

SB 1167



TOURISM LIAISON

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LINDA LINGLE
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Written statement of
MARSHA WIENERT
Tourism Liaison
Department of Business, Economic Development & Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS
Monday, March 2, 2009
9:30 a.m.
State Capitol, Conference Room 211

in consideration of
SB 1167 SD1
RELATING TO THE HAWAII TOURISM AUTHORITY.

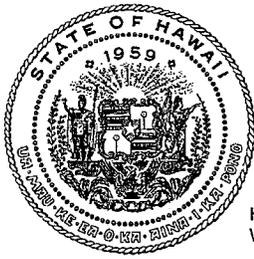
Chair Kim, Vice Chair Tsutsui and Members of the Senate Committee on Ways and Means.

The Department of Business, Economic Development and Tourism is offering comments on SB 1167 SD1, for clarification purposes only.

SB 1167 SD1 makes various amendments, with most of them changing the title of the existing *executive director* to *president and chief executive officer*. We support this change.

Our concern is with Section 3 of the measure, as it deletes from Section 201B-7 (a), Hawaii Revised Statutes, the need to report on contracts or agreements valued at \$25,000 and over to the governor, the speaker of the house of representatives and the president of the senate. The amended language states that the authority is to periodically report contracts and agreements entered into by the authority with no dollar amount affixed. We suggest that the word *periodically* be further defined and that having to report all contracts and agreements of any size may be overly burdensome to the authority.

Thank you for the opportunity to comment on SB 1167 SD1.



LINDA LINGLE
Governor

LLOYD I. UNEBASAMI
Interim President and
Chief Executive Officer

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Testimony of
Lloyd I. Unebasami
Interim President and Chief Executive Officer
Hawai'i Tourism Authority
on
S.B. 1167, S.D. 1
Relating to the Hawai'i Tourism Authority

Senate Committee on Ways and Means
Monday, March 2, 2009
9:30 a.m.
Conference Room 211

The Hawai'i Tourism Authority (HTA) strongly supports S.B. 1167, S.D. 1, which proposes housekeeping amendments to the Hawai'i Tourism Authority law, and repeals the provision in Act 58, Session Laws of Hawai'i 2004, as amended by Act 306, Session Laws of Hawai'i 2006, repealing Part I of the Act on June 30, 2010.

Among the housekeeping amendments being proposed are:

President and Chief Executive Officer References

The current law refers to the chief executive of the Hawai'i Tourism Authority (HTA) as the "executive director". The HTA was advised a number of years ago that the title of "President and Chief Executive Officer" should be used instead, particularly in dealings with Asian and foreign businesses and executives, where the title of "President and Chief Executive Officer" is more respected than Executive Director. The proposed bill changes the statutory references to chief executive of the HTA from "executive director" to "president and chief executive officer". Further, because the HTA Board is a policy-making board rather than an administrative board, the policies for the administration of the Authority should be carried out by the president and chief executive officer and the staff of the authority. The proposed bill amends section 201B-3 to provide that contracts and engaging of the services of consultants and contractors are to be executed by the president and chief executive officer.

Consolidation of Authority for Appointment of Officers and Employees

Section 201B-2, titled "Hawaii tourism authority; establishment; board; staff" includes in subsection (f), two paragraphs relating to the hiring of a sports coordinator and the employment of persons not subject to chapters 76 and 78 to perform and execute the functions of the

authority. Section 201B-3, which describes the powers and duties of the HTA includes in paragraph (7) the authority for "*...the appointment of officers, agents, and employees, ...prescribing their duties and responsibilities, and fixing their salaries, without regard to chapters 76 and 78, if there is no anticipated revenue shortfall ...and funds have been appropriated by the legislature*". The bill provides for the consolidation of the employment provisions of the HTA law in paragraph (7) of section 201B-3.

Reporting of Contracts and Agreements

Section 201B-7 requires the HTA to provide notice to the Speaker of the House of Representative and the President of the Senate of any contract or agreement valued at \$25,000 and over on the same day that notice is given to the Governor. The bill proposes to amend the law to provide that the HTA shall periodically submit a report of the contracts and agreements entered into by the Authority. The HTA currently submits, through its Executive Director's report to the Governor, Speaker of the House of Representatives, and the President of the Senate, notice of *all* contracts and agreements entered into by the HTA. The bill proposes an amendment to conform to this practice.

In addition, S.B. 1167, S.D. 1 proposes to Part I of Act 58, which will sunset the provisions of the HTA law which includes the following:

- HTA's exemption from the supervision of accounts facilitates the HTA's deposit of special funds in interest-bearing accounts and its ability to make payments from those accounts;
- The increase in the amount of the Tourism Special Fund that can be used by the HTA for administrative expenses from 3.5 percent to 5 percent.
- The provision that the interest and revenues derived by the HTA from any project be deposited into the Tourism Special Fund.
- The HTA's authority to retain attorneys independent of the Attorney General in those cases of contract negotiations where the AG lacks sufficient expertise, and to appoint a sports coordinator.

These provisions have allowed HTA to execute its financial transactions more effectively, to execute its contracts on a timely basis, improve its operational efficiency and overall, be more responsive to its stakeholders.

Thank you for the opportunity to offer these comments.