

1 travel market, endeavoring to generate increased visitor
2 expenditures, tax revenue, and employment.

3 § -3 **Tourism-related activities.** (a) The department
4 may enter into contracts and agreements that include the
5 following:

- 6 (1) Tourism promotion, marketing, and development;
- 7 (2) Market development-related research;
- 8 (3) Product development and diversification issues focused
9 on visitors;
- 10 (4) Promotion, development, and coordination of sports-
11 related activities and events;
- 12 (5) Promotion of Hawaii, through a coordinated statewide
13 effort, as a place to do business, including high
14 technology business, and as a business destination;
- 15 (6) Reduction of barriers to travel;
- 16 (7) Marketing, management, use, operation, or maintenance
17 of the convention center facility, including the
18 purchase or sale of goods or services, logo items,
19 concessions, sponsorships, and license agreements, or
20 any use of the convention center facility as a
21 commercial enterprise; provided that effective July 1,
22 2009, and thereafter the contract for management of

1 the convention center facility shall include marketing
2 for all uses of the facility; and

3 (8) Any and all other activities necessary to carry out
4 the intent of this chapter;

5 provided that for any contract or agreement valued at \$25,000
6 and over, the director shall provide notice to the speaker of
7 the house of representatives and the president of the senate on
8 the same day that such notification is given to the governor.

9 (b) The director may delegate to staff the responsibility
10 for soliciting, awarding, and executing contracts, and
11 monitoring and facilitating any and all functions developed in
12 accordance with subsection (a).

13 **§ -4 Convention center enterprise special fund. (a)**

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

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

18 (2) All revenues or moneys derived from the operations of
19 the convention center to include all revenues from the
20 food and beverage service, all revenues from the
21 parking facilities or from any concession, and all
22 revenues from the sale of souvenirs, logo items, or

1 any other items offered for purchase at the convention
2 center;

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

7 (4) Any appropriations by the legislature, including any
8 transfers from the tourism special fund established
9 under section -6.

10 (b) Moneys in the convention center enterprise special
11 fund shall be used by the department for the payment of any and
12 all debt service relating to the convention center, any expense
13 arising from any and all use, operation, maintenance,
14 alteration, improvement, or any unforeseen or unplanned repairs
15 of the convention center, including without limitation the food
16 and beverage service and parking service provided at the
17 convention center facility, the sale of souvenirs, logo items,
18 or other items, for any future major repair, maintenance, and
19 improvement of the convention center facility as a commercial
20 enterprise or as a world class facility for conventions,
21 entertainment, or public events, and for marketing the facility.

1 (c) Moneys in the convention center enterprise special
2 fund may be:

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

6 (2) Otherwise invested by the department until such time
7 as the moneys may be needed; provided that the
8 department shall limit its investments to those listed
9 in section 36-21.

10 All interest accruing from investment of the moneys shall be
11 credited to the convention center enterprise special fund.

12 § -5 **Tourism emergency trust fund.** (a) There is
13 established outside the state treasury a tourism emergency trust
14 fund to be administered by the department as trustee, into which
15 shall be deposited the revenues prescribed by section
16 237D-6.5(b). All investment earnings from moneys in the trust
17 fund shall be credited to the tourism special fund.

18 (b) Moneys in the trust fund shall be used exclusively to
19 provide for the development and implementation of emergency
20 measures to respond to any tourism emergency, upon declaration
21 by the governor that a tourism emergency exists that adversely
22 affects Hawaii's tourism industry by resulting in a substantial

1 interruption in the commerce of the State and adversely
2 affecting the welfare of its people, including providing
3 emergency assistance to tourists during the tourism emergency.

4 (c) Use of the trust fund, consistent with subsection (b),
5 shall be provided for in rules adopted pursuant to chapter 91 by
6 the department as trustee for the trust fund.

7 § -6 **Tourism special fund.** (a) There is established
8 the tourism special fund, into which shall be deposited:

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

11 (2) Appropriations by the legislature to the tourism
12 special fund;

13 (3) Gifts, grants, and other funds accepted by the
14 authority; and

15 (4) All interest and revenues or receipts derived by the
16 department from any project or project agreements.

17 (b) Moneys in the tourism special fund may be:

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

21 (2) Otherwise invested by the department until such time
22 as the moneys may be needed; provided that the

1 department shall limit its investments to those listed
2 in section 36-21.

3 All interest accruing from the investment of these moneys shall
4 be credited to the tourism special fund.

5 (c) Moneys in the tourism special fund shall be used by
6 the department established pursuant to section 26- for the
7 purposes of this chapter; provided that:

8 (1) Not more than five per cent of this amount shall be
9 used for administrative expenses, including \$15,000
10 for a protocol fund to be expended at the discretion
11 of the director; and

12 (2) At least \$1,000,000 shall be made available to support
13 efforts to manage, improve, and protect Hawaii's
14 natural environment and areas frequented by visitors,
15 and other related programs.

16 (d) Any remaining balance in the tourism special fund that
17 is not appropriated by the legislature shall be deposited into
18 the general fund.

19 § -7 **Seal; rules and regulations.** The department may
20 adopt a seal and may adopt such rules and regulations as it may
21 consider expedient for the conduct of its business. The

1 department may amend or revise such rules and regulations from
2 time to time.

3 § -8 Rules and regulations; effect. All rules and
4 regulations made by the department shall be made in conformity
5 with chapter 91. They shall have the force and effect of law."

6 SECTION 2. Chapter 26, Hawaii Revised Statutes, is amended
7 by adding a new section to part I to be appropriately designated
8 and to read as follows:

9 "§26- Department of tourism. (a) The department of
10 tourism shall be headed by single executive to be known as the
11 director of tourism.

12 (b) The department shall be responsible for:

13 (1) Promoting, marketing, and developing the tourism
14 industry in the State;

15 (2) Developing, coordinating, and implementing long range
16 state policies and directions for tourism and related
17 activities;

18 (3) Coordinating all agencies and advising the private
19 sector in the development of tourism related
20 activities and resources;

21 (4) Arranging for the conduct of research through
22 contractual services with the University of Hawaii or

- 1 any agency or other qualified persons concerning
2 social, economic and environmental aspects of tourism
3 development in the State;
- 4 (5) Providing technical or other assistance to agencies
5 and private industry upon request;
- 6 (6) Establishing a public information and education
7 program to keep the public informed of tourism related
8 issues and problems;
- 9 (7) Establishing a program to monitor and investigate
10 complaints regarding issues resulting from the tourism
11 industry, and taking appropriate action as needed;
- 12 (8) Performing other necessary functions to facilitate the
13 intent of this chapter; and
- 14 (9) Performing other functions required or authorized by
15 law."

16 SECTION 3. Section 26-4, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§26-4 Structure of government.** Under the supervision of
19 the governor, all executive and administrative offices,
20 departments, and instrumentalities of the state government and
21 their respective functions, powers, and duties shall be

1 allocated among and within the following principal departments
2 that are hereby established:

- 3 (1) Department of human resources development (Section
4 26-5)
- 5 (2) Department of accounting and general services (Section
6 26-6)
- 7 (3) Department of the attorney general (Section 26-7)
- 8 (4) Department of budget and finance (Section 26-8)
- 9 (5) Department of commerce and consumer affairs (Section
10 26-9)
- 11 (6) Department of taxation (Section 26-10)
- 12 (7) University of Hawaii (Section 26-11)
- 13 (8) Department of education (Section 26-12)
- 14 (9) Department of health (Section 26-13)
- 15 (10) Department of human services (Section 26-14)
- 16 (11) Department of land and natural resources (Section
17 26-15)
- 18 (12) Department of agriculture (Section 26-16)
- 19 (13) Department of Hawaiian home lands (Section 26-17)
- 20 (14) Department of business[~~7~~] and economic development[~~7~~
21 ~~and tourism~~] (Section 26-18)
- 22 (15) Department of transportation (Section 26-19)

1 (16) Department of labor and industrial relations (Section
2 26-20)

3 (17) Department of defense (Section 26-21)

4 (18) Department of public safety (Section 26-14.6) [~~7~~]

5 (19) Department of tourism (Section 26-)."

6 SECTION 4. Section 26-52, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§26-52 Department heads and executive officers.** The
9 salaries of the following state officers shall be as follows:

10 (1) The salary of the superintendent of education shall be
11 set by the board of education at a rate no greater
12 than \$150,000 a year;

13 (2) The salary of the president of the University of
14 Hawaii shall be set by the board of regents;

15 (3) Effective July 1, 2004, the salaries of all department
16 heads or executive officers of the departments of
17 accounting and general services, agriculture, attorney
18 general, budget and finance, business[~~7~~] and economic
19 development, [~~and tourism, 7~~] commerce and consumer
20 affairs, Hawaiian home lands, health, human resources
21 development, human services, labor and industrial
22 relations, land and natural resources, public safety,

1 (A) Ninety per cent shall be deposited into the state
2 parks special fund established in section
3 184-3.4; and

4 (B) Ten per cent shall be deposited into the special
5 land and development fund established in section
6 171-19 for the Hawaii statewide trail and access
7 program;

8 provided that of the 34.2 per cent, 0.5 per cent shall
9 be transferred to a sub-account in the tourism special
10 fund to provide funding for a safety and security
11 budget, in accordance with the Hawaii tourism
12 strategic plan 2005-2015; provided further that of the
13 revenues remaining in the tourism special fund after
14 revenues have been deposited as provided in this
15 paragraph and except for any sum authorized by the
16 legislature for expenditure from revenues subject to
17 this paragraph, beginning July 1, 2007, funds shall be
18 deposited into the tourism emergency trust fund,
19 established in section [~~201B-10,7~~] -5, in a manner
20 sufficient to maintain a fund balance of \$5,000,000 in
21 the tourism emergency trust fund; and

1 (3) 44.8 per cent of the revenues collected under this
2 chapter shall be transferred as follows: Kauai county
3 shall receive 14.5 per cent, Hawaii county shall
4 receive 18.6 per cent, city and county of Honolulu
5 shall receive 44.1 per cent, and Maui county shall
6 receive 22.8 per cent.

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

11 SECTION 7. Chapter 201B, Hawaii Revised Statutes, is
12 repealed.

13 SECTION 8. All moneys currently in the convention center
14 enterprise special fund, the tourism emergency trust fund, and
15 the tourism special fund shall be transferred with each
16 respective fund established pursuant to section 1 of this Act.

17 SECTION 9. All appropriations, contracts, records,
18 equipment, machines, files, supplies, books, papers, documents,
19 maps, and other personal property heretofore made, used,
20 acquired, or held by the Hawaii tourism authority relating to
21 the functions transferred to the department of tourism shall be
22 transferred with the functions to which they relate.

1 SECTION 10. (a) The governor shall convene an interagency
2 working group to develop comprehensive plans for transferring
3 certain rights, powers, functions, duties, and resources, to the
4 newly established department of tourism, including those related
5 to the Hawaii Tourism Authority, pursuant to this Act.

6 (b) The comprehensive plans shall identify:

7 (1) Each position to be transferred by position number;

8 and

9 (2) All moneys budgeted in support of each position to be
10 transferred, including moneys for direct and indirect
11 employee benefits, at the lowest level on the state
12 program structure.

13 (c) The working group shall include the following
14 individuals or their designees:

15 (1) Three members appointed by the president of the
16 senate;

17 (2) Three members appointed by the speaker of the house of
18 representatives;

19 (3) Three members appointed by the governor;

20 (4) The attorney general or the attorney general's
21 designee; and

1 (5) The executive director of the Hawaii Tourism
2 Authority.

3 SECTION 11. The working group on interagency relations
4 shall cease to exist on June 30, 2012.

5 SECTION 12. This Act does not affect rights and duties
6 that matured, penalties that were incurred, and proceedings that
7 were begun, before its effective date.

8 SECTION 13. In codifying the new sections added by
9 section 1 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the numbers used in designating
11 the new sections in this Act.

12 SECTION 14. The revisor of statutes shall replace the term
13 "department of business, economic development, and tourism" or
14 like term, as appropriate, whenever it may appear in the Hawaii
15 Revised Statutes, with the term "department of business and
16 economic development".

17 SECTION 15. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 16. This Act shall take effect on July 1, 2009;
20 provided that the department of tourism established pursuant to
21 section 1 of this Act shall be established as a fully
22 functioning state department on January 1, 2011.

Report Title:

Hawaii Tourism Authority; Department of Tourism; Tourism
Emergency Trust Fund; Tourism Special Fund; Convention Center
Enterprise Special Fund

Description:

Repeals the Hawaii tourism authority; establishes the department
of tourism; establishes an interagency working group to
facilitate the transitioning of the department of tourism;
transfers the convention center enterprise special fund, the
tourism special fund, and the tourism emergency trust fund to
the department of tourism; renames the department of business,
economic development, and tourism to the department of business
and economic development. (SD1)