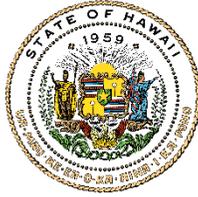


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA**

P.O. BOX 621
HONOLULU, HAWAII 96809

**Testimony of
DAWN N. S. CHANG
Chairperson**

**Before the House Committee on
FINANCE**

**Friday, February 23, 2024
11:30 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2563, HOUSE DRAFT 1
RELATING TO THE HAWAII TOURISM AUTHORITY**

House Bill 2563, House Draft 1 proposes to require the Hawai'i Tourism Authority to develop and publish, through a contract with a third party, a mobile application that includes all online application processes, including the collection of any applicable reservation fees, to acquire a reservation to conduct recreational and commercial activities in the state that are regulated by or under the jurisdiction of a State or county agency. This bill requires the Hawai'i Tourism Authority to issue a request for proposals and contract for the development and publishing of the mobile application. This bill establishes a tourism enterprise fund and appropriates funds for the development and publication of the mobile application, including the hiring of a mobile manager. **The Department of Land and Natural Resources (Department) offers comments to this measure.**

The Department is responsible for managing various public resources requiring users to secure a permit or license to access or utilize. Act 182, Session Laws of Hawai'i 2023, requires the Department to develop and publish a website that includes the application processes for a permit, license, or reservation needed to conduct recreational and commercial activities in the State regulated by or under the jurisdiction of the Department. Consolidating forms and application processes for outdoor recreational and commercial activities will entail intuitive navigation, visual presence, and content that offers consistent user interfaces for computer interaction. The user experience will enable residents, visitors, and businesses to quickly search, locate, learn, and secure reservations, permits, and outdoor activities. The requirements of Act 182 are a multi-phased, multi-fiscal-year project that will develop a consolidated website to help residents, visitors, and commercial operators find and apply for permits, licenses, and reservations to fulfill Act 182. Therefore, the Department recommends providing a website link to the proposed House Bill 2563, House Draft 1 online application.

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

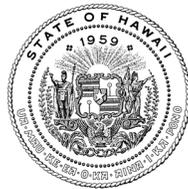
RYAN K.P. KANAKA'OLE
FIRST DEPUTY

DEAN D. UYENO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

As an example, the Division of State Parks (DSP) has 4 park units currently subject to an advance reservation system that collects fees for parking and entry. One park unit is managed by a community nonprofit partner who collects parking and entry fees through a reservation portal they manage. The parking fees are retained by the nonprofit for their staff and management and the entry fees are paid to State Parks. The goal is to transition the nonprofit from a revocable permit to a concession lease for an extended term. The other 3 park units are heavily patronized by out of state visitors with advance reservations that are subject to a service contract with Tyler Tech (aka NIC) who collects all parking and entry fees and manages the current park reservation systems. NIC collects a service fee and manages the online payment portal. DSP is examining the need and feasibility at the 6 other park units subject to parking and entrance fees in consultation with NIC and the contracted parking managers. Any new digital platform should only link to the existing NIC and nonprofit reservation sites and not collect any fees due to these preexisting contractual relationships.

Mahalo for the opportunity to provide comments on this measure.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2563, H.D. 1

February 23, 2024
11:30 a.m.
Room 308 and Videoconference

RELATING TO THE HAWAII TOURISM AUTHORITY

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2563, H.D. 1, adds two new sections to Chapter 201B, HRS, to require the Hawai'i Tourism Authority (HTA) to develop and publish a mobile application, through contract with a third party, that includes all online application processes to require a permit, license, or reservation needed to conduct recreational and commercial activities in the State that are regulated by or under the jurisdiction of a State or county agency; and to establish outside the treasury the Tourism Enterprise Fund (TEF) to provide a mechanism to collect fees on behalf of State and county agencies and to disburse them to the appropriate agency on a quarterly basis. This bill also appropriates an unspecified amount of general funds for FY 25 to establish 1.00 manager position to manage the mobile application and to contract for the development and publication of the mobile application.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should:

1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2563, H.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

In addition, B&F has concerns with the TEF being established outside of the State treasury as having funds within the State treasury will allow for better investment and fund management.

Lastly, any operating expenses relating to the administration of this mobile application process should be paid for by fees collected for the program in the TEF before distribution to each State or county agency.

Thank you for your consideration of our comments.



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE HOUSE COMMITTEE ON FINANCE
Friday, February 23, 2024 11:30 a.m.
In consideration of
HB 2563 HD 1
RELATING TO THE HAWAII TOURISM AUTHORITY

Aloha Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) supports this measure, which requires the Hawai'i Tourism Authority to develop and publish, through a contract with a third party, a mobile application that includes all online application processes, including the collection of any applicable reservation fees, to acquire a reservation to conduct recreational and commercial activities in the State that are regulated by or under the jurisdiction of a state or county agency.

Unifying travel-related interactions with state and local government in a cohesive digital platform for visitors and kama'āina offers many opportunities to make these interactions more seamless for the consumer, and to make destination management more efficient and effective through location-aware deployment of safety and educational messages, and encouraging meaningful itineraries that drive visitors to sites and experiences with the capacity to host them appropriately.

These capabilities would also advance various priority actions identified in HTA's island-based, community-led Destination Management Action Plans.

We stand ready to work on this exciting initiative. Mahalo for the opportunity to testify in support of this measure.



HAWAI'I LODGING & TOURISM
ASSOCIATION

Testimony of Mufi Hannemann, President & CEO
Hawai'i Lodging & Tourism Association

House Committee on Finance (FIN)
HB2563 HD1 RELATING TO THE HAWAI'I TOURISM AUTHORITY
Friday, February 23, 2024
POSITION: SUPPORT

Chair Yamashita and members of the Committee,

On behalf of the Hawai'i Lodging & Tourism Association, the state's oldest and largest private sector tourism organization representing 700 members, nearly 50,000 hotel rooms, and 40,000 lodging workers, we are writing in support of HB 2563 HD1. This measure would require the Hawai'i Tourism Authority to contract a third party in developing and launching a mobile application to consolidate all online application processes, including the collection of reservation fees, for recreational and commercial activities regulated by or under the jurisdiction of state and county agencies.

The implementation of such a mobile application aligns seamlessly with the concept of destination management. By centralizing state and local government permit processes into a user-friendly digital platform, we can significantly simplify the application procedures for kama'āina, visitors, and commercial activity operators. This would help manage activities taking place within our parks, campsites, trails, and other natural resources.

Moreover, the proposed mobile app holds the potential to facilitate the creation of meaningful itineraries for patrons of these resources. By guiding users to sites and experiences that can responsibly accommodate them, we can ensure a more respectful and regenerative form of tourism.

HB 2563 HD1 marks a positive stride towards fostering responsible tourism in our state, and the Hawai'i Lodging & Tourism Association stands in support of this measure, recognizing its potential to enhance the visitor experience while promoting the mindful use of our cherished natural resources.

Mahalo for the opportunity to provide this testimony.