion to the  
6 governance systems.

7 The study shall not recommend a single preferred approach  
8 among the alternatives.

9 SECTION 3. (a) The legislative reference bureau shall  
10 publish a draft report, including a proposed summary for public  
11 review purposes, no later than October 1, 2024. The bureau  
12 shall use the summary as a basis for an extensive statewide  
13 publicity and stakeholder input program lasting at least two  
14 months, including both electronic and in-person public meetings  
15 if feasible, as well as surveys of the general community, the  
16 business community, and interviews with key legislators, chief  
17 executives, and administrative department heads at both state  
18 and county levels of government.

19 (b) The legislative reference bureau shall submit a final  
20 report of potential options for legislative consideration to the  
21 legislature no later than twenty days prior to the convening of



1 the regular session of 2025. The final report shall note any  
2 changes to potential new tourism governance systems based on the  
3 public input process pursuant to subsection (a), as well as a  
4 general summary of the input received.

5 SECTION 4. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$ or so  
7 much thereof as may be necessary for fiscal year 2022-2023 for  
8 the legislative reference bureau to conduct the study as  
9 provided in this part.

10 The sum appropriated shall be expended by the legislative  
11 reference bureau for the purposes of this part.

12 SECTION 5. The legislative reference bureau may contract  
13 the services of a consultant or consultants to perform all or  
14 some of the duties required in this part with the funds  
15 appropriated in section 4 of this part. Any procurement of  
16 services pursuant to this Act shall be exempt from chapter 103D,  
17 Hawaii Revised Statutes.

18 PART II

19 SECTION 6. The legislature recognizes the significance of  
20 tourism to the State's economy but is also cognizant of the  
21 strain that tourism places on the daily lives of Hawaii's



1 residents and on its infrastructure. The legislature is also  
2 concerned that the destination management action plans adopted  
3 by the Hawaii tourism authority in 2020 will face the same fate  
4 of its 2005-2015 strategic plan, which failed to achieve lasting  
5 results.

6 To ensure that the State sees lasting achievement of the  
7 destination management action plan, the legislature finds that  
8 specifying the goals and objectives of the destination  
9 management action plans in statute and aligning the organization  
10 of the Hawaii tourism authority to those goals and objectives  
11 will enhance the authority's ability to execute governance  
12 recommendations from the study required by part I of this Act.

13 The legislature further finds that the provisions of this  
14 part and parts III and IV of this Act will align the Hawaii  
15 tourism authority's mission with the destination management  
16 actions plans, ensuring the authority's accountability, and  
17 allow the authority to execute these plans more quickly and  
18 efficiently.

19 Accordingly, the purpose of this part and parts III and IV  
20 of this Act are to:



- 1           (1) Statutorily establish destination management  
2           objectives for purposes of the Hawaii tourism  
3           authority;
- 4           (2) Statutorily establish four major "pillars", or core  
5           functions, of the Hawaii tourism authority's programs,  
6           including Hawaiian culture, natural resources,  
7           community, and branding;
- 8           (3) Prohibit contractors hired to address one of the major  
9           functions from engaging in responsibilities for other  
10          major functions;
- 11          (4) Require all branding contracts to be performance-  
12          based;
- 13          (5) Establish an organizational structure that broadens  
14          the Hawaii tourism authority's functions beyond  
15          branding and culture by adding community and  
16          environment as destination management functions of the  
17          authority, thus aligning the authority's  
18          organizational structure with its core functions; and
- 19          (6) Appropriate funds to the Hawaii tourism authority to  
20          align its budget with the objectives and functions  
21          established by this Act.



1       The legislature notes that the reorganization proposed by  
2       this measure will not result in the elimination of any employee  
3       positions, but will redescribe the duties of certain positions  
4       to better align the Hawaii tourism authority's personnel assets.

5       SECTION 7. Chapter 201B, Hawaii Revised Statutes, is  
6       amended by adding a new part to be appropriately designated and  
7       to read as follows:

8               **"PART     .   AUTHORITY PROGRAMS AND OBJECTIVES**

9               **§201B-       Authority programs; four pillars; core**  
10       **functions.** (a) The authority shall operate programs that fall  
11       within the following core functions:

12           (1) Hawaiian culture: Programs that support Native  
13               Hawaiian culture and community, including programs  
14               that value the uniqueness and integrity of the Native  
15               Hawaiian culture and community through genuine  
16               experiences for visitors and residents;

17           (2) Natural resources: Programs that respect Hawaii's  
18               natural and cultural resources, including programs  
19               that enhance and support Hawaii's natural resources  
20               and cultural sites to improve the quality of life for  
21               Hawaii residents and enhance the visitor experience;



1           (3) Community: Programs that ensure tourism and  
2           communities enrich each other, including programs that  
3           are valued by the community and align with the  
4           destination's brand and image, programs that  
5           strengthen relations between residents and visitors,  
6           and programs that form partnerships to build a  
7           resilient tourism workforce and community; and

8           (4) Branding: Programs that frame Hawaii's globally  
9           competitive brand in a way that is coordinated,  
10          authentic, and market-appropriate; is focused on  
11          Hawaii's unique cultures, diverse communities, and  
12          natural environment; and supports Hawaii's economy.

13          (b) Notwithstanding any other law to the contrary, no  
14          entity shall be contracted for services or programs that fall  
15          within more than one of the core functions described in  
16          subsection (a).

17          (c) Any contract for the function of branding pursuant to  
18          subsection (a)(4) shall be performance-based. For the purposes  
19          of this subsection, "performance-based" means a contract that  
20          establishes strategic performance metrics and directly relates



1 payment to the contractor with the contractor's performance  
2 against those metrics.

3       **§201B- Destination management action plan objectives.**

4 The authority shall rebuild, redefine, and reset the direction  
5 of tourism as provided in its destination management action  
6 plans pursuant to this part. In order to achieve this goal, the  
7 authority shall meet the following objectives:

- 8       (1) Create positive contributions to the quality of life  
9             for each county's residents;
- 10       (2) Support the maintenance, enhancement, and protection  
11            of each county's natural resources;
- 12       (3) Ensure the authentic Hawaiian culture is perpetuated  
13            and accurately presented in experiences for residents  
14            and visitors, materials, and marketing efforts;
- 15       (4) Maintain and improve visitor satisfaction of their  
16            experience in each county;
- 17       (5) Strengthen the economic contribution of each county's  
18            visitor industry; and
- 19       (6) Increase communication and understanding between the  
20            residents and visitor industry.





1           **§201B- County destination management action plans;**  
2   **adoption; update.** (a) To meet the destination management  
3 objectives for each county, the Hawaii tourism authority shall  
4 perform the actions specified in each of the following three-  
5 year plans:

6           (1) Oahu Destination Management Action Plan;  
7           (2) Maui Nui Destination Management Action Plan;  
8           (3) Hawaii Island Destination Management Action Plan; and  
9           (4) Kauai Destination Management Action Plan,  
10 during the specified phases.

(b) Upon the adoption of a subsequent destination management action plan for a county to replace that county's plan listed in subsection (a), the authority shall review, adopt, and make any adjustments necessary to match its actions to any subsequently adopted destination management action plan of a county."

17 PART III

18           SECTION 8. (a) Notwithstanding any other law to the  
19 contrary, the Hawaii tourism authority shall be organized as  
20 provided in this section.

1 (b) The Hawaii tourism authority shall be headed by a 1.0  
2 full-time equivalent (1.0 FTE) president and chief executive  
3 officer (position no. 107900E), who shall be assisted by a chief  
4 operating officer (position no. 107912E). There shall be an  
5 executive assistant (position no. 107929E) and public affairs  
6 officer (position no. 117281E), who shall report to the chief  
7 operating officer.

8 (c) There shall be a chief financial officer (position no.  
9 107904E), who shall report to the chief operating officer.  
10 There shall be a procurement officer (position no. 121057E) and  
11 a budget/fiscal officer (position no. 107928E), who shall report  
12 to the chief financial officer.

13 (d) There shall be a chief brand and culture officer  
14 (position no. 107925E) who shall report to the chief operating  
15 officer and who shall be assisted by an administrative assistant  
16 (position no. 107915E); provided that:

17 (1) There shall be a senior brand manager (position no.  
18 107922E), who shall report to the chief brand and  
19 culture officer and who shall be assisted by three  
20 brand managers (position nos. 107920E, 121056E, and  
21 28287E); and



(2) There is established a full-time equivalent (1.0 FTE) cultural manager position, who shall report to the chief brand and culture officer and who shall be assisted by a cultural assistant (position no. 107924E).

(e) There is established a full-time equivalent (1.0 FTE) chief community and natural resources officer position, who shall report to the chief operating officer and who shall be assisted by an administrative assistant (position no. 107921E); provided that:

(1) There is established a full-time equivalent (1.0 FTE) community manager position, who shall report to the chief community and natural resources officer and who shall be assisted by two community assistants (position nos. 107919E and 107917E); and

(2) There shall be a natural resources manager (position no. 107923E), who shall report to the chief brand and culture officer and who shall be assisted by a natural resources assistant (position no. 107905E).

SECTION 9. The following positions within the Hawaii tourism authority are abolished:



1 (1) Senior brand manager (position no. 00107927);

2 (2) Brand manager (position no. 00117227); and

3 (3) Secretary II (position no. 00027615).

4 PART IV

5 SECTION 10. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$12,903,800 or so  
7 much thereof as may be necessary for fiscal year 2022-2023 for  
8 the Hawaii tourism authority to conduct operations and programs  
9 relating to culture.

10 The sum appropriated shall be expended by the Hawaii  
11 tourism authority for the purposes of effectuating part II of  
12 this Act.

13 SECTION 11. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$7,652,500 or so much  
15 thereof as may be necessary for fiscal year 2022-2023 for the  
16 Hawaii tourism authority to conduct operations and programs  
17 relating to natural resources.

18 The sum appropriated shall be expended by the Hawaii  
19 tourism authority for the purposes of effectuating part II of  
20 this Act.



1 SECTION 12. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$16,436,783 or so  
3 much thereof as may be necessary for fiscal year 2022-2023 for  
4 the Hawaii tourism authority to conduct operations and programs  
5 relating to community.

6 The sum appropriated shall be expended by the Hawaii  
7 tourism authority for the purposes of effectuating part II of  
8 this Act.

9 SECTION 13. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$18,022,500 or so  
11 much thereof as may be necessary for fiscal year 2022-2023 for  
12 the Hawaii tourism authority to conduct operations and programs  
13 relating to branding.

14 The sum appropriated shall be expended by the Hawaii  
15 tourism authority for the purposes of effectuating part II of  
16 this Act.

17 SECTION 14. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$3,972,107 or so much  
19 thereof as may be necessary for fiscal year 2022-2023 for  
20 administrative costs of the Hawaii tourism authority, including  
21 payroll costs.



1       The sum appropriated shall be expended by the Hawaii  
2       tourism authority for the purposes of this section.

3                               PART V

4       SECTION 15. This Act shall take effect on December 25,  
5       2040; provided that sections 4, 10, 11, 12, 13, and 14 shall  
6       take effect on July 1, 2022.



**Report Title:**

Tourism; Tourism Governance; HTA; Structure; Destination Action Management Plan; Contracts; LRB; Study; Appropriations

**Description:**

Requires the Legislative Reference Bureau to conduct a study that identifies and analyzes alternative tourism governance systems. Establishes 4 pillars under which the Hawaii Tourism Authority shall operate programs: Hawaiian culture, natural resources, community, and branding. Prohibits entities from being contracted for services or programs that fall within more than one of the four pillars. Requires all branding contracts to be performance-based. Requires the Hawaii Tourism Authority to perform actions specified in the Authority's destination management action plans. Prescribes the organizational structure for the Authority. Appropriates moneys. Effective 12/25/2040. (SD1)

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

