
A BILL FOR AN ACT

RELATING TO TOURISM GOVERNANCE.

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

1 PART I

2 SECTION 1. The legislature finds that tourism is uniquely
3 critical to the economy of the State and a significant generator
4 of government revenue. However, tourism is also a potential
5 source of intrusion onto the daily lives of residents and
6 creates strains on state and county infrastructure and services.

7 Accordingly, the legislature believes that the tourism
8 industry requires the best possible system of governance and
9 oversight. The system must involve both state and county
10 agencies and private industry and community stakeholders to
11 ensure a balance among visitor and resident interests while
12 guaranteeing that there is an ultimate emphasis on resident
13 prosperity and well-being. The legislature further finds that
14 coordination among these groups will ensure effective and
15 coordinated approaches to long-term planning, appropriate
16 marketing, impact mitigation and other aspects of destination



1 management, and regular analysis of tourism's costs and
2 benefits.

3 Act 156, Session Laws of Hawaii 1998 (Act 156), which
4 established the Hawaii tourism authority, specified that the
5 authority should "[h]ave a permanent, strong focus on marketing
6 and promotion[.]" This mandate led to a perception among
7 residents that the authority was responsible for the very high
8 visitor counts in the late 2010s, a phenomenon that critics
9 often called "overtourism". Act 156 also authorized the
10 authority to coordinate with other agencies and required it to
11 create a "long-term strategic plan for tourism in Hawaii[.]"
12 However, when the authority crafted such a plan for the 2005
13 through 2015 period that included agreements with other agencies
14 and entities to take on responsibility for certain activities,
15 the Hawaii tourism authority found that it did not have any
16 means to enforce these agreements. Accordingly, subsequent
17 strategic plans have focused on goals and actions strictly
18 within the authority's own purview.

19 After resident concerns about tourism impacts continued to
20 grow through the late 2010s, the Hawaii tourism authority
21 approved a plan in 2020 aimed at "destination management". In



1 developing this idea, the authority worked with all four county
2 governments to create and implement island-specific destination
3 management action plans. While the legislature finds the
4 destination management action plan process to be encouraging,
5 the legislature notes that it is concerned that, without a
6 formal system of coordination and enforcement capabilities, the
7 authority will likely face the same problems it experienced in
8 its 2005-2015 strategic plan, likely resulting in the
9 destination management action plans achieving few lasting
10 results.

11 The legislature notes that Hawaii is not the only place
12 where existing tourism governance systems have been challenged
13 by resident demands for better destination management. In the
14 past year, university scholars have authored blogs and articles
15 pointing out that new coordinated tourism governance structures
16 have been adopted or proposed in a number of diverse
17 destinations, including the United States Columbia River Gorge,
18 Los Angeles, Barcelona, Edinburgh, Iceland, and Amsterdam. Some
19 of these structures appear to be primarily intra-governmental
20 while others incorporated regular input from community, labor,
21 business, environmental, and cultural organizations. However,



1 these systems have not yet been systematically studied and it is
2 unclear how applicable these systems would be to Hawaii.

3 Accordingly, the purpose of this part is to require the
4 legislative reference bureau to conduct a study that identifies
5 and analyzes alternative tourism governance systems.

6 SECTION 2. (a) The legislative reference bureau shall
7 conduct a study that identifies and analyzes actual and proposed
8 alternative tourism governance systems used or proposed to be
9 used in locations that are reasonably similar to Hawaii, as
10 provided in this section. For the purposes of this section,
11 "reasonably similar to Hawaii" means a location where:

12 (1) Multiple levels of government entities and, if
13 applicable, non-governmental entities must coordinate
14 to address issues involving tourism, particularly at
15 state or provincial and local levels;

16 (2) Tourism has an important role in the location's
17 economy; and

18 (3) Tourism has a large impact on the location's
19 communities;

20 provided that certain small island nations may also be
21 appropriate for the study to the extent that the study's focus



1 is on agency coordination and not on national powers that are
2 unavailable to a state-level government entity within the United
3 States.

4 (b) For each alternative tourism governance system, the
5 study shall examine:

6 (1) The role of destination management organizations,
7 whether destination management organizations are
8 always present, and if destinations where destination
9 management organizations are not present succeed
10 economically and in terms of resident satisfaction
11 with tourism. For tourism governance systems with
12 strong destination management organizations present,
13 the study shall assess whether balance has been
14 achieved between agency effectiveness and any resident
15 sense that tourism is being given an outsized role in
16 government;

17 (2) Different approaches to optimizing coordination among
18 agencies and entities for destination management,
19 marketing, planning, and impact mitigation. The
20 analysis shall include an assessment of methods to



- 1 standardize throughout the State, if desired,
2 approaches to:
- 3 (A) Pricing and other tools to control congestion;
 - 4 (B) Assure balanced access to publicly maintained
5 attractions, such as scenic and recreational
6 areas, between residents and visitors; and
 - 7 (C) Manage vacation rentals and other dispersed
8 tourism-related commercial activities;
- 9 (3) Different approaches to communicate and engage with
10 business, labor, environmental, cultural, and
11 community interest groups, including the use of
12 standing advisory committees, if any; and
- 13 (4) Various aspects of revenue generation, including:
- 14 (A) Sources of revenue, including various forms of
15 tourism taxes and fees, and whether taxes or fees
16 paid by local residents or businesses are used;
 - 17 (B) Stability of the revenue stream, including the
18 extent to which the system can rely on an
19 ongoing, adequate stream of funding and how much
20 the revenue stream fluctuates over time; and



1 (C) Allocation of revenue, including the methods and
2 principles used to distribute revenue across
3 multiple levels of government and across
4 government agencies within each level of
5 government.

6 (c) In conducting the study, the legislative reference
7 bureau shall solicit input from community, governmental, and
8 other stakeholder groups to identify relevant characteristics of
9 Hawaii's tourism sector and its governance history, which must
10 be understood and accommodated by any new governance system.
11 Stakeholder groups shall be asked to identify:

- 12 (1) The apparent strengths and weaknesses of the current
13 tourism governance system where governance is
14 conducted primarily by the Hawaii tourism authority.
15 The survey shall query the current level of trust in
16 this system among the stakeholders; and
- 17 (2) Other structural considerations, including levels of
18 government organization and structure critical to
19 assessing whether various alternative tourism
20 governance systems would be appropriate to Hawaii.



1 (d) Based on the research conducted and input received
2 pursuant to subsections (b) and (c), the legislative reference
3 bureau shall synthesize three potential alternative tourism
4 governance systems that may be applied in Hawaii and summarize
5 the systems in a general outline form. To the extent feasible,
6 the outline shall identify each system's relative advantages and
7 disadvantages regarding:

- 8 (1) Effective and competitive marketing based on
9 appropriate messaging in regard to current issues of
10 importance, such as responsible and respectful
11 visitation, regenerative tourism goals, and authentic
12 cultural experiences;
- 13 (2) Effective rapid response to ongoing or periodic issues
14 requiring mitigation, especially those that require
15 multi-agency cooperation to address;
- 16 (3) Capacity to manage visitor volume through tools, such
17 as limits on lodging units, and ability to determine
18 limits of acceptable growth given the available tools;
- 19 (4) Capacity to respond to:
- 20 (A) Current challenges, such as implementing a
21 destination management program; and



- 1 (B) Ongoing or foreseeable future issues, such as
2 public health or natural disaster response,
3 climate change, and technological advances in
4 transportation and hospitality;
- 5 (5) Capacity to develop long-range statewide multi-agency
6 strategic plans for critical aspects of tourism, such
7 as infrastructure and workforce development;
- 8 (6) Capacity to continue longstanding Hawaii tourism
9 authority programs and responsibility, including
10 convention center oversight and grants to community,
11 cultural, and natural resource stakeholders;
- 12 (7) Ability to conduct periodic assessments of tourism's
13 fiscal and societal costs and benefits, including both
14 traditional economic measures and hidden costs and
15 less monetizable benefits and costs at both the county
16 and state levels;
- 17 (8) Ability to utilize tourism to further other economic
18 diversification and development goals for the State;
- 19 (9) Ease or difficulty of converting to each system from
20 the State's existing governance system while retaining
21 desired assets and experience now vested in the Hawaii



1 tourism authority, including the Hawaii tourism
2 authority's evolving destination management action
3 plan process; and

4 (10) A rough assessment of revenue implications for state
5 and county governments from the conversion to the
6 governance systems.

7 The study shall not recommend a single preferred approach
8 among the alternatives.

9 SECTION 3. (a) The legislative reference bureau shall
10 publish a draft report, including a proposed summary for public
11 review purposes, no later than October 1, 2024. The bureau
12 shall use the summary as a basis for an extensive statewide
13 publicity and stakeholder input program lasting at least two
14 months, including both electronic and in-person public meetings
15 if feasible, as well as surveys of the general community, the
16 business community, and interviews with key legislators, chief
17 executives, and administrative department heads at both state
18 and county levels of government.

19 (b) The legislative reference bureau shall submit a final
20 report of potential options for legislative consideration to the
21 legislature no later than twenty days prior to the convening of



1 the regular session of 2025. The final report shall note any
2 changes to potential new tourism governance systems based on the
3 public input process pursuant to subsection (a), as well as a
4 general summary of the input received.

5 SECTION 4. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2022-2023 for
8 the legislative reference bureau to conduct the study as
9 provided in this part.

10 The sum appropriated shall be expended by the legislative
11 reference bureau for the purposes of this part.

12 SECTION 5. The legislative reference bureau may contract
13 the services of a consultant or consultants to perform all or
14 some of the duties required in this part with the funds
15 appropriated in section 4 of this part. Any procurement of
16 services pursuant to this Act shall be exempt from chapter 103D,
17 Hawaii Revised Statutes.

18 PART II

19 SECTION 6. The legislature recognizes the significance of
20 tourism to the State's economy but is also cognizant of the
21 strain that tourism places on the daily lives of Hawaii's



1 residents and on its infrastructure. The legislature is also
2 concerned that the destination management action plans adopted
3 by the Hawaii tourism authority in 2020 will face the same fate
4 of its 2005-2015 strategic plan, which failed to achieve lasting
5 results.

6 To ensure that the State sees lasting achievement of the
7 destination management action plan, the legislature finds that
8 specifying the goals and objectives of the destination
9 management action plans in statute and aligning the organization
10 of the Hawaii tourism authority to those goals and objectives
11 will enhance the authority's ability to execute governance
12 recommendations from the study required by part I of this Act.

13 The legislature further finds that the provisions of this
14 part and parts III and IV of this Act will align the Hawaii
15 tourism authority's mission with the destination management
16 actions plans, ensuring the authority's accountability, and
17 allow the authority to execute these plans more quickly and
18 efficiently.

19 Accordingly, the purpose of this part and parts III and IV
20 of this Act are to:



- 1 (1) Statutorily establish destination management
2 objectives for purposes of the Hawaii tourism
3 authority;
- 4 (2) Statutorily establish four major "pillars", or core
5 functions, of the Hawaii tourism authority's programs,
6 including Hawaiian culture, natural resources,
7 community, and branding;
- 8 (3) Prohibit contractors hired to address one of the major
9 functions from engaging in responsibilities for other
10 major functions;
- 11 (4) Require all branding contracts to be performance-
12 based;
- 13 (5) Establish an organizational structure that broadens
14 the Hawaii tourism authority's functions beyond
15 branding and culture by adding community and
16 environment as destination management functions of the
17 authority, thus aligning the authority's
18 organizational structure with its core functions; and
- 19 (6) Appropriate funds to the Hawaii tourism authority to
20 align its budget with the objectives and functions
21 established by this Act.



1 The legislature notes that the reorganization proposed by
2 this measure will not result in the elimination of any employee
3 positions, but will redescribe the duties of certain positions
4 to better align the Hawaii tourism authority's personnel assets.

5 SECTION 7. Chapter 201B, Hawaii Revised Statutes, is
6 amended by adding a new part to be appropriately designated and
7 to read as follows:

8 "PART . AUTHORITY PROGRAMS AND OBJECTIVES

9 §201B- Authority programs; four pillars; core

10 functions. (a) The authority shall operate programs that fall
11 within the following core functions:

12 (1) Hawaiian culture: Programs that support Native
13 Hawaiian culture and community, including programs
14 that value the uniqueness and integrity of the Native
15 Hawaiian culture and community through genuine
16 experiences for visitors and residents;

17 (2) Natural resources: Programs that respect Hawaii's
18 natural and cultural resources, including programs
19 that enhance and support Hawaii's natural resources
20 and cultural sites to improve the quality of life for
21 Hawaii residents and enhance the visitor experience;



1 (3) Community: Programs that ensure tourism and
 2 communities enrich each other, including programs that
 3 are valued by the community and align with the
 4 destination's brand and image, programs that
 5 strengthen relations between residents and visitors,
 6 and programs that form partnerships to build a
 7 resilient tourism workforce and community; and

8 (4) Branding: Programs that frame Hawaii's globally
 9 competitive brand in a way that is coordinated,
 10 authentic, and market-appropriate; is focused on
 11 Hawaii's unique cultures, diverse communities, and
 12 natural environment; and supports Hawaii's economy.

13 (b) Notwithstanding any other law to the contrary, no
 14 entity shall be contracted for services or programs that fall
 15 within more than one of the core functions described in
 16 subsection (a).

17 (c) Any contract for the function of branding pursuant to
 18 subsection (a)(4) shall be performance-based. For the purposes
 19 of this subsection, "performance-based" means a contract that
 20 establishes strategic performance metrics and directly relates



1 payment to the contractor with the contractor's performance
2 against those metrics.

3 **§201B- Destination management action plan objectives.**

4 The authority shall rebuild, redefine, and reset the direction
5 of tourism as provided in its destination management action
6 plans pursuant to this part. In order to achieve this goal, the
7 authority shall meet the following objectives:

- 8 (1) Create positive contributions to the quality of life
9 for each county's residents;
- 10 (2) Support the maintenance, enhancement, and protection
11 of each county's natural resources;
- 12 (3) Ensure the authentic Hawaiian culture is perpetuated
13 and accurately presented in experiences for residents
14 and visitors, materials, and marketing efforts;
- 15 (4) Maintain and improve visitor satisfaction of their
16 experience in each county;
- 17 (5) Strengthen the economic contribution of each county's
18 visitor industry; and
- 19 (6) Increase communication and understanding between the
20 residents and visitor industry.



1 (b) The Hawaii tourism authority shall be headed by a 1.0
2 full-time equivalent (1.0 FTE) president and chief executive
3 officer (position no. 107900E), who shall be assisted by a chief
4 operating officer (position no. 107912E). There shall be an
5 executive assistant (position no. 107929E) and public affairs
6 officer (position no. 117281E), who shall report to the chief
7 operating officer.

8 (c) There shall be a chief financial officer (position no.
9 107904E), who shall report to the chief operating officer.
10 There shall be a procurement officer (position no. 121057E) and
11 a budget/fiscal officer (position no. 107928E), who shall report
12 to the chief financial officer.

13 (d) There shall be a chief brand and culture officer
14 (position no. 107925E) who shall report to the chief operating
15 officer and who shall be assisted by an administrative assistant
16 (position no. 107915E); provided that:

17 (1) There shall be a senior brand manager (position no.
18 107922E), who shall report to the chief brand and
19 culture officer and who shall be assisted by three
20 brand managers (position nos. 107920E, 121056E, and
21 28287E); and



1 (2) There is established a full-time equivalent (1.0 FTE)
2 cultural manager position, who shall report to the
3 chief brand and culture officer and who shall be
4 assisted by a cultural assistant (position no.
5 107924E).

6 (e) There is established a full-time equivalent (1.0 FTE)
7 chief community and natural resources officer position, who
8 shall report to the chief operating officer and who shall be
9 assisted by an administrative assistant (position no. 107921E);
10 provided that:

11 (1) There is established a full-time equivalent (1.0 FTE)
12 community manager position, who shall report to the
13 chief community and natural resources officer and who
14 shall be assisted by two community assistants
15 (position nos. 107919E and 107917E); and

16 (2) There shall be a natural resources manager (position
17 no. 107923E), who shall report to the chief brand and
18 culture officer and who shall be assisted by a natural
19 resources assistant (position no. 107905E).

20 SECTION 9. The following positions within the Hawaii
21 tourism authority are abolished:



- 1 (1) Senior brand manager (position no. 00107927);
2 (2) Brand manager (position no. 00117227); and
3 (3) Secretary II (position no. 00027615).

4 PART IV

5 SECTION 10. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$12,903,800 or so
7 much thereof as may be necessary for fiscal year 2022-2023 for
8 the Hawaii tourism authority to conduct operations and programs
9 relating to culture.

10 The sum appropriated shall be expended by the Hawaii
11 tourism authority for the purposes of effectuating part II of
12 this Act.

13 SECTION 11. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$7,652,500 or so much
15 thereof as may be necessary for fiscal year 2022-2023 for the
16 Hawaii tourism authority to conduct operations and programs
17 relating to natural resources.

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



1 SECTION 12. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$16,436,783 or so
3 much thereof as may be necessary for fiscal year 2022-2023 for
4 the Hawaii tourism authority to conduct operations and programs
5 relating to community.

6 The sum appropriated shall be expended by the Hawaii
7 tourism authority for the purposes of effectuating part II of
8 this Act.

9 SECTION 13. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$18,022,500 or so
11 much thereof as may be necessary for fiscal year 2022-2023 for
12 the Hawaii tourism authority to conduct operations and programs
13 relating to branding.

14 The sum appropriated shall be expended by the Hawaii
15 tourism authority for the purposes of effectuating part II of
16 this Act.

17 SECTION 14. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$3,972,107 or so much
19 thereof as may be necessary for fiscal year 2022-2023 for
20 administrative costs of the Hawaii tourism authority, including
21 payroll costs.



Report Title:

Tourism; Tourism Governance; HTA; Structure; Destination Action Management Plan; Contracts; LRB; Study; Appropriations

Description:

Requires the Legislative Reference Bureau to conduct a study that identifies and analyzes alternative tourism governance systems. Establishes 4 pillars under which the Hawaii Tourism Authority shall operate programs: Hawaiian culture, natural resources, community, and branding. Prohibits entities from being contracted for services or programs that fall within more than one of the four pillars. Requires all branding contracts to be performance-based. Requires the Hawaii Tourism Authority to perform actions specified in the Authority's destination management action plans. Prescribes the organizational structure for the Authority. Appropriates moneys. Effective 12/25/2040. (SD1)

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