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Statement of JOHN DE FRIES

Hawai'i Tourism Authority before the SENATE COMMITTEE ON WAYS AND MEANS

> Friday, February 26, 2021 9:30 AM State Capitol, Conference Room #211

In consideration of SENATE BILL NO. 938 RELATING TO THE TOURISM

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee on Ways and Means: the Hawai'i Tourism Authority (HTA) would like to **offer comments** on Senate Bill 938, which specifies that moneys in the tourism emergency special fund are to be used exclusively for emergency measures directly related to safety and security initiatives necessary to respond to any tourism emergency.

There exist within the statute numerous procedural requirements that must be met prior to accessing the funds set aside in the Tourism Emergency Special Fund (TESF). The HTA Board of Directors must first determine whether a tourism emergency exists – that includes occurrences such as a world conflict, terrorist threat, national or global economic crisis, natural disaster, outbreak of disease, or other catastrophic events that adversely affect Hawai'i's tourism industry. If the HTA Board of Directors deems that such an emergency exists, it must then submit a request to the governor, who then will determine whether HTA may access the TESF. As such, numerous points of reflection and analysis of the need to access these funds is incorporated into the existing statute found in HRS 201B-9 with the final authorization resting with the governor.

We would request that the committee provide some clarity on how to define safety and security initiatives which would be allowable under the current proposal. As an example, HRS 201B-9 identifies the following as triggers to access the TEF:

- occurrence of a world conflict;
- terrorist threat;
- national or global economic crisis;

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- natural disaster;
- outbreak of disease; or,
- other catastrophic event adversely affects Hawaii's tourism industry by resulting in a substantial interruption in the commerce of the State and adversely affecting the welfare of its people

Of the above listed triggers, what types of initiatives would be allowable to be funded through the TESF assuming that the proposed measure was to be passed in its current form? We would urge the committee to consider providing clarification so that we may better understand how to implement this measure, during a future crisis, should one inevitably arise.

We appreciate this opportunity to provide testimony on SB938.