## HOUSE RESOLUTION

REQUESTING THE HAWAII TOURISM AUTHORITY TO INCREASE SPENDING ON MARKETING.

WHEREAS, the Hawaiian islands, comprised of six very distinct and unique islands, draw visitors from all around the world who are able to find an island and activity that satisfies their personal preference making Hawaii one of the most appealing and diverse vacation spots in the world; and

WHEREAS, due to our warm, tropical climate Hawaii also has the distinction of being a year-round vacation destination, offering others a warm, summer-like sanctuary during the cold winter season and due to its central location in the middle of the Pacific Ocean Hawaii is also an ideal hub for American military bases or International business meeting grounds.; and

WHEREAS, as a cultural melting pot, modern Hawaii has a rich and diverse history, blended with the traditions, foods, and love of other immigrant cultures, which has built upon the honored history of the Hawaiian people; and

WHEREAS, people flock to the beautiful Hawaiian islands, making tourism Hawaii's top industry generating in 2007 \$12.2 billion in visitor spending and accounting for approximately 22.3% or one out of every five jobs in the State; and

WHEREAS, the State Council on Revenues has projected a decrease in the rate of growth over the next few years, posing a problem to the Legislature of finding ways to stimulate our economy in order to generate more State revenue, to meet the needs of the State; and

WHEREAS, the Legislature must make the commitment to ensure that our State's top industry is able to continue to grow through increased marketing efforts; and 1 2

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WHEREAS, in accordance with §201B-3, Hawaii Revised Statutes (HRS), it is the responsibility of the Hawaii Tourism Authority (HTA) to market the Hawaiian islands through marketing and promotion, development-related research, promotion of sports-related activities and events; and

WHEREAS, HTA's operating budget is derived from the Tourism Special Fund, which receives its monies from a portion of the Transient Accommodations Tax (TAT) and legislative appropriations; and

 WHEREAS, only 34.2 percent of the TAT is deposited into the Tourism Special Fund, though nearly all of it is generated by the tourism industry. Of that 34.2 percent, \$1,000,000 goes into the State Parks Special Fund; and

WHEREAS, another 0.5 percent of the TAT that the Tourism Special Fund receives is transferred into a sub-account for Safety and Security; and

WHEREAS, 44.8 percent of the TAT is distributed among the State's four counties; and

WHEREAS, the HTA's operating budget for FY 2007 totaled only \$73,280,000, in comparison to the \$12.2 billion that was brought in by the industry in calendar year 2007; and

WHEREAS, the HTA spent only \$33,186,000 on leisure marketing (45%), \$8,500,000 on business group marketing (12%), and \$7,700,000 on sports events (11%) of its total operating budget in FY 2007; and

WHEREAS, despite the State's desire to diversify the economy, we must also be realistic and recognize the important role that the tourism industry plays in our State; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-fourth Legislature of the State of Hawaii, Regular Session of 2008, that the percent share of the Hawaii Tourism

Authority's budget be re-calculated to distribute a larger percentage to marketing efforts, which if successful, will regenerate Hawaii's economy and benefit the State as a whole; and

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BE IT FURTHER RESOLVED that the City and County of Honolulu, County of Hawaii, County of Maui and County of Kauai should budget a portion of their TAT funds for marketing efforts through their respective county visitor bureaus to help rejuvenate Hawaii's visitor industry; and

BE IT FURTHER RESOLVED that a copy of the Hawaii Tourism Authority's Tourism Marketing Plan be submitted to the Legislature no later than thirty days prior to the convening of the Regular Session of 2009; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the Department of Business, Economic Development, and Tourism, the State Tourism Liaison, the Hawaii Tourism Authority, and the Mayors and County Councils of the City and County of Honolulu, County of Kauai, County of Maui and County of Hawaii.

OFFERED BY:

MAR 1 2 2008