
A BILL FOR AN ACT

RELATING TO TOURISM.

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

1 PART I

2 SECTION 1. The legislature finds that in October 2023, the
3 department of business, economic development, and tourism and
4 the Hawaii tourism authority issued request for proposals
5 No. 24-07, entitled "HTA Governance Study", to "determine the
6 ideal governance structure to be effective in destination
7 marketing and tourism management."

8 The legislature further finds that the contract was awarded
9 on December 15, 2023, to Better Destinations, LLC, which then
10 issued surveys, conducted interviews, and held workshops.
11 Better Destinations, LLC, then issued a report in June 2024
12 entitled "Governance with Aloha: A Report and Recommendations
13 for Guiding Destination Stewardship of Hawai'i". The report set
14 forth eleven recommendations, the third of which was to
15 reorganize the Hawaii tourism authority as a destination
16 stewardship organization that is also a nonprofit organization.
17 The nonprofit structure would be similar to the counterpart



1 tourism organizations of California, Florida, and Puerto Rico,
2 which are nonprofit organizations authorized by statute and tied
3 to government oversight. However, rather than being tasked with
4 marketing the destination and increasing tourism, the Hawaii
5 nonprofit would instead guide Hawaii's visitor economy in
6 collaboration with public, private, nonprofit, and community
7 stakeholders in achieving beneficial outcomes from tourism,
8 based on the principles of destination stewardship and
9 regenerative tourism.

10 Accordingly, the purpose of this Act is to implement the
11 third recommendation of the governance study by reorganizing the
12 Hawaii tourism authority as a nonprofit destination stewardship
13 organization.

14 PART II

15 SECTION 2. The Hawaii Revised Statutes is amended by
16 adding a new chapter to be appropriately designated and to read
17 as follows:



1 "CHAPTER

2 HAWAII DESTINATION STEWARDSHIP

3 PART I. GENERAL PROVISIONS

4 § -101 Definitions. As used in this chapter, unless the
5 context otherwise requires:

6 "Convention center facility" means any combination of land,
7 buildings, and improvements thereon, acquired or developed by
8 the State, and includes exhibition halls, meeting rooms, a
9 plenary session hall, and support space that reflect a Hawaiian
10 sense of place; any other structure or facility required or
11 useful for the operation of a convention center, including
12 commercial, office, community service, parking, garage, and
13 other supporting service structures; and, all necessary, useful,
14 and related equipment, furnishings, and appurtenances.

15 "Corporation" shall mean the corporation for the
16 stewardship of Hawaii tourism established and incorporated under
17 section -201.

18 "Destination stewardship" means a collaborative and
19 coordinated process among public, private, nonprofit, and
20 community stakeholders to manage the various elements of a
21 visitor economy to:



- 1 (1) Support Hawaii's economic prosperity by creating,
2 implementing, and monitoring strategies that attract
3 targeted visitors and improve visitor experiences;
- 4 (2) Develop regenerative strategies to improve natural and
5 cultural resources valued by Hawaii residents and
6 visitors, and yield benefits for Hawaii communities;
- 7 (3) Create strategies to manage visitation in ways that
8 safeguard parks, beaches, natural areas, communities,
9 cultural centers, and other assets of Hawaii from
10 overcrowding and overuse;
- 11 (4) Yield opportunities for Hawaii residents to create and
12 build Hawaii-based businesses and pursue rewarding
13 careers; and
- 14 (5) Perpetuate the Hawaiian culture and honor the many
15 cultures represented among the State's population.

16 "Destination stewardship organization" means a tourism
17 organization that is structured to guide a visitor economy in
18 collaboration with public, private, nonprofit, and community
19 stakeholders in achieving beneficial outcomes from tourism,
20 based on the principles of destination stewardship and
21 regenerative tourism.



1 "Hawaii brand" means the qualities and programs that
2 collectively differentiate the Hawaii experience from other
3 destinations.

4 "Incorporator" means the individual who was the president
5 and chief executive officer of the Hawaii tourism authority on
6 the effective date of this Act or an individual appointed by the
7 governor without regard to section 26-34.

8 "President" means the president and chief executive officer
9 of the corporation for the stewardship of Hawaii tourism
10 appointed under section -203.

11 "Regenerative tourism" means a tourism model that:

12 (1) Is designed and carefully managed to bring net
13 benefits to local community resources, culture, and
14 residents; and

15 (2) Engages in collaborative efforts to implement
16 innovative and sustainable plans and strategies to:

17 (A) Make net-positive contributions from visitation;

18 (B) Support and create conditions that allow
19 communities to flourish;

20 (C) Provide visitors with genuine and meaningful
21 experiences in Hawaii; and



1 (D) Improve Hawaii places and experiences for current
2 and future generations for the well-being of the
3 environment, residents, indigenous communities,
4 and visitors.

5 **PART II. CORPORATION FOR THE STEWARDSHIP OF HAWAII TOURISM**

6 **§ -201 Corporation for the stewardship of Hawaii**

7 **tourism; incorporation.** (a) Under section 414D-31, the
8 incorporator shall deliver articles of incorporation to the
9 director of commerce and consumer affairs for filing.

10 (b) The articles of incorporation shall include the
11 following information:

12 (1) The corporate name shall be "Corporation for the
13 Stewardship of Hawaii Tourism", or a similar name if a
14 different name is required for purposes of section
15 414D-61;

16 (2) The corporation shall serve as the official
17 destination stewardship organization for Hawaii and as
18 the official representative for Hawaii tourism;

19 (3) The initial affairs of the corporation shall be
20 managed by the state destination stewardship council;



1 (4) Any additional information as necessary for the
2 administration or management of the corporation; and

3 (5) Any additional information required under section
4 414D-32 or any other provision of law.

5 (c) The incorporator shall carry out any other tasks
6 necessary for the incorporation of the corporation, including:

7 (1) The payment of any fees required under chapter 414D;

8 (2) Holding the initial meeting or subsequent meetings of
9 the state destination stewardship council;

10 (3) Overseeing the election of the officers of the state
11 destination stewardship council; and

12 (4) Adoption of the bylaws of the corporation and a
13 corporate seal.

14 (d) The corporation shall have all of the general powers
15 of a private nonprofit corporation in accordance with
16 chapter 414D.

17 (e) The corporation shall not be considered an agency of
18 the State or a public corporation.

19 **§ -202 Corporation for the stewardship of Hawaii**

20 **tourism; purpose.** The purpose of the corporation shall be to:



- 1 (1) Collaborate in actions to build a thriving tourism
2 economy that addresses local priorities as determined
3 through collaboration with the island destination
4 stewardship councils;
- 5 (2) Create opportunities for commerce that benefit Hawaii
6 residents;
- 7 (3) Safeguard and improve the unique assets of Hawaii; and
- 8 (4) Perpetuate the uniqueness of the Hawaiian culture and
9 community and their significance to the quality of the
10 visitor experience.

11 **§ -203 President and chief executive officer of the**
12 **corporation for the stewardship of Hawaii tourism.** (a) Subject
13 to the approval of the governor, the state destination
14 stewardship council shall appoint one person to serve as the
15 president and chief executive officer of the corporation. The
16 president shall serve at the pleasure of the state destination
17 stewardship council.

18 (b) The state destination stewardship council shall set
19 the president's compensation and benefits based upon industry
20 standards for the leaders of destination organizations of
21 similar size and budget. The president shall oversee, hire, and



1 direct the corporation staff and determine compensation based on
2 industry standards for positions at destination organizations of
3 similar size and budget.

4 (c) The president and other employees of the corporation
5 shall not be considered state employees and shall be exempt from
6 state administrative requirements with the exception of state
7 requirements for travel and ethical conduct.

8 (d) The president shall report to and receive guidance
9 from the state destination stewardship council on matters of
10 policy, strategy, and finance.

11 (e) The president shall implement the long-range strategic
12 tourism stewardship plan and annual strategic tourism
13 stewardship plans developed under section -205.

14 (f) The corporation shall be subject to chapters 103
15 and 103D.

16 **§ -204 Corporation for the stewardship of Hawaii**

17 **tourism; general powers.** (a) The corporation shall do any and
18 all things necessary to carry out its purpose and to exercise
19 the powers and responsibilities given in this chapter.

20 (c) Except as otherwise limited by this chapter, the
21 corporation may:



- 1 (1) Sue and be sued;
- 2 (2) Have a seal and alter the same at its pleasure;
- 3 (3) Through its president, make and execute contracts and
4 all other instruments necessary or convenient for the
5 exercise of its powers and functions under this
6 chapter; provided that the corporation may enter into
7 contracts and agreements for a period of up to five
8 years, subject to the availability of funds; provided
9 further that the corporation may enter into agreements
10 for the use of the convention center facility for a
11 period of up to ten years;
- 12 (4) Make and alter bylaws for its organization and
13 internal management;
- 14 (5) Through its president, represent the corporation in
15 communications with the governor and the legislature;
- 16 (6) Through its president, provide for the appointment of
17 officers, agents, and employees, prescribing their
18 duties and qualifications, and fixing their salaries,
19 without regard to chapters 76 and 78, if funds have
20 been appropriated by the legislature and allotted as
21 provided by law;



1 (7) Through its president, purchase supplies, equipment,
2 or furniture;

3 (8) Through its president, allocate the space or spaces
4 that are to be occupied by the corporation and
5 appropriate staff;

6 (9) Through its president, engage the services of
7 consultants on a contractual basis for rendering
8 professional and technical assistance and advice;

9 (10) Procure insurance against any loss in connection with
10 its property and other assets and operations in
11 amounts and from insurers as it deems desirable; and

12 (11) Contract for or accept revenues, compensation,
13 proceeds, and gifts or grants in any form from any
14 public agency or any other source; and

15 (12) Conduct any and all other activities necessary to
16 carry out the intent of this chapter.

17 § -205 Vision; long-range strategic tourism stewardship
18 plan; annual strategic tourism stewardship plan. (a) The
19 corporation shall be responsible for leading the development of
20 the following:

21 (1) A vision for tourism in Hawaii;



1 (2) A long-range strategic tourism stewardship plan; and

2 (3) Annual strategic tourism stewardship plans.

3 (b) The purposes of the long-range strategic tourism
4 stewardship plan and each annual strategic tourism stewardship
5 plan shall be to generate a healthy tourism economy, advance the
6 Hawaii brand and destination stewardship best practices, and
7 advance regenerative tourism. The long-range strategic tourism
8 stewardship plan shall establish goals consistent with the
9 purposes of this subsection.

10 (c) Each annual strategic tourism stewardship plan shall
11 be a single, comprehensive document to be shared annually with
12 the governor and legislature at least twenty days prior to the
13 convening of each regular legislative session. Each annual
14 strategic tourism stewardship plan shall establish goals
15 consistent with the purposes of this subsection.

16 (d) To identify and address destination stewardship
17 objectives for each island or a particular group of islands, the
18 corporation shall lead a collaborative process with each island
19 destination stewardship council to develop:

20 (1) A long-term island destination stewardship action plan
21 under section -403;



1 (2) Periodic island destination stewardship action plans
2 under section -404; and

3 (3) One-year island destination stewardship action plans
4 under section -405.

5 (e) The corporation shall post all plans on its website.

6 **§ -206 Exemption of corporation from taxation.** All
7 revenues and receipts derived by the corporation from any
8 project, project agreement, or other agreement pertaining to a
9 project shall be exempt from all state taxation. Any rights,
10 titles, and interests of the corporation in any project shall
11 also be exempt from all state taxation.

12 **§ -207 Declaration of public function, purpose, and**
13 **necessity.** The powers and functions granted to and exercised by
14 the corporation under this chapter are declared to be public and
15 governmental functions, exercised for a public purpose, and
16 matters of public necessity. Employees of the corporation shall
17 not be responsible individually to any person for liability for
18 any good faith activity of the corporation.

19 **§ -208 Annual report.** (a) The corporation shall submit
20 an annual report to the legislature no later than twenty days



1 prior to the convening of each regular session. Each annual
2 report shall contain:

- 3 (1) A complete and detailed report of the corporation's
4 activities, expenditures, and results, including the
5 progress in achieving the goals established by the
6 strategic tourism stewardship plan;
- 7 (2) A report on the budget of the corporation, including
8 income, expenses, and the fund balances; provided that
9 this information shall be audited by independent
10 certified public accountants retained by the
11 corporation for this purpose;
- 12 (3) The annual strategic tourism stewardship plan under
13 section -205(a)(3) and a report of the progress in
14 achieving the goals established by the previous year's
15 annual strategic tourism stewardship plan;
- 16 (4) Descriptions and evaluations of programs funded;
- 17 (5) The annual report of each island destination
18 stewardship council submitted to the corporation that
19 year under section -407; and
- 20 (6) Any recommendations made by the corporation.



1 (b) The corporation shall post all of its annual reports
2 on its website.

3 (c) The corporation shall post all reports made by the
4 Hawaii tourism authority on its website.

5 **§ -209 Tourism emergency.** (a) If the state destination
6 stewardship council determines that the occurrence of a world
7 conflict, terrorist threat, national or global economic crisis,
8 natural disaster, outbreak of disease, or other catastrophic
9 event adversely affects Hawaii's tourism industry by resulting
10 in a substantial interruption in the commerce of the State and
11 adversely affecting the welfare of its people, the state
12 destination stewardship council shall request that the governor
13 declare that a tourism emergency exists.

14 (b) Upon declaration by the governor that a tourism
15 emergency exists pursuant to subsection (a), the corporation
16 shall develop and implement measures to respond to the tourism
17 emergency, including providing assistance to tourists during the
18 emergency; provided that any tourism emergency response measure
19 implemented pursuant to this subsection shall not include any
20 provision that would adversely affect the organized labor force
21 in tourism-related industries. With respect to a national or



1 global economic crisis only, in addition to the governor's
2 declaration of the existence of a tourism emergency, the
3 corporation shall take no action in response to the tourism
4 emergency declaration without the governor's express approval.

5 **§ -210 Tourism emergency special fund.** (a) There is
6 established outside the state treasury a tourism emergency
7 special fund to be administered by the state destination
8 stewardship council, into which shall be deposited the revenues
9 prescribed by section 237D-6.5(b) and all investment earnings
10 credited to the assets of the fund.

11 (b) Moneys in the special fund shall be used exclusively
12 to provide for the development and implementation of emergency
13 measures to respond to any tourism emergency pursuant to
14 section -209, including providing emergency assistance to
15 tourists during the tourism emergency.

16 (c) Use of the special fund, consistent with subsection
17 (b), shall be provided for in articles, bylaws, resolutions, or
18 other instruments executed by the state destination stewardship
19 council as administrator for the special fund.



1 **§ -211 Convention center enterprise special fund. (a)**

2 There is established the convention center enterprise special
3 fund, into which shall be deposited:

4 (1) A portion of the revenues from the transient
5 accommodations tax, as provided by section 237D-6.5;

6 (2) All revenues or moneys derived from the operations of
7 the convention center, to include all revenues from
8 the food and beverage service, all revenues from the
9 parking facilities and from any concession, and all
10 revenues from the sale of souvenirs, logo items, or
11 any other items offered for purchase at the convention
12 center;

13 (3) Private contributions, interest, compensation, gross
14 or net revenues, proceeds, or other moneys derived
15 from any source or for any purpose arising from the
16 use of the convention center facility; and

17 (4) Appropriations by the legislature for marketing the
18 facility.

19 (b) Moneys in the convention center enterprise special
20 fund shall be used by the corporation for the payment of
21 expenses arising from any and all use, operation, maintenance,



1 alteration, improvement, or any unforeseen or unplanned repairs
2 of the convention center, including without limitation for the
3 food and beverage service and parking service provided at the
4 convention center facility, the sale of souvenirs, logo items,
5 or other items, for any future major repair, maintenance, and
6 improvement of the convention center facility as a commercial
7 enterprise or as a world-class facility for conventions,
8 entertainment, or public events, and for marketing the facility.

9 (c) Moneys in the convention center enterprise special
10 fund may be:

11 (1) Placed in interest-bearing accounts; provided that the
12 depository in which the money is deposited furnishes
13 security as provided in section 38-3; or

14 (2) Otherwise invested by the corporation until such time
15 as the moneys may be needed; provided that the
16 corporation shall limit its investments to those
17 listed in section 36-21.

18 All interest accruing from investment of the moneys shall be
19 credited to the convention center enterprise special fund."



1 **PART III. STATE DESTINATION STEWARDSHIP COUNCIL**2 **§ -301 State destination stewardship council;**

3 **establishment; purpose.** There is established within the
4 department of business, economic development, and tourism for
5 administrative purposes the state destination stewardship
6 council.

7 **§ -302 State destination stewardship council;**

8 **membership.** The state destination stewardship council shall
9 consist of up to twenty voting members and six ex officio,
10 nonvoting members; provided that:

11 (1) The members under paragraph (2)(B) to (2)(E) shall be
12 appointed by the governor under section 26-34;

13 (2) Voting members shall include:

14 (A) The elected chairs of each island destination
15 stewardship council;

16 (B) At least eight members having direct experience
17 and expertise in the business of accommodations,
18 tourism-related transportation, retail,
19 entertainment, or attractions. The governor
20 shall select appointees from nominations
21 submitted by statewide associations representing



1 these industry sectors and shall strive to
2 achieve a balance of representation from the
3 sectors and from the four counties;

4 (C) A member representing a nonprofit organization
5 engaged in advocacy for the environment;

6 (D) A member representing a nonprofit organization
7 engaged in advocacy for social improvements;

8 (E) At least one member shall have knowledge,
9 experience, and expertise in Hawaiian cultural
10 practices;

11 (F) Two members of the senate appointed by the
12 president of the senate; and

13 (G) Two members of the house of representatives
14 appointed by the speaker of the house of
15 representatives;

16 (3) The membership shall include six ex officio, nonvoting
17 members representing state departments or agencies.

18 These members may contribute to policy and strategy
19 discussions and serve on council working groups and
20 committees, and shall include the following members or
21 high-level substitutes designated by each member:



- 1 (A) The stewardship liaison in the office of the
- 2 governor;
- 3 (B) The chairperson of the board of agriculture;
- 4 (C) The director of business, economic development,
- 5 and tourism;
- 6 (D) The chairperson of the board of land and natural
- 7 resources;
- 8 (E) The director of transportation; and
- 9 (F) The executive director of the state foundation on
- 10 culture and the arts;
- 11 (4) A quorum shall require attendance by at least half of
- 12 the members under paragraphs (2)(A) to (2)(E). A
- 13 majority vote of all present shall be necessary for
- 14 actions by the council, unless specified otherwise;
- 15 (5) Members shall serve without compensation, but shall be
- 16 reimbursed for expenses, including traveling expenses,
- 17 necessary for the performance of their duties;
- 18 (6) Members shall elect a chair and a vice chair from
- 19 among the membership; provided that no chair shall
- 20 serve more than four years; and



1 (7) Members who are no longer part of the governing
2 structures they were named to represent shall cease to
3 be members of the state destination stewardship
4 council. The vacancy shall be filled by appointment
5 or election as provided in this section.

6 **§ -303 State destination stewardship council;**
7 **committees.** The state destination stewardship council may
8 establish committees as it deems appropriate.

9 **§ -304 State destination stewardship council; meetings.**
10 The meetings of the state destination stewardship council shall
11 be open to the public under section 92-3; provided that the
12 council may hold a meeting closed to the public under section
13 92-4 or 92-5 to receive:

14 (1) Information that is proprietary to a particular
15 enterprise or the disclosure of which might be harmful
16 to the business interests of the enterprise; or

17 (2) Information that is necessary to protect Hawaii's
18 competitive advantage as a visitor destination;
19 provided further that information relating to
20 marketing plans and strategies may be disclosed after
21 the execution of the marketing plans and strategies.



1 **§ -305 Declaration of public function, purpose, and**
2 **necessity.** The powers and functions granted to and exercised by
3 the state destination stewardship council under this chapter are
4 declared to be public and governmental functions, exercised for
5 a public purpose, and matters of public necessity. A member of
6 the state destination stewardship council shall not be
7 responsible individually to any person for liability for any
8 good faith activity of the state destination stewardship
9 council.

10 **PART IV. ISLAND DESTINATION STEWARDSHIP COUNCILS**

11 **§ -401 Island destination stewardship councils;**
12 **established.** (a) There is established within the department of
13 business, economic development, and tourism for administrative
14 purposes four island destination stewardship councils to be
15 designated as:

16 (1) The Kauai destination stewardship council, to serve as
17 the island destination stewardship council having
18 jurisdiction on the islands within the county of
19 Kauai;



1 (2) The Maui Nui destination stewardship council, to serve
2 as the island destination stewardship council having
3 jurisdiction on the islands within the county of Maui;

4 (3) The Hawaii county destination stewardship council, to
5 serve as the island destination stewardship council
6 having jurisdiction on the islands within the county
7 of Hawaii; and

8 (4) The Oahu destination stewardship council, to serve as
9 the island destination stewardship council having
10 jurisdiction on the islands within the city and county
11 of Honolulu.

12 (b) Upon approval by the state destination stewardship
13 council and the governor, the president may split the
14 jurisdiction of any island destination stewardship council
15 established pursuant to subsection (a) into two jurisdictions,
16 each with its own island destination stewardship council;
17 provided that:

18 (1) The total population of the island or islands within
19 the jurisdiction of each island destination
20 stewardship council shall not be less than five
21 thousand;



1 (2) No island shall be separated in a manner in which
2 multiple island destination stewardship councils have
3 jurisdiction on portions of the same island;

4 (3) Any newly created or amended island destination
5 stewardship council shall be named or renamed in a
6 manner that describes the jurisdiction of the island
7 destination stewardship council; and

8 (4) All islands with the jurisdiction of any island
9 destination stewardship council shall be within the
10 same county.

11 **§ -402 Island destination stewardship councils;**

12 **membership.** (a) The membership of each island destination
13 stewardship council shall consist of not less than fifteen
14 members and not more than twenty members.

15 (b) Each member of an island destination stewardship
16 council shall be appointed by the mayor of the applicable county
17 and approved by the council chair of the applicable county
18 council or city council.

19 (c) Members appointed under subsections (d)(1), (d)(5),
20 (d)(6), (d)(7), and (e) shall be appointed to four-year terms
21 and shall not serve more than eight consecutive years.



1 (d) The membership of an island destination stewardship
2 council shall include:

3 (1) Representatives of each census-designated place on
4 each applicable island;

5 (2) The county economic development officer;

6 (3) The executive director of the county visitor bureau;

7 (4) The head of the chamber of commerce or equivalent, who
8 shall be invited by the president of the corporation
9 to be a member;

10 (5) A minimum of six and a maximum of nine representatives
11 of the county visitor industry, including owners,
12 managers, association leaders, or others with direct
13 experience and expertise in managing accommodations,
14 restaurants, retail, entertainment, or attractions,
15 who shall be invited by the president to be a member;

16 (6) At least one member having knowledge, experience, and
17 expertise in the area of Hawaiian cultural practices,
18 who shall be invited by the president to be a member;
19 and

20 (7) Local representatives of state agencies having a role
21 in the health of the Hawaii visitor economy, including



1 the department of land and natural resources,
2 department of transportation, and department of
3 agriculture.

4 (e) The membership of an island destination stewardship
5 council may also include representatives of:

6 (1) Law enforcement or first responders;

7 (2) Educational institutions;

8 (3) Transportation entities;

9 (4) Housing entities;

10 (5) Agricultural entities; and

11 (6) Nonprofit organizations engaged in environmental,
12 social, or cultural activities;

13 provided that each member of a nongovernmental entity shall be
14 invited by the president to be a member.

15 (f) The island destination stewardship council membership
16 shall elect a chair and a vice chair by a majority vote of the
17 full membership.

18 **§ -403 Long-term island destination stewardship action**
19 **plans.** (a) Each island destination stewardship council shall
20 draft and approve a long-term island destination stewardship



1 action plan, specific to the jurisdiction of the island

2 destination stewardship council, that:

3 (1) Identifies priorities for a healthy island visitor
4 economy that creates positive visitor experiences;

5 (2) Improves natural and cultural resources valued by
6 island residents and visitors;

7 (3) Mitigates overcrowding and overuse; and

8 (4) Advances regenerative strategies to create beneficial
9 outcomes from tourism,

10 as described by guidelines established by the corporation.

11 (b) No long-term island destination stewardship action
12 plan shall be effective unless approved by a majority vote of
13 the applicable full island destination stewardship council
14 membership.

15 (c) A long-term island destination stewardship action plan
16 may be amended under guidelines established by the corporation.

17 **§ -404 Periodic island destination stewardship action**

18 **plans.** (a) Each island destination stewardship council shall
19 draft and approve a periodic island destination stewardship
20 action plan specific to the jurisdiction of that island
21 destination stewardship council.



1 (b) Each periodic island destination stewardship action
2 plan shall:

3 (1) Identify priority initiatives;

4 (2) Identify and address destination stewardship
5 objectives; and

6 (3) Apply to a period of time established by the
7 corporation.

8 (c) Each periodic island destination stewardship action
9 plan shall be approved by a majority vote of the applicable full
10 island destination stewardship council membership.

11 (d) The corporation shall establish the date by when each
12 island destination stewardship council shall issue a new
13 periodic island destination stewardship action plan; provided
14 that the time period between each periodic island destination
15 stewardship action plan shall not be less than five years or
16 more than ten years;

17 (e) A periodic island destination stewardship action plan
18 may be amended under guidelines established by the corporation.

19 **§ -405 One-year island destination stewardship action**
20 **plans.** (a) Each year, each island destination stewardship
21 council shall draft and approve a one-year island destination



1 stewardship action plan specific to the jurisdiction of the
2 island destination stewardship council.

3 (b) Each one-year island destination stewardship action
4 plan shall implement the priority initiatives identified in the
5 applicable periodic island destination stewardship action plan.

6 (c) Each one-year island destination stewardship action
7 plan shall be approved by a majority vote of the applicable full
8 island destination stewardship council membership.

9 (d) A one-year island destination stewardship action plan
10 may be amended as provided by the corporation.

11 (e) Each island destination stewardship council shall use
12 funding from an annual destination stewardship grant to
13 implement the applicable island destination stewardship action
14 plan in collaboration with designated representatives of the
15 corporation and in keeping with grant guidelines established by
16 the corporation.

17 **§ -406 Declaration of public function, purpose, and**
18 **necessity.** The powers and functions granted to and exercised by
19 any island destination stewardship council under this chapter
20 are declared to be public and governmental functions, exercised
21 for a public purpose, and matters of public necessity. A member



1 "(a) No department of the State other than the attorney
2 general may employ or retain any attorney, by contract or
3 otherwise, for the purpose of representing the State or the
4 department in any litigation, rendering legal counsel to the
5 department, or drafting legal documents for the department;
6 provided that the foregoing provision shall not apply to the
7 employment or retention of attorneys:

8 (1) By the public utilities commission, the labor and
9 industrial relations appeals board, and the Hawaii
10 labor relations board;

11 (2) By any court or judicial or legislative office of the
12 State; provided that if the attorney general is
13 requested to provide representation to a court or
14 judicial office by the chief justice or the chief
15 justice's designee, or to a legislative office by the
16 speaker of the house of representatives and the
17 president of the senate jointly, and the attorney
18 general declines to provide such representation on the
19 grounds of conflict of interest, the attorney general
20 shall retain an attorney for the court, judicial, or



- 1 legislative office, subject to approval by the court,
2 judicial, or legislative office;
- 3 (3) By the legislative reference bureau;
- 4 (4) By any compilation commission that may be constituted
5 from time to time;
- 6 (5) By the real estate commission for any action involving
7 the real estate recovery fund;
- 8 (6) By the contractors license board for any action
9 involving the contractors recovery fund;
- 10 (7) By the office of Hawaiian affairs;
- 11 (8) By the department of commerce and consumer affairs for
12 the enforcement of violations of chapters 480
13 and 485A;
- 14 (9) As grand jury counsel;
- 15 (10) By the Hawaii health systems corporation, or its
16 regional system boards, or any of their facilities;
- 17 (11) By the auditor;
- 18 (12) By the office of ombudsman;
- 19 (13) By the insurance division;
- 20 (14) By the University of Hawaii;
- 21 (15) By the Kahoolawe island reserve commission;



1 (16) By the division of consumer advocacy;

2 (17) By the office of elections;

3 (18) By the campaign spending commission;

4 ~~[(19) By the Hawaii tourism authority, as provided in~~
5 ~~section 201B-2.5;~~

6 ~~+(20)]~~ (19) By the division of financial institutions;

7 ~~[(21)]~~ (20) By the office of information practices;

8 ~~[(22)]~~ (21) By the school facilities authority;

9 ~~[(23)]~~ (22) By the Mauna Kea stewardship and oversight
10 authority; or

11 ~~[(24)]~~ (23) By a department, if the attorney general, for
12 reasons deemed by the attorney general to be good and
13 sufficient, declines to employ or retain an attorney
14 for a department; provided that the governor waives
15 the provision of this section."

16 SECTION 5. Section 36-27, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) Except as provided in this section, and
19 notwithstanding any other law to the contrary, from time to
20 time, the director of finance, for the purpose of defraying the



1 prorated estimate of central service expenses of government in
2 relation to all special funds, except the:

- 3 (1) Special out-of-school time instructional program fund
4 under section 302A-1310;
- 5 (2) School cafeteria special funds of the department of
6 education;
- 7 (3) Special funds of the University of Hawaii;
- 8 (4) Convention center enterprise special fund under
9 section [~~201B-8,~~] -211;
- 10 (5) Special funds established by section 206E-6;
- 11 (6) Aloha Tower fund created by section 206J-17;
- 12 (7) Funds of the employees' retirement system created by
13 section 88-109;
- 14 (8) Hawaii hurricane relief fund established under
15 chapter 431P;
- 16 (9) Hawaii health systems corporation special funds and
17 the subaccounts of its regional system boards;
- 18 (10) Universal service fund established under section
19 269-42;
- 20 (11) Emergency and budget reserve fund under section
21 328L-3;



- 1 (12) Public schools special fees and charges fund under
- 2 section 302A-1130;
- 3 (13) Sport fish special fund under section 187A-9.5;
- 4 (14) Neurotrauma special fund under section 321H-4;
- 5 (15) Glass advance disposal fee established by section
- 6 342G-82;
- 7 (16) Center for nursing special fund under section
- 8 304A-2163;
- 9 (17) Passenger facility charge special fund established by
- 10 section 261-5.5;
- 11 (18) Solicitation of funds for charitable purposes special
- 12 fund established by section 467B-15;
- 13 (19) Land conservation fund established by section 173A-5;
- 14 (20) Court interpreting services revolving fund under
- 15 section 607-1.5;
- 16 (21) Trauma system special fund under section 321-22.5;
- 17 (22) Hawaii cancer research special fund;
- 18 (23) Community health centers special fund;
- 19 (24) Emergency medical services special fund;
- 20 (25) Rental motor vehicle customer facility charge special
- 21 fund established under section 261-5.6;



- 1 (26) Shared services technology special fund under
2 section 27-43;
- 3 (27) Automated victim information and notification system
4 special fund established under section 353-136;
- 5 (28) Deposit beverage container deposit special fund under
6 section 342G-104;
- 7 (29) Hospital sustainability program special fund under
8 section 346G-4;
- 9 (30) Nursing facility sustainability program special fund
10 under section 346F-4;
- 11 (31) Hawaii 3R's school improvement fund under section
12 302A-1502.4;
- 13 (32) After-school plus program revolving fund under
14 section 302A-1149.5;
- 15 (33) Civil monetary penalty special fund under section
16 321-30.2; and
- 17 [†](34)[†] Stadium development special fund under section
18 109-3.5,
- 19 shall deduct five per cent of all receipts of all other special
20 funds, which deduction shall be transferred to the general fund
21 of the State and become general realizations of the State. All



1 officers of the State and other persons having power to allocate
2 or disburse any special funds shall cooperate with the director
3 in effecting these transfers. To determine the proper revenue
4 base upon which the central service assessment is to be
5 calculated, the director shall adopt rules pursuant to chapter
6 91 for the purpose of suspending or limiting the application of
7 the central service assessment of any fund. No later than
8 twenty days prior to the convening of each regular session of
9 the legislature, the director shall report all central service
10 assessments made during the preceding fiscal year."

11 SECTION 6. Section 36-30, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) Each special fund, except the:

- 14 (1) Special out-of-school time instructional program fund
15 under section 302A-1310;
- 16 (2) School cafeteria special funds of the department of
17 education;
- 18 (3) Special funds of the University of Hawaii;
- 19 (4) Special funds established by section 206E-6;
- 20 (5) Aloha Tower fund created by section 206J-17;



- 1 (6) Funds of the employees' retirement system created by
- 2 section 88-109;
- 3 (7) Hawaii hurricane relief fund established under chapter
- 4 431P;
- 5 (8) Convention center enterprise special fund established
- 6 under section [~~201B-8;~~ -211];
- 7 (9) Hawaii health systems corporation special funds and
- 8 the subaccounts of its regional system boards;
- 9 (10) Universal service fund established under section
- 10 269-42;
- 11 (11) Emergency and budget reserve fund under section
- 12 328L-3;
- 13 (12) Public schools special fees and charges fund under
- 14 section 302A-1130;
- 15 (13) Sport fish special fund under section 187A-9.5;
- 16 (14) Neurotrauma special fund under section 321H-4;
- 17 (15) Center for nursing special fund under section
- 18 304A-2163;
- 19 (16) Passenger facility charge special fund established by
- 20 section 261-5.5;



- 1 (17) Court interpreting services revolving fund under
- 2 section 607-1.5;
- 3 (18) Trauma system special fund under section 321-22.5;
- 4 (19) Hawaii cancer research special fund;
- 5 (20) Community health centers special fund;
- 6 (21) Emergency medical services special fund;
- 7 (22) Rental motor vehicle customer facility charge special
- 8 fund established under section 261-5.6;
- 9 (23) Shared services technology special fund under section
- 10 27-43;
- 11 (24) Nursing facility sustainability program special fund
- 12 established pursuant to section 346F-4;
- 13 (25) Automated victim information and notification system
- 14 special fund established under section 353-136;
- 15 (26) Hospital sustainability program special fund under
- 16 section 346G-4;
- 17 (27) Civil monetary penalty special fund under section
- 18 321-30.2; and
- 19 [+] (28) [+] Stadium development special fund under section
- 20 109-3.5,



1 shall be responsible for its pro rata share of the
2 administrative expenses incurred by the department responsible
3 for the operations supported by the special fund concerned."

4 SECTION 7. Section 88-9, Hawaii Revised Statutes, is
5 amended by amending subsection (d) to read as follows:

6 "(d) A retirant may be employed without reenrollment in
7 the system and suffer no loss or interruption of benefits
8 provided by the system or under chapter 87A if the retirant is
9 employed:

10 (1) As an elective officer pursuant to section 88-42.6(c)
11 or as a member of the legislature pursuant to section
12 88-73(d);

13 (2) As a juror or precinct official;

14 (3) As a part-time or temporary employee excluded from
15 membership in the system pursuant to section 88-43, as
16 a session employee excluded from membership in the
17 system pursuant to section 88-54.2, [~~as the president
18 and chief executive officer of the Hawaii tourism
19 authority excluded from membership in the system
20 pursuant to section 201B-2,~~] or as any other employee



1 expressly excluded by law from membership in the
2 system; provided that:

3 (A) The retirant was not employed by the State or a
4 county during the six calendar months prior to
5 the first day of reemployment; and

6 (B) No agreement was entered into between the State
7 or a county and the retirant, prior to the
8 retirement of the retirant, for the return to
9 work by the retirant after retirement;

10 (4) In a position identified by the appropriate
11 jurisdiction as a labor shortage or difficult-to-fill
12 position; provided that:

13 (A) The retirant was not employed by the State or a
14 county during the twelve calendar months prior to
15 the first day of reemployment;

16 (B) No agreement was entered into between the State
17 or a county and the retirant, prior to the
18 retirement of the retirant, for the return to
19 work by the retirant after retirement; and

20 (C) Each employer shall contribute to the pension
21 accumulation fund the required percentage of the



1 rehired retirant's compensation to amortize the
2 system's unfunded actuarial accrued liability; or

3 (5) As a teacher or an administrator in a teacher shortage
4 area identified by the department of education or in a
5 charter school or as a mentor for new classroom
6 teachers; provided that:

7 (A) The retirant was not employed by the State or a
8 county during the twelve calendar months prior to
9 the first day of reemployment;

10 (B) No agreement was entered into between the State
11 or a county and the retirant prior to the
12 retirement of the retirant, for the return to
13 work by the retirant after retirement; and

14 (C) The department of education or charter school
15 shall contribute to the pension accumulation fund
16 the required percentage of the rehired retirant's
17 compensation to amortize the system's unfunded
18 actuarial accrued liability."

19 SECTION 8. Section 206E-34, Hawaii Revised Statutes, is
20 amended by amending subsection (c) to read as follows:

21 "(c) The Hawaii community development authority shall:



- 1 (1) Designate and develop the state-owned land for the
2 cultural public market;
- 3 (2) Accept, for consideration, input regarding the
4 establishment of the cultural public market from the
5 following [~~departments and agencies~~]:
- 6 (A) The department of agriculture;
- 7 (B) The department of business, economic development,
8 and tourism;
- 9 (C) The department of land and natural resources;
- 10 (D) The department of labor and industrial relations;
11 and
- 12 (E) The [~~Hawaii tourism authority~~], corporation for
13 the stewardship of Hawaii tourism;
- 14 (3) Consider and determine the propriety of using
15 public-private partnerships in the development and
16 operation of the cultural public market;
- 17 (4) Develop, distribute, and accept requests for proposals
18 from private entities for plans to develop and operate
19 the cultural public market; and
- 20 (5) Ensure that the Hawaiian culture is the featured
21 culture in the cultural public market."



1 SECTION 9. Section 225P-3, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) The commission shall include the following members:

4 (1) The chairs of the standing committees of the
5 legislature with subject matter jurisdiction
6 encompassing environmental protection and land use;

7 (2) The chairperson of the board of land and natural
8 resources or the chairperson's designee, who shall be
9 the co-chair of the commission;

10 (3) The director of the office of planning and sustainable
11 development or the director's designee, who shall be
12 the co-chair of the commission;

13 (4) The director of business, economic development, and
14 tourism or the director's designee;

15 (5) The [~~chairperson of the board of directors of the~~
16 ~~Hawaii tourism authority or the chairperson's~~] chair
17 of the state destination stewardship council or the
18 chair's designee;

19 (6) The chairperson of the board of agriculture or the
20 chairperson's designee;



1 (7) The chief executive officer of the office of Hawaiian
2 affairs or the officer's designee;

3 (8) The chairperson of the Hawaiian homes commission or
4 the chairperson's designee;

5 (9) The director of transportation or the director's
6 designee;

7 (10) The director of health or the director's designee;

8 (11) The adjutant general or the adjutant general's
9 designee;

10 (12) The chairperson of the board of education or the
11 chairperson's designee;

12 (13) The directors of each of the county planning
13 departments, or the directors' designees; and

14 (14) The manager of the coastal zone management program."

15 SECTION 10. Section 237D-6.5, Hawaii Revised Statutes, is
16 amended by amending subsection (b) to read as follows:

17 "(b) Except for the revenues collected pursuant to section
18 237D-2(e), revenues collected under this chapter shall be
19 distributed in the following priority, with the excess revenues
20 to be deposited into the general fund:



- 1 (1) \$1,500,000 shall be allocated to the Turtle Bay
2 conservation easement special fund beginning July 1,
3 2015, for the reimbursement to the state general fund
4 of debt service on reimbursable general obligation
5 bonds, including ongoing expenses related to the
6 issuance of the bonds, the proceeds of which were used
7 to acquire the conservation easement and other real
8 property interests in Turtle Bay, Oahu, for the
9 protection, preservation, and enhancement of natural
10 resources important to the State, until the bonds are
11 fully amortized;
- 12 (2) \$11,000,000 shall be allocated to the convention
13 center enterprise special fund established under
14 section [~~201B-8,~~] -211;
- 15 (3) An allocation shall be deposited into the tourism
16 emergency special fund, established in section
17 [~~201B-10,~~] -210, in a manner sufficient to maintain
18 a fund balance of \$5,000,000 in the tourism emergency
19 special fund;] and
- 20 (4) \$3,000,000 shall be allocated to the special land and
21 development fund established under section 171-19;



1 provided that the allocation shall be expended in
2 accordance with the Hawaii tourism authority strategic
3 plan for:

4 (A) The protection, preservation, maintenance, and
5 enhancement of natural resources, including
6 beaches, important to the visitor industry;

7 (B) Planning, construction, and repair of facilities;
8 and

9 (C) Operation and maintenance costs of public lands,
10 including beaches, connected with enhancing the
11 visitor experience.

12 All transient accommodations taxes shall be paid into the
13 state treasury each month within ten days after collection and
14 shall be kept by the state director of finance in special
15 accounts for distribution as provided in this subsection."

16 SECTION 11. Section 237-24.75, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§237-24.75 Additional exemptions.** In addition to the
19 amounts exempt under section 237-24, this chapter shall not
20 apply to:



- 1 (1) Amounts received as a beverage container deposit
2 collected under chapter 342G, part VIII;
- 3 (2) Amounts received by the operator of the Hawaii
4 convention center for reimbursement of costs or
5 advances made pursuant to a contract with the [~~Hawaii~~
6 ~~tourism authority under section 201B-7;~~] corporation
7 for the stewardship of Hawaii tourism to conduct
8 destination stewardship activities under chapter ;
9 and
- 10 (3) Amounts received by a professional employer
11 organization that is registered with the department of
12 labor and industrial relations pursuant to chapter
13 373L, from a client company equal to amounts that are
14 disbursed by the professional employer organization
15 for employee wages, salaries, payroll taxes, insurance
16 premiums, and benefits, including retirement,
17 vacation, sick leave, health benefits, and similar
18 employment benefits with respect to covered employees
19 at a client company; provided that this exemption
20 shall not apply to amounts received by a professional
21 employer organization after:



1 (A) Notification from the department of labor and
2 industrial relations that the professional
3 employer organization has not fulfilled or
4 maintained the registration requirements under
5 this chapter; or

6 (B) A determination by the department that the
7 professional employer organization has failed to
8 pay any tax withholding for covered employees or
9 any federal or state taxes for which the
10 professional employer organization is
11 responsible.

12 As used in this paragraph, "professional employer
13 organization", "client company", and "covered
14 employee" shall have the meanings provided in
15 section 373L-1.

16 SECTION 12. Chapter 201B, Hawaii Revised Statutes, is
17 repealed.

18 SECTION 13. Sections 6E-18, 23-13, 23-76, 46-11, 84-18,
19 and 171-173, Hawaii Revised Statutes, are amended by
20 substituting the term "corporation for the stewardship of Hawaii



1 tourism" wherever the term "Hawaii tourism authority" appears,
2 as the context requires.

3 SECTION 14. All unencumbered balances remaining in the
4 tourism emergency special fund repealed by section 12 of this
5 Act shall lapse to the credit of the tourism emergency special
6 fund established by section 2 of this Act.

7 SECTION 15. All unencumbered balances remaining in the
8 convention center enterprise special fund repealed by section 12
9 of this Act shall lapse to the credit of the convention center
10 enterprise special fund established by section 2 of this Act.

11 PART IV

12 SECTION 16. **Transition; destination stewardship**
13 **organization service agreement.** (a) The governor shall
14 establish a transition period during which the Hawaii tourism
15 authority shall continue to direct brand development,
16 destination management, and perform other responsibilities of
17 the Hawaii tourism authority.

18 (b) During the transition period, the corporation for the
19 stewardship of Hawaii tourism shall be organized and all
20 necessary administrative actions shall be taken so that it may
21 be fully operational and capable of effectively fulfilling the



1 objectives, purpose, duties, and functions set forth in its
2 articles of incorporation.

3 (c) During the transition period and for any subsequent
4 period until the state destination stewardship council appoints
5 a president of the corporation for the stewardship of Hawaii
6 tourism under section -203(a), the individual who was the
7 president and chief executive officer of the Hawaii tourism
8 authority on the effective date of this Act, or another
9 individual appointed by the governor without regard to section
10 26-34, Hawaii Revised Statutes, shall serve as the president of
11 the corporation for the stewardship of Hawaii tourism.

12 (d) The governor shall enter into and execute a
13 destination stewardship organization service agreement with the
14 corporation for the stewardship of Hawaii tourism. The
15 agreement shall describe a process not to exceed three months to
16 transition responsibilities from the Hawaii tourism authority to
17 the corporation for the stewardship of Hawaii tourism. The
18 agreement shall establish dates for the transition to begin and
19 end.

20 For purposes of this subsection, "destination stewardship
21 organization service agreement" means a written contract



1 authorizing a destination stewardship organization to expend
2 state funding to achieve specified deliverables on behalf of the
3 State.

4 (e) On the date upon which the transition period ends, the
5 corporation for the stewardship of Hawaii tourism shall assume
6 the principal duties of stewarding the marketing and promotion
7 of Hawaii as a visitor destination, destination development, and
8 other duties carried out by the Hawaii tourism authority under
9 chapter 201B, Hawaii Revised Statutes, on the effective date of
10 this Act.

11 (f) All terms and conditions that govern the agreement
12 shall be binding and enforceable to all of the parties. The
13 corporation for the stewardship of Hawaii tourism shall not
14 assume nor be held liable for existing obligations or debts of
15 the Hawaii tourism authority, unless expressly provided for
16 under the agreement.

17 (g) On the final date of the transition, the state
18 destination stewardship council shall issue and deliver a
19 certification of transition to the president of the Hawaii
20 tourism authority, governor, and the revisor of statutes.



1 (h) Once the certification of transition is received, the
2 Hawaii tourism authority shall cease to carry out the delegated
3 functions. The Hawaii tourism authority shall certify the date
4 of transfer of delegated functions to the governor, upon which
5 date the authority shall be abolished.

6 SECTION 17. All rights, powers, functions, and duties of
7 the Hawaii tourism authority shall be transferred to the
8 corporation for the stewardship of Hawaii tourism pursuant to
9 this Act.

10 All employees who occupy civil service positions and whose
11 functions are transferred to the corporation for the stewardship
12 of Hawaii tourism by this Act shall retain their civil service
13 status, whether permanent or temporary. Employees shall be
14 transferred without loss of salary, seniority (except as
15 prescribed by applicable collective bargaining agreements),
16 retention points, prior service credit, any vacation and sick
17 leave credits previously earned, and other rights, benefits, and
18 privileges, in accordance with state personnel laws and this
19 Act; provided that the employees possess the minimum
20 qualifications and public employment requirements for the class
21 or position to which transferred or appointed, as applicable;



1 provided further that subsequent changes in status may be made
2 pursuant to applicable civil service and compensation laws.

3 Any employee who, prior to this Act, is exempt from civil
4 service and is transferred as a consequence of this Act may
5 retain the employee's exempt status, but shall not be appointed
6 to a civil service position as a consequence of this Act. An
7 exempt employee who is transferred by this Act shall not suffer
8 any loss of prior service credit, vacation or sick leave credits
9 previously earned, or other employee benefits or privileges as a
10 consequence of this Act; provided that the employees possess
11 legal and public employment requirements for the position to
12 which transferred or appointed, as applicable; provided further
13 that subsequent changes in status may be made pursuant to
14 applicable employment and compensation laws. The director of
15 business, economic development, and tourism may prescribe the
16 duties and qualifications of these employees and fix their
17 salaries without regard to chapter 76, Hawaii Revised Statutes.

18 SECTION 18. All appropriations, records, equipment,
19 machines, files, supplies, contracts, books, papers, documents,
20 maps, and other personal property heretofore made, used,
21 acquired, or held by the Hawaii tourism authority relating to



1 the functions transferred to the corporation for the stewardship
2 of Hawaii tourism shall be transferred with the functions to
3 which they relate.

4 PART V

5 SECTION 19. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 20. This Act shall take effect upon its approval;
8 provided that part III shall take effect on the date the
9 governor transmits the certification required under section
10 16(g) of this Act to the revisor of statutes.

11

INTRODUCED BY: *Alan (B/R)*

JAN 10 2025



Report Title:

Tourism; Hawaii Tourism Authority; Corporation for the Stewardship of Hawaii Tourism; Destination Management

Description:

Replaces the Hawaii Tourism Authority with the Corporation for the Stewardship of Hawaii Tourism, a nonprofit entity to guide Hawaii's visitor economy in collaboration with public, private, nonprofit, and community stakeholders in achieving beneficial outcomes from tourism based on the principles of destination stewardship and regenerative tourism.

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