
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.



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

(1) Effective and competitive marketing based on appropriate messaging in regard to current issues of importance, such as responsible and respectful visitation, regenerative tourism goals, and authentic cultural experiences;

(2) Effective rapid response to ongoing or periodic issues requiring mitigation, especially those that require multi-agency cooperation to address;

(3) Capacity to manage visitor volume through tools, such as limits on lodging units, and ability to determine limits of acceptable growth given the available tools;

(4) Capacity to respond to:

(A) Current challenges, such as implementing a destination management program; and



(B) Ongoing or foreseeable future issues, such as public health or natural disaster response, climate change, and technological advances in transportation and hospitality;

(5) Capacity to develop long-range statewide multi-agency strategic plans for critical aspects of tourism, such as infrastructure and workforce development;

(6) Capacity to continue longstanding Hawaii tourism authority programs and responsibility, including convention center oversight and grants to community, cultural, and natural resource stakeholders;

(7) Ability to conduct periodic assessments of tourism's fiscal and societal costs and benefits, including both traditional economic measures and hidden costs and less monetizable benefits and costs at both the county and state levels;

(8) Ability to utilize tourism to further other economic diversification and development goals for the State;

(9) Ease or difficulty of converting to each system from the State's existing governance system while retaining 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; provided that
12 the moneys appropriated pursuant to this section shall not lapse
13 at the end of the fiscal year for which the appropriation is
14 made; provided further that any moneys that are unencumbered as
15 of June 30, 2024, shall lapse on that date.

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



PART II

SECTION 6. The legislature recognizes the significance of tourism to the State's economy but is also cognizant of the strain that tourism places on the daily lives of Hawaii's residents and on its infrastructure. The legislature is also concerned that the destination management action plans adopted by the Hawaii tourism authority in 2020 will face the same fate of its 2005-2015 strategic plan, which failed to achieve lasting results.

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

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



1 Accordingly, the purpose of parts III, IV, and V of this
2 Act are to:

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



(6) Appropriate funds to the Hawaii tourism authority to align its budget with the objectives and functions established by this Act.

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

PART III

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

"PART . AUTHORITY PROGRAMS AND OBJECTIVES

§201B- Authority programs; four pillars; core functions. (a) The authority shall operate programs that fall within the following core functions:

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



1 (2) Natural resources: Programs that respect Hawaii's
2 natural and cultural resources, including programs
3 that enhance and support Hawaii's natural resources
4 and cultural sites to improve the quality of life for
5 Hawaii residents and enhance the visitor experience;

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

13 (4) Branding: Programs that frame Hawaii's globally
14 competitive brand in a way that is coordinated,
15 authentic, and market-appropriate; is focused on
16 Hawaii's unique cultures, diverse communities, and
17 natural environment; and supports Hawaii's economy.

18 (b) Notwithstanding any other law to the contrary, no
19 entity shall be contracted for services or programs that fall
20 within more than one of the core functions described in
21 subsection (a); provided that this subsection shall not:



1 (1) Apply to an entity with significant knowledge, skills,
2 and experience in performing work in an additional
3 core function, and the entity has at least five years
4 of experience providing services and support in the
5 additional core function; and

6 (2) Preclude an entity that is engaged in branding from
7 incorporating additional core function messaging in
8 its branding strategies; provided further that the
9 entity shall be allowed to engage the appropriate
10 resources within other core functions with the prior
11 approval of the authority.

12 (c) Any contract for the function of branding pursuant to
13 subsection (a)(4) shall be performance-based. For the purposes
14 of this subsection, "performance-based" means a contract that
15 establishes strategic performance metrics and directly relates
16 payment to the contractor with the contractor's performance
17 against those metrics.

18 §201B- Destination management action plan objectives.

19 The authority shall rebuild, redefine, and reset the direction
20 of tourism as provided in its destination management action



1 plans. In order to achieve this goal, the authority shall meet
2 the following objectives:

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

16 §201B- County destination management action plans;
17 adoption; update. (a) To meet the destination management
18 objectives for each county, the Hawaii tourism authority shall
19 perform the actions specified in each of the following three-
20 year plans:

- 21 (1) Oahu Destination Management Action Plan;



1 (2) Maui Nui Destination Management Action Plan;
2 (3) Hawaii Island Destination Management Action Plan; and
3 (4) Kauai Destination Management Action Plan,
4 during the specified phases.

5 (b) Upon the adoption of a subsequent destination
6 management action plan for a county to replace that county's
7 plan listed in subsection (a), the authority shall review,
8 adopt, and make any adjustments necessary to match its actions
9 to any subsequently adopted destination management action plan
10 of a county."

11 SECTION 8. Section 201B-7, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) The authority shall be responsible for:

14 (1) Creating a vision and developing a long-range
15 strategic plan for tourism in Hawaii;

16 (2) Developing a destination management action plan for
17 each county;

18 ~~[(2)]~~ (3) Promoting, marketing, and developing the tourism
19 industry in the State;

20 ~~[(3)]~~ (4) Arranging for the conduct of research through
21 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 ~~[(4)]~~ (5) Providing technical or other assistance to
5 agencies and private industry upon request;

6 ~~[(5)]~~ (6) Perpetuating the uniqueness of the native
7 Hawaiian culture and community, and their importance
8 to the quality of the visitor experience, by ensuring
9 that:

10 (A) The Hawaiian culture is accurately portrayed by
11 Hawaii's visitor industry;

12 (B) Hawaiian language is supported and normalized as
13 both an official language of the State as well as
14 the foundation of the host culture that draws
15 visitors to Hawaii;

16 (C) Hawaiian cultural practitioners and cultural
17 sites that give value to Hawaii's heritage are
18 supported, nurtured, and engaged in sustaining
19 the visitor industry; and

20 (D) A native Hawaiian cultural education and training
21 program is provided for the visitor industry



1 workforce having direct contact with visitors;
2 and
3 [~~6~~] (7) Reviewing annually the expenditure of public
4 funds by any visitor industry organization that
5 contracts with the authority to perform tourism
6 promotion, marketing, and development and making
7 recommendations necessary to ensure the effective use
8 of the funds for the development of tourism."

9 PART IV

10 SECTION 9. (a) Notwithstanding any other law to the
11 contrary, the Hawaii tourism authority shall be organized as
12 provided in this section.

13 (b) The Hawaii tourism authority shall be headed by one
14 temporary full-time equivalent (1.0 FTE) president and chief
15 executive officer (position no. 107900E, salary \$250,000), who
16 shall be assisted by a temporary full-time equivalent (1.0 FTE)
17 chief operating officer (position no. 107912E, salary
18 \$159,999.96). There shall be a temporary full-time equivalent
19 (1.0 FTE) executive assistant (position no. 107929E, salary
20 \$78,876), a temporary full-time equivalent (1.0 FTE) Hawaii
21 tourism authority administrative manager (position no. 107921E,



1 salary \$65,000.04), and a temporary full-time equivalent (1.0
2 FTE) public affairs officer (position no. 117281E, salary
3 \$140,004), who shall report to the chief operating officer.

4 (c) There shall be a temporary full-time equivalent (1.0
5 FTE) chief financial officer (position no. 107904E, salary
6 \$140,244), who shall report to the chief operating officer.
7 There shall be a temporary full-time equivalent (1.0 FTE)
8 procurement manager (position no. 121057E, salary \$85,000) and a
9 temporary full-time equivalent (1.0 FTE) budget/fiscal officer
10 (position no. 107928E, salary \$82,200), who shall report to the
11 chief financial officer. There shall be a temporary full-time
12 equivalent (1.0 FTE) administrative assistant (position no.
13 107917E, salary \$48,780), who shall report to the procurement
14 manager, and a temporary full-time equivalent (1.0 FTE)
15 administrative assistant (position no. 107919E, salary \$52,500),
16 who shall report to the budget/fiscal officer.

17 (d) There shall be a temporary full-time equivalent (1.0
18 FTE) chief branding and cultural officer (position no. 107925E,
19 salary \$159,999.96) who shall report to the chief operating
20 officer and who shall be assisted by two temporary full-time
21 equivalent (2.0 FTE) administrative assistants (position no.



1 107915E, salary \$45,000; and position no. 107924E, salary
2 \$45,000); provided that:

3 (1) There shall be a temporary full-time equivalent (1.0
4 FTE) senior branding manager (position no. 107922E,
5 salary \$106,884), who shall report to the chief
6 branding and cultural officer and who shall be
7 assisted by three temporary full-time equivalent (3.0
8 FTE) brand managers (position no. 107920E, salary
9 \$84,780; position no. 121056E, salary \$70,008; and
10 position no. 28287E, salary \$70,008); and

11 (2) There shall be a temporary full-time equivalent (1.0
12 FTE) senior cultural manager (position no. 107916E,
13 salary \$100,008), who shall report to the chief
14 branding and cultural officer and who shall be
15 assisted by a temporary full-time equivalent (1.0 FTE)
16 cultural specialist (position no. 118356E, salary
17 \$70,008).

18 (e) There shall be a temporary full-time equivalent (1.0
19 FTE) director of planning (position no. 107923E, salary
20 \$120,000), who shall report to the chief operating officer and
21 who shall be assisted by a temporary full-time equivalent (1.0



1 FTE) administrative assistant (position no. 107905E, salary
2 \$56,424); provided that:

3 (1) There shall be a temporary full-time equivalent (1.0
4 FTE) community specialist (Oahu) (position no.
5 107927E, salary \$70,008);

6 (2) There shall be established a temporary full-time
7 equivalent (1.0 FTE) community specialist (Kauai)
8 position (salary \$70,008);

9 (3) There shall be a temporary full-time equivalent (1.0
10 FTE) community specialist (Maui) (position no.
11 117227E, salary \$70,008);

12 (4) There shall be established a temporary full-time
13 equivalent (1.0 FTE) community specialist (Hawaii
14 island) position (salary \$70,008); and

15 (5) There shall be a temporary full-time equivalent (1.0
16 FTE) natural resources manager (position no. 107926E,
17 salary \$70,008);

18 provided further that these positions shall report to the
19 director of planning.

20 SECTION 10. The secretary II position (position no.
21 00027615) within the Hawaii tourism authority is abolished.



PART V

SECTION 11. There is appropriated out of the federal funds received by the State from the American Rescue Plan Act, Public Law 117-2, Section 9901, the sum of \$12,903,800 or so much thereof as may be necessary for fiscal year 2022-2023 for the Hawaii tourism authority to conduct operations and programs relating to culture.

The sum appropriated shall be expended by the Hawaii tourism authority for the purposes of effectuating part III of this Act.

SECTION 12. There is appropriated out of the federal funds received by the State from the American Rescue Plan Act, Public Law 117-2, Section 9901, the sum of \$7,652,500 or so much thereof as may be necessary for fiscal year 2022-2023 for the Hawaii tourism authority to conduct operations and programs relating to natural resources.

The sum appropriated shall be expended by the Hawaii tourism authority for the purposes of effectuating part III of this Act.

SECTION 13. There is appropriated out of the federal funds received by the State from the American Rescue Plan Act, Public



1 Law 117-2, Section 9901, the sum of \$16,436,783 or so much
2 thereof as may be necessary for fiscal year 2022-2023 for the
3 Hawaii tourism authority to conduct operations and programs
4 relating to community.

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

8 SECTION 14. There is appropriated out of the federal funds
9 received by the State from the American Rescue Plan Act, Public
10 Law 117-2, Section 9901, the sum of \$18,022,500 or so much
11 thereof as may be necessary for fiscal year 2022-2023 for the
12 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 III of
16 this Act.

17 SECTION 15. There is appropriated out of the federal funds
18 received by the State from the American Rescue Plan Act, Public
19 Law 117-2, Section 9901, the sum of \$4,984,417 or so much
20 thereof as may be necessary for fiscal year 2022-2023 for



1 administrative costs of the Hawaii tourism authority, including
2 payroll costs.

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

5 PART VI

6 SECTION 16. This Act shall take effect on December 25,
7 2040; provided that sections 4, 11, 12, 13, 14, and 15 shall
8 take effect on July 1, 2022.



Report Title:

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

Description:

Requires the Legislative Reference Bureau to conduct a study that identifies and analyzes alternative tourism governance systems. Appropriates general funds for the study. 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 1 of the 4 pillars except in certain circumstances. Requires all branding contracts to be performance-based. Requires the Hawaii Tourism Authority to develop a destination management action plan for each county and perform actions specified in those plans. Prescribes the organizational structure for the Authority. Appropriates moneys out of federal funds received by the State from the American Rescue Plan Act. Effective 12/25/2040. (SD2)

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