
A BILL FOR AN ACT

RELATING TO TOURISM.

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

1 SECTION 1. The legislature finds that the visitor industry
2 is the largest industry in the State of Hawaii, with visitor
3 spending at \$15.91 billion in 2016. Effective and collaborative
4 planning is necessary at the state and county levels to address
5 concerns of the visitor industry in each county, capitalize on
6 opportunities, and maintain a healthy and sustainable visitor
7 industry.

8 The legislature finds that the Hawaii tourism authority is
9 tasked with long-range statewide strategic planning for the
10 visitor industry and has previously engaged with the counties to
11 develop ten-year county tourism strategic plans. These plans,
12 which were published in 2006, need to be updated. The Hawaii
13 tourism authority should support the counties in updating
14 visitor industry plans and efforts to implement their plans.

15 The purpose of this Act is to strengthen the visitor
16 industry in the State by:



- 1 (1) Requiring the Hawaii tourism authority to annually
2 update the state tourism strategic plan every five
3 years;
- 4 (2) Requiring the Hawaii tourism authority to fund county
5 visitor industry strategic plans and priority
6 projects, as appropriate;
- 7 (3) Transferring a portion of transient accommodations tax
8 revenues distributed to the Hawaii tourism special
9 fund to a sub account for county visitor industry
10 strategic plans and implementation of county visitor
11 industry strategic plans and priorities; and
- 12 (4) Establishing a planner position in the authority to
13 administer and serve as a resource to counties in
14 updating and implementing each county visitor industry
15 strategic plan.

16 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§201B- Visitor industry strategic plan; counties. (a)
20 The long-range strategic plan for tourism in Hawaii required by



1 section 201B-7(b)(1) shall be a single, comprehensive document
2 that shall be updated every five years.

3 (b) The authority shall fund county visitor industry
4 strategic plans that shall be updated every three years. County
5 visitor industry strategic plans shall:

6 (1) Involve collaboration with visitor industry
7 stakeholders, including visitor bureaus, state and
8 county agencies, the private sector, and community
9 organizations;

10 (2) Address the visitor industry's strengths, weaknesses,
11 opportunities, and threats; and

12 (3) Establish goals, objectives, and strategic priority
13 projects and programs.

14 (c) The authority shall fund and implement visitor
15 industry plan updates, consider funding projects under the
16 authority's jurisdiction, and advocate before state and federal
17 agencies as appropriate.

18 (d) The authority shall submit a report summarizing county
19 plan priorities, progress on meeting plan priorities, and
20 recommendations, including any proposed legislation, to the



1 legislature no later than thirty days prior to the convening of
2 each regular session."

3 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Except for the revenues collected pursuant to section
6 237D-2(e), revenues collected under this chapter shall be
7 distributed in the following priority, with the excess revenues
8 to be deposited into the general fund:

9 (1) \$1,500,000 shall be allocated to the Turtle Bay
10 conservation easement special fund beginning July 1,
11 2015, for the reimbursement to the state general fund
12 of debt service on reimbursable general obligation
13 bonds, including ongoing expenses related to the
14 issuance of the bonds, the proceeds of which were used
15 to acquire the conservation easement and other real
16 property interests in Turtle Bay, Oahu, for the
17 protection, preservation, and enhancement of natural
18 resources important to the State, until the bonds are
19 fully amortized;



1 (2) \$26,500,000 shall be allocated to the convention
2 center enterprise special fund established under
3 section 201B-8;

4 (3) [~~\$82,000,000~~] \$ _____ shall be allocated to the
5 tourism special fund established under section 201B-
6 11; provided that:

7 (A) Beginning on July 1, 2012, and ending on June 30,
8 2015, \$2,000,000 shall be expended from the
9 tourism special fund for development and
10 implementation of initiatives to take advantage
11 of expanded visa programs and increased travel
12 opportunities for international visitors to
13 Hawaii;

14 (B) Of the [~~\$82,000,000~~] \$ _____ allocated:

15 (i) \$1,000,000 shall be allocated for the
16 operation of a Hawaiian center and the
17 museum of Hawaiian music and dance at the
18 Hawaii convention center; [~~and~~]

19 (ii) 0.5 per cent of the [~~\$82,000,000~~] \$ _____
20 shall be transferred to a sub-account in the
21 tourism special fund to provide funding for



1 a safety and security budget, in accordance
2 with the Hawaii tourism strategic plan
3 [~~2005-2015~~]; and

4 (iii) \$ _____ shall be transferred to a sub-
5 account in the tourism special fund to
6 provide funding to update the statewide
7 tourism strategic plan and each county
8 visitor industry strategic plan as required
9 by section 201B- _____, and to support the
10 implementation of the visitor industry
11 strategic plans; and

12 (C) Of the revenues remaining in the tourism special
13 fund after revenues have been deposited as
14 provided in this paragraph and except for any sum
15 authorized by the legislature for expenditure
16 from revenues subject to this paragraph,
17 beginning July 1, 2007, funds shall be deposited
18 into the tourism emergency special fund,
19 established in section 201B-10, in a manner
20 sufficient to maintain a fund balance of
21 \$5,000,000 in the tourism emergency special fund;



1 (4) \$103,000,000 shall be allocated as follows: Kauai
2 county shall receive 14.5 per cent, Hawaii county
3 shall receive 18.6 per cent, city and county of
4 Honolulu shall receive 44.1 per cent, and Maui county
5 shall receive 22.8 per cent; provided that commencing
6 with fiscal year 2018-2019, a sum that represents the
7 difference between a county public employer's annual
8 required contribution for the separate trust fund
9 established under section 87A-42 and the amount of the
10 county public employer's contributions into that trust
11 fund shall be retained by the state director of
12 finance and deposited to the credit of the county
13 public employer's annual required contribution into
14 that trust fund in each fiscal year, as provided in
15 section 87A-42, if the respective county fails to
16 remit the total amount of the county's required annual
17 contributions, as required under section 87A-43; and
18 (5) \$3,000,000 shall be allocated to the special land and
19 development fund established under section 171-19;
20 provided that the allocation shall be expended in



1 accordance with the Hawaii tourism authority strategic
2 plan for:

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

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

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

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

15 As used in this subsection, "fiscal year" means the twelve-
16 month period beginning on July 1 of a calendar year and ending
17 on June 30 of the following calendar year."

18 SECTION 4. Section 201B-11, Hawaii Revised Statutes, is
19 amended by amending subsection (c) to read as follows:

20 "(c) Moneys in the tourism special fund shall be used by
21 the authority for the purposes of this chapter, provided that:



1 (1) Not more than 3.5 per cent of this amount shall be
 2 used for administrative expenses, including \$15,000
 3 for a protocol fund to be expended at the discretion
 4 of the president and chief executive officer; [~~and~~]

5 (2) At least \$1,000,000 shall be made available to support
 6 efforts to manage, improve, and protect Hawaii's
 7 natural environment and areas frequented by
 8 visitors[~~-~~]; and

9 (3) At least \$ _____ shall be made available to update
 10 and support the implementation of county visitor
 11 industry strategic plans pursuant to section 201B- ."

12 SECTION 5. There is appropriated out of the tourism
 13 special fund the sum of \$ _____ or so much thereof as may be
 14 necessary for fiscal year 2018-2019 for one full-time equivalent
 15 (1.0 FTE) permanent visitor industry planner position to
 16 administer and assist the counties in updating and implementing
 17 each county visitor industry strategic plan.

18 The sum appropriated shall be expended by the Hawaii
 19 tourism authority for the purposes of this Act.

20 SECTION 6. Statutory material to be repealed is bracketed
 21 and stricken. New statutory material is underscored.



1 SECTION 7. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

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H.B. NO. 2458

Report Title:

Hawaii Tourism Authority; Transient Accommodations Tax; Tourism Special Fund

Description:

Requires the Hawaii Tourism Authority to update the statewide tourism strategic plan and to fund the update of county visitor industry strategic plans. Allocates a portion of transient accommodations tax revenues for the county plans. Establishes a planner position in the Authority to administer the development and implementation of the county plans.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

