
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

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

PART I

SECTION 1. The legislature finds that prior to the coronavirus pandemic, the effects of tourism on Hawaii's economy, environment, and way of life for residents was undergoing reflection and change. However, the impact of the pandemic on the State and residents provided a greater opportunity to rethink and transform Hawaii's tourism industry for a post-pandemic world in a manner beneficial for Hawaii and its future.

In July 2021, the Hawaii tourism authority announced its intent to become a more effective destination management organization. The legislature notes that destination management has become a major focus of the Hawaii tourism authority and is at the heart of its 2020-2025 Strategic Plan Update. The legislature further notes that the Hawaii tourism authority reorganized its structure and operations to support the goal of



1 *Mālama Ku'u Home* (caring for my beloved home) through the
2 principles of regenerative tourism. Tourism marketing and
3 tourism management are fundamental responsibilities of the
4 Hawaii tourism authority and are critical to sustainable
5 tourism.

6 The legislature further finds that according to the Hawaii
7 state planning act, planning for the State's economy regarding
8 the visitor industry shall be directed toward the achievement of
9 a visitor industry that constitutes a major component of steady
10 growth for Hawaii's economy. To achieve the visitor industry
11 objective, state policy requires, among other things, the
12 following:

- 13 (1) Ensuring that visitor industry activities are in
14 keeping with the social, economic, and physical needs
15 and aspirations of Hawaii's people; and
16 (2) Encouraging cooperation and coordination between the
17 government and private sectors in developing and
18 maintaining well-designed, adequately serviced visitor
19 industry and related developments that are sensitive
20 to neighboring communities and activities.



1 Tourism growth, development, and management in the State must be
2 aligned with the objectives and policies of the Hawaii State
3 Planning Act.

4 The legislature believes that each county should have
5 greater control of its own visitor industry. Currently, the
6 legislature appropriates moneys to the Hawaii tourism authority,
7 which then contracts with various businesses or awards grants to
8 promote the State as a visitor destination.

9 The legislature also believes that those moneys should
10 instead be expended by the counties so that each county may
11 develop a visitor marketing approach that is more appropriate to
12 the county than a singular approach by the Hawaii tourism
13 authority that applies statewide.

14 Accordingly, the purpose of this Act is to:

- 15 (1) Ensure that the scope and responsibilities of the
16 Hawaii tourism authority encompass best practice
17 destination management and regenerative tourism;
- 18 (2) Require the Hawaii tourism authority to develop a
19 tourism management plan that includes tourism
20 marketing, best practice destination management, and
21 regenerative tourism; and



(3) Allocate moneys to the respective county economic development offices for visitor marketing contracts and nonprofits that benefit the county.

PART II

SECTION 2. Section 201B-1, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Best practice destination management" means a holistic process that ensures that tourism adds value to the economy, social fabric, and ecology of communities.

"Regenerative tourism" means tourism that focuses on reducing harm associated with tourism and restoring the harm that tourism has already done to the natural environment through collective holistic efforts to:

- (1) Make net positive contributions;
- (2) Create conditions that allow life to flourish; and
- (3) Improve destinations for current and future generations for the well-being of the environment, residents, host communities, and visitors."

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



1 "(a) Except as otherwise limited by this chapter, the
2 authority may:

3 (1) Sue and be sued;

4 (2) Have a seal and alter the same at its pleasure;

5 (3) Through its president and chief executive officer,
6 make and execute contracts and all other instruments
7 necessary or convenient for the exercise of its powers
8 and functions under this chapter; provided that the
9 authority may enter into contracts and agreements for
10 a period of up to five years, subject to the
11 availability of funds; [and] provided further that the
12 authority may enter into agreements for the use of the
13 convention center facility for a period of up to ten
14 years;

15 (4) Make and alter bylaws for its organization and
16 internal management;

17 (5) Unless otherwise provided in this chapter, adopt rules
18 in accordance with chapter 91 with respect to its
19 projects, operations, properties, and facilities;



1 (6) Through its president and chief executive officer,
2 represent the authority in communications with the
3 governor and the legislature;

4 (7) Through its president and chief executive officer,
5 provide for the appointment of officers, agents, a
6 sports coordinator, and employees, subject to the
7 approval of the board, prescribing their duties and
8 qualifications, and fixing their salaries, without
9 regard to chapters 76 and 78, if funds have been
10 appropriated by the legislature and allotted as
11 provided by law;

12 (8) Through its president and chief executive officer,
13 purchase supplies, equipment, or furniture;

14 (9) Through its president and chief executive officer,
15 allocate the space or spaces that are to be occupied
16 by the authority and appropriate staff;

17 (10) Through its president and chief executive officer,
18 engage the services of qualified persons to implement
19 the State's tourism [~~marketing~~] management plan or
20 portions thereof as determined by the authority;



1 (11) Through its president and chief executive officer,
2 engage the services of consultants on a contractual
3 basis for rendering professional and technical
4 assistance and advice;

5 (12) Procure insurance against any loss in connection with
6 its property and other assets and operations in
7 amounts and from insurers as it deems desirable;

8 (13) Contract for or accept revenues, compensation,
9 proceeds, and gifts or grants in any form from any
10 public agency or any other source;

11 (14) Develop, coordinate, and implement state policies and
12 directions for tourism and related activities taking
13 into account the economic, social, and physical
14 impacts of tourism on the State, Hawaii's natural
15 environment, ~~and~~ areas frequented by visitors~~+~~,
16 best practice destination management, and regenerative
17 tourism;

18 (15) Have a permanent, strong focus on Hawaii brand
19 management;



- 1 (16) Coordinate all agencies and advise the private sector
2 in the development of tourism-related activities and
3 resources;
- 4 (17) Work to eliminate or reduce barriers to travel to
5 provide a positive and competitive business
6 environment, including coordinating with the
7 department of transportation on issues affecting
8 airlines and air route development;
- 9 (18) Market and promote sports-related activities and
10 events;
- 11 (19) Coordinate the development of new products with the
12 counties and other persons in the public sector and
13 private sector, including the development of sports,
14 culture, health and wellness, education, technology,
15 agriculture, and nature tourism;
- 16 (20) Establish a public information and educational program
17 to inform the public of tourism and tourism-related
18 problems;
- 19 (21) Encourage the development of tourism educational,
20 training, and career counseling programs;



- 1 (22) Establish a program to monitor, investigate, and
2 respond to complaints about problems resulting
3 directly or indirectly from the tourism industry and
4 taking appropriate action as necessary;
- 5 (23) Develop and implement emergency measures to respond to
6 any adverse effects on the tourism industry, pursuant
7 to section 201B-9;
- 8 (24) Set and collect rents, fees, charges, or other
9 payments for the lease, use, occupancy, or disposition
10 of the convention center facility without regard to
11 chapter 91;
- 12 (25) Notwithstanding chapter 171, acquire, lease as lessee
13 or lessor, own, rent, hold, and dispose of the
14 convention center facility in the exercise of its
15 powers and the performance of its duties under this
16 chapter; and
- 17 (26) Acquire by purchase, lease, or otherwise, and develop,
18 construct, operate, own, manage, repair, reconstruct,
19 enlarge, or otherwise effectuate, either directly or
20 through developers, a convention center facility."



SECTION 4 Section 201B-6, Hawaii Revised Statutes, is amended to read as follows:

"§201B-6 Tourism ~~[marketing]~~ management plan; measures of effectiveness. (a) The authority shall be responsible for developing a tourism ~~[marketing]~~ management plan[-] that includes tourism marketing, best practice destination management, and regenerative tourism. The plan shall be a single, comprehensive document that shall be updated every year and include the following:

- (1) Statewide Hawaii brand management efforts and programs;
- (2) Targeted markets;
- (3) Efforts to enter into Hawaii brand management projects that make effective use of cooperative programs;
- (4) Program performance goals and targets that can be monitored as market gauges and used as attributes to evaluate the authority's programs; and
- (5) The authority's guidance and direction for the development and coordination of promotional and marketing programs that build and promote the Hawaii brand, which are implemented through county contracts



1 and agreements with destination marketing
2 organizations or other qualified organizations,
3 including:
4 (A) Target markets and the results being sought;
5 (B) Key performance indicators; and
6 (C) Private sector collaborative or cooperative
7 efforts that may be required.

8 As used in this ~~[section]~~ subsection, "Hawaii brand" means
9 the programs that collectively differentiate the Hawaii
10 experience from other destinations.

11 (b) In accordance with subsection (a), the authority shall
12 develop measures of effectiveness to assess the overall benefits
13 and effectiveness of the ~~[marketing]~~ tourism management plan and
14 include documentation of the progress of the ~~[marketing]~~ tourism
15 management plan ~~[towards]~~ toward achieving the authority's
16 strategic plan goals."

17 SECTION 5. Section 201B-7, Hawaii Revised Statutes, is
18 amended by amending subsections (a) and (b) to read as follows:

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



- 1 (1) Tourism promotion, [~~marketing, and~~] development [~~+~~],
2 and management;
- 3 (2) Market development-related research;
- 4 (3) Product development and diversification issues focused
5 on visitors;
- 6 (4) Promotion, development, and coordination of sports-
7 related activities and events;
- 8 (5) Promotion of Hawaii, through a coordinated statewide
9 effort, as a place to do business, including high
10 technology business, and as a business destination;
- 11 (6) Reduction of barriers to travel;
- 12 (7) Marketing, management, use, operation, or maintenance
13 of the convention center facility, including the
14 purchase or sale of goods or services, logo items,
15 concessions, sponsorships, and license agreements, or
16 any use of the convention center facility as a
17 commercial enterprise; provided that effective
18 January 1, 2020, and thereafter, contracts issued
19 pursuant to this paragraph for the marketing of all
20 uses of the convention center facility may be issued



1 separately from the management, use, operation, or
2 maintenance of the facility;

3 (8) Tourism research and statistics to:

4 (A) Measure and analyze tourism trends;

5 (B) Provide information and research to assist in the
6 development and implementation of state tourism
7 policy; and

8 (C) Provide tourism information on:

9 (i) Visitor arrivals, visitor characteristics,
10 and expenditures;

11 (ii) The number of transient accommodation units
12 available, occupancy rates, and room rates;

13 (iii) Airline-related data including seat capacity
14 and number of flights;

15 (iv) The economic, social, and physical impacts
16 of tourism on the State; and

17 (v) The effects of the ~~[marketing programs]~~

18 tourism management plan of the authority on

19 the measures of effectiveness developed

20 pursuant to section 201B-6(b); and



1 (9) Any and all other activities necessary to carry out
2 the intent of this chapter;
3 provided that the authority shall periodically submit a report
4 of the contracts and agreements entered into by the authority to
5 the governor, the speaker of the house of representatives, and
6 the president of the senate.

7 (b) The authority shall be responsible for:

8 (1) Creating a vision and developing a long-range
9 strategic plan for tourism in Hawaii;

10 (2) Promoting~~[, marketing,]~~ and developing the tourism
11 industry in the State; provided that the authority's
12 efforts include best practice destination management
13 and regenerative tourism;

14 (3) Arranging for the conduct of research through
15 contractual services with the University of Hawaii or
16 any agency or other qualified persons concerning
17 social, economic, and environmental aspects of tourism
18 development in the State;

19 (4) Providing technical or other assistance to agencies
20 and private industry upon request;



- 1 (5) Perpetuating the uniqueness of the native Hawaiian
2 culture and community, and their importance to the
3 quality of the visitor experience, by ensuring that:
- 4 (A) The Hawaiian culture is accurately portrayed by
5 Hawaii's visitor industry;
- 6 (B) Hawaiian language is supported and normalized as
7 both an official language of the State as well as
8 the foundation of the host culture that draws
9 visitors to Hawaii;
- 10 (C) Hawaiian cultural practitioners and cultural
11 sites that give value to Hawaii's heritage are
12 supported, nurtured, and engaged in sustaining
13 the visitor industry; and
- 14 (D) A native Hawaiian cultural education and training
15 program is provided for the visitor industry
16 workforce having direct contact with visitors;
17 and
- 18 (6) Reviewing annually the expenditure of public funds by
19 any visitor industry organization that contracts with
20 the authority to perform tourism promotion,
21 ~~[marketing]~~ management, and development and making



1 recommendations necessary to ensure the effective use
2 of the funds for the management and development of
3 tourism."

4 SECTION 6. Section 201B-13, Hawaii Revised Statutes, is
5 amended by amending subsection (b) to read as follows:

6 "(b) The authority may establish an advisory group that
7 may meet monthly or as the authority deems necessary[~~7~~] and
8 which may include the director of business, economic
9 development, and tourism, director of transportation,
10 chairperson of the board of land and natural resources, and
11 executive director of the state foundation on culture and the
12 arts, to advise the authority on matters relating to their
13 respective departments or agency in the preparation and
14 execution of suggested:

15 (1) Measures to respond to tourism emergencies pursuant to
16 section 201B-9;

17 (2) Programs for the management, improvement, and
18 protection of Hawaii's natural environment and other
19 areas frequented by visitors;

20 (3) Measures to address issues affecting airlines, air
21 routes, and barriers to travel to Hawaii; [~~and~~]



(4) Programs to perpetuate the cultures of Hawaii and engage local communities to sustain and preserve the native Hawaiian culture[-]; and

(5) Programs that include tourism marketing, best practice destination management, and regenerative tourism as part of an overall tourism management plan."

SECTION 7. Section 201B-16, Hawaii Revised Statutes, is amended to read as follows:

"§201B-16 Annual report. The authority shall submit a complete and detailed report of its activities, expenditures, and results, including the progress of the tourism [~~marketing~~] management plan, developed pursuant to section 201B-6, toward achieving the authority's strategic plan goals, to the governor and the legislature at least twenty days prior to the convening of each regular session of the legislature. The annual report shall include the descriptions and evaluations of programs funded, together with any recommendations the authority may make."

PART III



SECTION 8. Chapter 201B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201B- County share of tourism marketing funds. (a) Moneys appropriated to the authority by the legislature for the marketing of Hawaii as a tourism destination shall be allocated as follows:

(1) Three per cent shall be retained by the authority to cover administrative costs incurred in administering funds allocated pursuant to this section; and

(2) Ninety-seven per cent shall be allocated by the authority to the respective county economic development offices; provided that for each fiscal year, the amount allocated to each county economic development office pursuant to this paragraph shall be commensurate with the percentage of visitor arrivals attributable to that county during the previous fiscal year.

(b) Any moneys allocated to a county economic development office pursuant to this section shall be expended to promote the county as a visitor destination or awarded to nonprofit



1 organizations that benefit the county; provided that no moneys
2 allocated to a county economic development office pursuant to
3 this section shall be expended or awarded in a manner that
4 conflicts with the tourism management plan developed pursuant to
5 201B-6."

6 SECTION 9. Section 46-20.7, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "[~~§~~46-20.7~~]~~ County transient accommodations tax. Each
9 county may establish a transient accommodations tax not to
10 exceed the maximum rate set forth in section 237D-2.5. The
11 county transient accommodations tax shall be in addition to any
12 state transient accommodations tax. Moneys allocated to a
13 county pursuant to section 201B- shall not be used to reduce
14 any county revenues collected pursuant to a tax established
15 pursuant to this section. A county electing to establish a
16 transient accommodations tax pursuant to this section shall do
17 so by ordinance."

18 PART IV

19 SECTION 10. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 11. This Act shall take effect upon its approval.



Report Title:

Hawaii Tourism Authority; Tourism Management Plan; Best Practice Destination Management; Regenerative Tourism; County Economic Development Offices; Tourism Marketing Funds

Description:

Includes best practice destination management and regenerative tourism under the scope and responsibilities of the Hawaii Tourism Authority (HTA). Requires HTA to develop a tourism management plan that includes tourism marketing, best practice destination management, and regenerative tourism. Requires HTA to allocate most marketing moneys to the respective county economic development offices for visitor marketing contracts and nonprofits that benefit the county. (SD1)

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

