#### 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:

1	PART I
2	SECTION 1. The legislature finds that prior to the
3	coronavirus disease 2019 pandemic, the effects of tourism on
4	Hawaii's economy, environment, and way of life for residents
5	were undergoing reflection and change. However, the impact of
6	the pandemic on the State and residents provided a greater
7	opportunity to rethink and transform Hawaii's tourism industry
8	for a post-pandemic world in a manner beneficial for Hawaii and
9	its future.
10	In July 2021, the Hawaii tourism authority announced its
11	intent to become a more effective destination management
12	organization. The legislature notes that destination management
13	has become a major focus of the Hawaii tourism authority and is
14	at the heart of its 2020-2025 Strategic Plan Update. The
15	legislature further notes that the Hawaii tourism authority
16	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
- and aspirations of Hawaii's people;
- 16 (2) Encouraging cooperation and coordination between the
- government and private sectors in developing and
- 18 maintaining well-designed, adequately serviced visitor
- industry and related developments that are sensitive
- to neighboring communities and activities; and

1	(3) Aligning the growth, development, and management of
2	tourism in the State with the objectives and policies
3	of the Hawaii State 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;

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         (3)
              Codify the objectives and action items from the
 2
              counties' destination management action plans; and
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         (4)
              Make appropriations.
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                                  PART II
         SECTION 2. Section 201B-1, Hawaii Revised Statutes, is
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 6
    amended by adding two new definitions to be appropriately
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    inserted and to read as follows:
         ""Best practice destination management" means a holistic
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 9
    process that ensures that tourism adds value to the economy,
10
    social fabric, and ecology of communities.
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         "Regenerative tourism" means tourism that focuses on
12
    reducing the harm associated with tourism, and restoring the
13
    natural environment from the harm already done by tourism,
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    through collective holistic efforts to:
15
         (1)
              Make net positive contributions;
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         (2) Create conditions that allow life to flourish; and
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              Improve destinations for current and future
         (3)
18
              generations for the well-being of the environment,
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              residents, indigenous communities, and visitors."
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         SECTION 3. Section 201B-3, Hawaii Revised Statutes, is
    amended by amending subsection (a) to read as follows:
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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

portions thereof as determined by the authority;

**20** 

### S.B. NO. 50.0.3

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 $[\tau]$ and strong focus on Hawaii brand
19		management;

### S.B. NO. 50.0.3

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		<pre>problems;</pre>
19	(21)	Encourage the development of tourism educational,
20		training, and career counseling programs;

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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."

1	SECTION 4. Section 201B-6, Hawaii Revised Statutes, is			
2	amended to read as follows:			
3	"§201)	B-6 Tourism [marketing] management plan; measures of		
4	effectivene	ess. (a) The authority shall be responsible for		
5	developing	a tourism [marketing] management plan[-] that		
6	includes to	ourism marketing, best practice destination		
7	management	, and regenerative tourism. The plan shall be a		
8	single, cor	mprehensive document that shall be updated every year		
9	and include	e the following:		
10	(1)	Statewide Hawaii brand management efforts and		
11	. I	programs;		
12	(2)	Targeted markets;		
13	(3) I	Efforts to enter into Hawaii brand management projects		
14	t	that make effective use of cooperative programs;		
15	(4) I	Program performance goals and targets that can be		
16	r	monitored as market gauges and used as attributes to		
17	$\epsilon$	evaluate the authority's programs; and		
18	(5)	The authority's guidance and direction for the		
19	C	development and coordination of promotional and		
20	n	marketing programs that build and promote the Hawaii		
21	k	brand, which are implemented through county contracts		

#### S.B. NO. 50.05 S.D. 3

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

# **S.B. NO.** \$1065 S.D. 3

1		separately	y from the management, use, operation, or
2		maintenan	ce of the facility;
3	(8)	Tourism re	esearch and statistics to:
4		(A) Meası	ure and analyze tourism trends;
5		(B) Prov	ide information and research to assist in the
6		deve:	lopment and implementation of state tourism
7		poli	cy; and
8		(C) Prov	ide 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 co	ntracts and agreements entered into by the authority to
5	the gover	nor, the speaker of the house of representatives, and
6	the presi	dent 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	3
7		both an official language of the State as well a	ıs
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	ıg
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	7
19		any visitor industry organization that contracts with	1
20		the authority to perform tourism promotion,	
21		[marketing, and] development, and management and	

#### S.B. NO. 50.03

1	making recommendations necessary to ensure the
2	effective use of the funds for the development and
3	management of 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[which]
8	and may include the director of business, economic development,
9	and tourism, director of transportation, chairperson of the
10	board of land and natural resources, and executive director of
11	the state foundation on culture and the $arts_{\underline{\prime}}$ to advise the
12	authority on matters relating to their respective departments or
13	agency in the preparation and execution of suggested:
14	(1) Measures to respond to tourism emergencies pursuant to
15	section 201B-9;
16	(2) Programs for the management, improvement, and
17	protection of Hawaii's natural environment and other
18	areas frequented by visitors;
19	(3) Measures to address issues affecting airlines, air
20	routes, and barriers to travel to Hawaii; [and]

# S.B. NO. 50.3

1	(4)	Programs to perpetuate the cultures of Hawaii and
2		engage local communities to sustain and preserve the
3		native Hawaiian culture[-]; and
4	(5)	Programs that include tourism marketing, best practice
5		destination management, and regenerative tourism as
6		part of an overall tourism management plan."
7	SECT	ION 7. Section 201B-16, Hawaii Revised Statutes, is
8	amended t	o read as follows:
9	"§20	1B-16 Annual report. The authority shall submit a
10	complete	and detailed report of its activities, expenditures,
11	and resul	ts, including the progress of the tourism [marketing]
12	managemen	t plan, developed pursuant to section 201B-6, toward
13	achieving	the authority's strategic plan goals, to the governor
14	and the l	egislature at least twenty days prior to the convening
15	of each r	egular session of the legislature. The annual report
16	shall inc	lude the descriptions and evaluations of programs
17	funded, t	ogether with any recommendations the authority may
18	make."	

# **S.B. NO.** 5.D. 3

1		PART III
2	SECTIO	N 8. Chapter 201B, Hawaii Revised Statutes, is
3	amended by	adding two new sections to part I to be appropriately
4	designated	and to read as follows:
5	" <u>§201B</u>	- Destination management action plan objectives.
6	The authori	ty shall rebuild, redefine, and reset the direction
7	of tourism	as provided in its destination management action
8	plans pursu	ant to this part. In order to achieve this goal, the
9	authority s	hall meet the following objectives:
10	<u>(1)</u> <u>C</u>	reate positive contributions to the quality of life
11	<u>f</u>	or each county's residents;
12	<u>(2)</u> <u>S</u>	upport the maintenance, enhancement, and protection
13	<u>o</u>	f each county's natural resources;
14	<u>(3)</u> <u>E</u>	nsure the authentic Hawaiian culture is perpetuated
15	<u>a</u>	nd accurately presented in experiences for residents
16	<u>a</u>	nd visitors, materials, and marketing efforts;
17	<u>(4)</u> <u>M</u>	aintain and improve visitor satisfaction of their
18	e	xperience in each county;
19	<u>(5)</u> S	trengthen the economic contribution of each county's
20	v	isitor industry; and

1	(6) Increase communication and understanding between the
2	residents and visitor industry.
3	§201B- County destination management action plans;
4	adoption; update. (a) To meet the destination management
5	objectives for each county, the Hawaii tourism authority shall
6	perform the actions specified in each of the following three-
7	year plans:
8	(1) Oahu Destination Management Action Plan;
9	(2) Maui Nui Destination Management Action Plan;
10	(3) Hawaii Island Destination Management Action Plan; and
11	(4) Kauai Destination Management Action Plan,
12	during the specified phases.
13	(b) Upon the adoption of a subsequent destination
14	management action plan for a county to replace the respective
15	county's plan listed in subsection (a), the authority shall
16	review, adopt, and make any adjustments necessary to match its
17	actions to any subsequently adopted destination management
18	action plan of a county."
19	SECTION 9. There is appropriated out of the general
20	revenues of the State of Hawaii the sum of \$ or so
21	much thereof as may be necessary for fiscal year 2022-2023 for

- 1 the Hawaii tourism authority to carry out the action items
- 2 outlined in the three-year Oahu destination management action
- 3 plan referred to in section 8 of this Act; provided that any
- 4 funds appropriated pursuant to this section shall be in addition
- 5 to and shall not supplant any portion of the base budget of the
- 6 Hawaii tourism authority.
- 7 The sum appropriated shall be expended by the Hawaii
- 8 tourism authority for the purposes of this Act.
- 9 SECTION 10. There is appropriated out of the general
- 10 revenues of the State of Hawaii the sum of \$ or so
- 11 much thereof as may be necessary for fiscal year 2022-2023 for
- 12 the Hawaii tourism authority to carry out the action items
- 13 outlined in the three-year Maui Nui destination management
- 14 action plan referred to in section 8 of this Act; provided that
- 15 any funds appropriated pursuant to this section shall be in
- 16 addition to and shall not supplant any portion of the base
- 17 budget of the Hawaii tourism authority.
- 18 The sum appropriated shall be expended by the Hawaii
- 19 tourism authority for the purposes of this Act.
- 20 SECTION 11. There is appropriated out of the general
- 21 revenues of the State of Hawaii the sum of \$ or so

- 1 much thereof as may be necessary for fiscal year 2022-2023 for
- 2 the Hawaii tourism authority to carry out the action items
- 3 outlined in the three-year Hawaii island destination management
- 4 action plan referred to in section 8 of this Act; provided that
- 5 any funds appropriated pursuant to this section shall be in
- 6 addition to and shall not supplant any portion of the base
- 7 budget of the Hawaii tourism authority.
- 8 The sum appropriated shall be expended by the Hawaii
- 9 tourism authority for the purposes of this Act.
- 10 SECTION 12. There is appropriated out of the general
- 11 revenues of the State of Hawaii the sum of \$ or so
- 12 much thereof as may be necessary for fiscal year 2022-2023 for
- 13 the Hawaii tourism authority to carry out the action items
- 14 outlined in the three-year Kauai destination management action
- 15 plan referred to in section 8 of this Act; provided that any
- 16 funds appropriated pursuant to this section shall be in addition
- 17 to and shall not supplant any portion of the base budget of the
- 18 Hawaii tourism authority.
- 19 The sum appropriated shall be expended by the Hawaii
- 20 tourism authority for the purposes of this Act.

- 1 PART IV
- 2 SECTION 13. Statutory material to be repealed is bracketed
- 3 and stricken. New statutory material is underscored.
- 4 SECTION 14. This Act shall take effect upon its approval;
- 5 provided that sections 9, 10, 11, and 12 shall take effect on
- 6 July 1, 2022.

#### Report Title:

HTA; Tourism Management Plan; Best Practice Destination Management; Regenerative Tourism; Destination Action Management Plans; Appropriation

#### 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. Appropriates moneys to HTA to carry out the actions in the county destination management action plans. (SD3)

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