

GOV. MSG. NO. 1326

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA

July 8, 2024

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Second State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Scott K. Saiki Speaker, and Members of the House of Representatives Thirty-Second State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 8, 2024, the following bill was signed into law:

SB3364 SD2 HD2 CD1

RELATING TO DESTINATION MANAGEMENT. ACT 225

Sincerely,

Ireen M.D.

Josh Green, M.D. Governor, State of Hawai'i

Approved by the Governor

> THE SENATE THIRTY-SECOND LEGISLATURE, 2024 STATE OF HAWAII



1

A BILL FOR AN ACT

RELATING TO DESTINATION MANAGEMENT.

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

1	SECTION 1. Chapter 201B, Hawaii Revised Statutes, is
2	amended by adding a new section to part I to be appropriately
3	designated and to read as follows:
4	" <u>§201B-</u> Destination management action plans; counties;
5	objectives; execution. To meet the destination management
6	objectives for each county, the authority shall perform the
7	actions specified in each of the following plans:
8	(1) Oahu destination management action plan;
9	(2) Maui nui destination management action plan;
10	(3) Hawaii island destination management action plan; and
11	(4) Kauai destination management action plan,
12	during the specified phases; provided that the execution of each
13	destination management action plan shall be dependent on the
14	cooperation and participation of the applicable state or county
15	agency or an advisory group established pursuant to section
16	<u>201B-13.</u> "

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1	SECT	ION 2. Section 201B-1, Hawaii Revised Statutes, is				
2	amended by adding three new definitions to be appropriately					
3	inserted a	and to read as follows:				
4	" <u>"De</u> s	stination management" means a collaborative and				
5	coordinate	ed process with public, private, and community				
6	stakehold	ers to manage the various elements of a visitor				
7	destination to:					
8	(1)	Create, implement, and monitor strategies that attract				
9		targeted visitor markets and improve visitor				
10		experiences;				
11	(2)	Improve natural and cultural resources valued by				
12		Hawaii residents and visitors;				
13	(3)	Develop and maintain tourism-related infrastructure to				
14		prevent overcrowding and overtaxing sites and				
15		resources; and				
16	(4)	Ensure that the provision of services enhances the				
17		visitor experience.				
18	<u>"Haw</u>	aii brand" means the qualities and programs that				
19	<u>collectiv</u>	ely differentiate the Hawaii experience from other				
20	destinati	ons.				
21	"Reg	enerative tourism" means a tourism model that:				

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1	(1)	<u>Is d</u>	esigned and carefully managed to bring net
2		bene	fits to local communities and destinations; and
3	(2)	Impl	ements an innovative and sustainable economic
4		deve	lopment plan to:
5		(A)	Make net positive contributions;
6		<u>(B)</u>	Create conditions that allow communities to
7			flourish;
8		<u>(C)</u>	Engage in collaborative efforts that provide
9			visitors with genuine and meaningful experiences
10			in Hawaii; and
11		<u>(D)</u>	Improve destinations for current and future
12			generations for the well-being of the
13	" w.		environment, residents, indigenous communities,
14			and visitors."
15	SECT	NON 3	8. Section 201B-3, Hawaii Revised Statutes, is
16	amended t	o rea	ad as follows:
17	"§20)1B-3	Powers, generally. (a) Except as otherwise
18	limited b	by thi	s chapter, the authority may:
19	(1)	Sue	and be sued;
20	(2)	Have	e a seal and alter the same at its pleasure;

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1	(3)	Through its president and chief executive officer,
2		make and execute contracts and all other instruments
3		necessary or convenient for the exercise of its powers
4		and functions under this chapter; provided that the
5		authority may enter into contracts and agreements for
6		a period of up to five years, subject to the
7		availability of funds; [and] provided further that the
8		authority may enter into agreements for the use of the
9		convention center facility for a period of up to ten
10		years;
11	(4)	Make and alter bylaws for its organization and
12		internal management;
13	(5)	Unless otherwise provided in this chapter, adopt rules
14		in accordance with chapter 91 with respect to its
15		projects, operations, properties, and facilities;
16	(6)	Through its president and chief executive officer,
17		represent the authority in communications with the
18		governor and [the] legislature;
19	(7)	Through its president and chief executive officer,
20		provide for the appointment of officers, agents, a
21		sports coordinator, and employees, subject to the

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1		approval of the board, prescribing their duties and
2		qualifications, and fixing their salaries, without
3		regard to chapters 76 and 78, if funds have been
4		appropriated by the legislature and allotted as
5		provided by law;
6	(8)	Through its president and chief executive officer,
7		purchase supplies, equipment, or furniture;
8	(9)	Through its president and chief executive officer,
9		allocate the space or spaces that are to be occupied
10		by the authority and appropriate staff;
11	(10)	Through its president and chief executive officer,
12		engage the services of qualified persons to implement
13		the State's strategic tourism [marketing] management
14		plan or portions thereof as determined by the
15		authority;
16	(11)	Through its president and chief executive officer,
17		engage the services of consultants on a contractual
18		basis for rendering professional and technical
19		assistance and advice;

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1	(12)	Procure insurance against any loss in connection with
2		its property and other assets and operations in
3		amounts and from insurers as it deems desirable;
4	(13)	Contract for or accept revenues, compensation,
5		proceeds, and gifts or grants in any form from any
6	-	public agency or any other source;
7	(14)	Develop, coordinate, and implement state policies and
8		directions for tourism and related activities taking
9 .		into account the economic, social, and physical
10		impacts of tourism on the State, Hawaii's natural
11		environment, and areas frequented by visitors;
12	(15)	Have a permanent, strong focus on Hawaii brand
13		management;
14	(16)	Coordinate all agencies and advise the private sector
15		in the development of tourism-related activities and
16		resources;
17	(17)	Work to eliminate or reduce barriers to travel to
18		provide a positive and competitive business
19		environment, including coordinating with the
20		department of transportation on issues affecting
21		airlines and air route development;

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1	(18)	Market and promote sports-related activities and
2	· .	events;
3	(19)	Coordinate the development of new products with the
4		counties and other persons in the public sector and
5		private sector, including the development of sports,
6		culture, health and wellness, education, technology,
7		agriculture, and nature tourism;
8	(20)	Establish a public information and educational program
9		to inform the public of tourism and tourism-related
10		problems;
11	(21)	[Encourage] <u>Coordinate</u> the development of tourism
12		educational, training, and career counseling programs;
13	(22)	Establish a program to monitor, investigate, and
14		respond to complaints about problems resulting
15	-	directly or indirectly from the tourism industry and
16		taking appropriate action as necessary;
17	(23)	Develop and implement emergency measures to respond to
18		any adverse effects on the tourism industry, pursuant
19	·	to section 201B-9;
20	(24)	Set and collect rents, fees, charges, or other
21		payments for the lease, use, occupancy, or disposition

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1		of the convention center facility without regard to			
2		chapter 91;			
3	(25)	Notwithstanding chapter 171, acquire, lease as lessee			
4		or lessor, own, rent, hold, and dispose of the			
5		convention center facility in the exercise of its			
6		powers and the performance of its duties under this			
7		chapter; [and]			
8	(26)	Acquire by purchase, lease, or otherwise, and develop,			
9		construct, operate, own, manage, repair, reconstruct,			
10		enlarge, or otherwise effectuate, either directly or			
11		through developers, a convention center facility $[-]$;			
12	(27)	Enhance the tourism industry in the State to grow its			
13		positive contributions to residents of the State;			
14		provided that the authority's initiatives shall follow			
15	-	destination management practices and integrate			
16		regenerative tourism; and			
17	(28)	Focus on perpetuating the uniqueness of the Hawaiian			
18		culture and community and their significance to the			
19		quality of the visitor experience by ensuring that:			
20		(A) The Hawaiian culture is accurately portrayed by			
21		Hawaii's visitor industry;			

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1 (B) The Hawaiian language is supported and normalized 2 as an official language of the State; 3 Hawaiian cultural practitioners and cultural (C) sites are supported, nurtured, and engaged in 4 5 sustaining the visitor industry; and A Hawaiian cultural education and training 6 (D) 7 program is provided for the members of the 8 visitor industry workforce who have direct 9 contact with visitors. 10 (b) The authority shall do any and all things necessary to 11 carry out its purposes, to exercise the powers and 12 responsibilities given in this chapter, and to perform other 13 functions required or authorized by law. [(c) As used in this section, "Hawaii brand" shall have 14 the same meaning as in section 2018-6.]" 15 SECTION 4. Section 201B-6, Hawaii Revised Statutes, is 16 17 amended to read as follows: 18 "§201B-6 [Tourism marketing] Strategic tourism management 19 plan; measures of effectiveness. (a) The authority shall be 20 responsible for developing a strategic tourism [marketing] 21 management plan [-] that advances tourism marketing, complies

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with destination management best practices, and promotes 1 2 regenerative tourism. The plan shall be a single, comprehensive document that shall be updated every year and include the 3 4 following: 5 (1)Statewide Hawaii brand management efforts and 6 programs; 7 (2)Targeted markets; Efforts to enter into Hawaii brand management projects 8 (3)9 that make effective use of cooperative programs; Program performance goals and targets that can be 10 (4) monitored as market gauges and used as attributes to 11 12 evaluate the authority's programs; [and] 13 (5) The authority's guidance and direction for the 14 development and coordination of promotional and 15 marketing programs that build and promote the Hawaii brand, which are implemented through contracts and 16 agreements with destination marketing organizations or 17 18 other qualified organizations, including: Target markets and the results being sought; 19 (A) Key performance indicators; and 20 (B)

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1	(C) Private sector collaborative or cooperative				
2	efforts that may be required [-]; and				
3	(6) Statewide destination management and regenerative				
4	tourism efforts and programs.				
5	[As used in this section, "Hawaii brand" means the programs				
6	that collectively differentiate the Hawaii experience from other				
7	destinations.]				
8	(b) In accordance with subsection (a), the authority shall				
9	develop measures of effectiveness to assess the overall benefits				
10	and effectiveness of the [marketing] strategic tourism				
11	management plan and include documentation of the progress of the				
12	[marketing] strategic tourism management plan [towards] toward				
13	achieving the authority's strategic plan goals."				
14	SECTION 5. Section 201B-7, Hawaii Revised Statutes, is				
15	amended by amending subsections (a) and (b) to read as follows:				
16	"(a) The authority may enter into contracts and agreements				
17	that include the following:				
18	(1) Tourism promotion, marketing, [and] development[+],				
19	and destination management;				
20	(2) Market development-related research;				

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1 Product development and diversification issues focused (3)2 on visitors; 3 (4) Promotion, development, and coordination of festivals, community events, cultural activities, environmental 4 stewardship activities, sports-related activities, and 5 6 events [;] that strengthen the relationships between 7 the place and people for Hawaii's residents and 8 visitors alike; Promotion of Hawaii, through a coordinated statewide 9 (5) 10 effort, as a place to do business, including high 11 technology business, and as a business destination; Reduction of barriers to travel; 12 (6)Marketing, management, use, operation, or maintenance 13 (7) 14 of the convention center facility, including the 15 purchase or sale of goods or services, logo items, 16 concessions, sponsorships, and license agreements, or 17 any use of the convention center facility as a 18 commercial enterprise; provided that effective 19 January 1, 2020, and thereafter, contracts issued 20 pursuant to this paragraph for the marketing of all 21 uses of the convention center facility may be issued

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1		separately	y from the management, use, operation, or
2		maintenano	ce of the facility;
3	(8)	Tourism re	esearch and statistics to:
4		(A) Measu	are and analyze tourism trends;
5		(B) Prov	ide information and research to assist in the
6		deve	lopment and implementation of state tourism
7		poli	cy; and
8	·	(C) Prov	ide tourism information on:
9		(i)	Visitor arrivals, visitor characteristics,
10			and expenditures;
11		(ii)	The number of transient accommodation units
12			available, occupancy rates, and room rates;
13		(iii)	Airline-related data including seat capacity
14			and number of flights;
15		(iv)	The economic, social, and physical impacts
16			of tourism on the State; and
17		(v)	The effects of the [marketing] strategic
18			tourism management programs of the authority
19			on the measures of effectiveness developed
20			pursuant to section 201B-6(b); and

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Any and all other activities necessary to carry out 1 (9) 2 the intent of this chapter; provided that the authority shall periodically submit a report 3 4 of the contracts and agreements entered into by the authority to 5 the governor, [the] speaker of the house of representatives, and 6 [the] president of the senate. 7 The authority shall be responsible for: (b) 8 (1)Creating a vision and developing a long-range 9 strategic plan for tourism in Hawaii; 10 (2) Developing destination management action plans for 11 each county; 12 $\left[\frac{(2)}{(2)}\right]$ (3) Promoting, marketing, and developing the tourism 13 industry in the State; 14 $\left[\frac{3}{3}\right]$ (4) Arranging for the conduct of research through 15 contractual services with the University of Hawaii or any agency or other qualified persons concerning 16 social, economic, and environmental aspects of tourism 17 18 development in the State; 19 [-(4)-] (5) Providing technical or other assistance to 20 agencies and private industry upon request;

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1	[(5)	Perp	Perpetuating the uniqueness of the native Hawaiian		
2		culture and community, and their importance to the			
3		qual	quality of the visitor experience, by ensuring that:		
4		-(A)-	The Hawaiian culture is accurately portrayed by		
5			Hawaii's visitor industry;		
6		(B)	Hawaiian language is supported and normalized as		
7			both an official language of the State as well as		
8			the foundation of the host culture that draws		
9			visitors to Hawaii;		
10		(C)	Hawaiian cultural practitioners and cultural		
11			sites that give value to Hawaii's heritage are		
12			supported, nurtured, and engaged in sustaining		
13			the visitor-industry; and		
14		(D)	A native Hawaiian cultural education and training		
15			program is provided for the visitor industry		
16			workforce having direct contact with visitors;]		
17			and		
18	(6)	Revi	ewing annually the expenditure of public funds by		
19		any	visitor industry organization that contracts with		
20		the	authority to perform tourism promotion, marketing,		
21		and	development and making recommendations necessary		

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to ensure the effective use of the funds for the 1 2 development of tourism." SECTION 6. Section 201B-16, Hawaii Revised Statutes, is 3 amended to read as follows: 4 5 "§201B-16 Annual report. The authority shall submit a 6 complete and detailed report of its activities, expenditures, and results, including the progress of the strategic tourism 7 8 [marketing] management plan developed pursuant to section 201B-6, toward achieving the authority's strategic plan goals, 9 10 to the governor and [the] legislature [at least] no later than twenty days prior to the convening of each regular session of 11 12 the legislature. The annual report shall include the 13 descriptions and evaluations of programs funded, together with 14 any recommendations by the authority [may make]." 15 SECTION 7. Section 2018-5, Hawaii Revised Statutes, is 16 repealed. 17 ["§201B-5 Exemption of Hawaii tourism authority from

18 administrative supervision of boards and commissions.
19 Notwithstanding any law to the contrary, the authority shall be
20 exempt from section 26-35 with the exception of section 2621 35(a)(2), (3), (7), (8) and subsection (b)."]

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SECTION 8. Statutory material to be repealed is bracketed
 and stricken. New statutory material is underscored.
 SECTION 9. This Act shall take effect on July 1, 2024.

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APPROVED this

8th day of July , 2024

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GOVERNOR OF THE STATE OF HAWAI'I

THE SENATE OF THE STATE OF HAWAI'I

Date: May 1, 2024 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2024.

President of the Senate

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Clerk of the Senate

SB No. 3364, SD 2, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 1, 2024 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2024.

Scott K. Saiki Speaker House of Representatives

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Brian L. Takeshita Chief Clerk House of Representatives