H.B. NO. H.D. 3

A BILL FOR AN ACT

RELATING TO TOURISM.

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

SECTION 1. The legislature finds that the Hawaii tourism
 authority has failed to effectively execute its duties to manage
 the tourism marketing plan for the State.

In 2021, the legislature repealed the Hawaii tourism
authority's exemption from the Hawaii public procurement code
through Act 1, Special Session Laws of Hawaii 2021. As a
result, all procurements by the Hawaii tourism authority must
comply with the Hawaii public procurement code.

9 Due to mismanagement by the Hawaii tourism authority, the 10 award of a \$34,000,000 contract for the marketing of Hawaii as a 11 tourism destination to the United States major market area has 12 been in a state of uncertainty since 2021. This situation has 13 been widely publicized and has demonstrated the Hawaii tourism 14 authority's noncompliance with the Hawaii public procurement 15 code.

16 The legislature finds that it is necessary and appropriate 17 to dissolve the Hawaii tourism authority.

2023-2713 HB1375 SD3 SMA.docx

1	Acco	ordingly, the purpose of this Act is to:
2	(1)	Establish an office of tourism and destination
3		management that will be governed by a nine-member
4		board of directors consisting of:
5		(A) A member from the county of Hawaii;
6		(B) A member from the county of Maui;
7		(C) A member from the county of Kauai;
8		(D) A member from the city and county of Honolulu;
9		(E) A member from the hospitality industry;
10		(F) A member from the airline industry;
11		(G) A member from the retail industry; and
12		(H) A member with a background in Hawaiian culture;
13		and
14		(I) A member with a background in agriculture;
15	(2)	Transfer the functions, duties, appropriations, and
16		positions of the Hawaii tourism authority to the
17		office of tourism and destination management;
18	(3)	Require the office of tourism and destination
19		management to implement certain county destination
20		management action plans;
21	(4)	Dissolve the Hawaii tourism authority;



1	(5)	Appropriate funds for the office of tourism and
2		destination management; and
3	(6)	Appropriates funds for plans, design, construction,
4		and equipment for repairs and improvements of the
5		convention center rooftop terrace deck.
6	SECT	ION 2. Chapter 201, Hawaii Revised Statutes, is
7	amended b	y adding a new part to be appropriately designated and
8	to read a	s follows:
9	"PAR	. OFFICE OF TOURISM AND DESTINATION MANAGEMENT
10	§201	-A Definitions. As used in this part:
11	"Age	ncy" means any agency, department, authority, board,
12	commissio	n, the university of Hawaii, or any other unit of the
13	State or	its political subdivisions.
14	"Bes	t practice destination management" means a holistic
15	process t	hat ensures that tourism adds value to the economy,
16	social fa	bric, and ecology of communities.
17	"Con	vention center facility" or "convention center" means
18	the Hawai	i Convention Center.
19	"Exe	cutive director" means the executive director of
20	tourism a	nd destination management.



4

"Hawaii brand" means the programs that collectively
differentiate the Hawaii experience from other destinations.
"Office" means the office of tourism and destination
management established under section 201-B.
"Regenerative tourism" means a Hawaiian cultural heritage
business model that is community-based with cultural development
strategies and implements an innovative economic development
plan to link consumers and a Hawaiian sense of place through
holistic efforts to:
(1) Make net positive contributions;
(2) Create conditions that allow communities to flourish;
and
(3) Improve destinations for current and future
generations for the well-being of the environment,
residents, indigenous communities, and visitors.
§201-B Office of tourism and destination management;
establishment; responsibilities. (a) There is established
within the department of business, economic development, and
tourism for administrative purposes the office of tourism and
destination management to:

2023-2713 HB1375 SD3 SMA.docx

Page 4

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(1)	Create, design, and implement a long-range strategic
2		plan for tourism in Hawaii;
3	(2)	Grow and enhance the tourism industry in the State;
4		provided that the office's initiatives shall follow
5		best practice destination management practices and
6		integrate regenerative tourism;
7	(3)	Conduct strategic research through contractual
8		services with the University of Hawaii or any
9		qualified agency or persons that target social,
10		economic, cultural, and environmental aspects of
11		tourism development in the State;
12	(4)	Provide technical or other assistance to agencies and
13		private industry upon request;
14	(5)	Focus on perpetuating the uniqueness of the Native
15		Hawaiian culture and community, and their significance
16		to the quality of the visitor experience, by ensuring
17		that:
18		(A) The Hawaiian culture is accurately portrayed by
19		Hawaii's visitor industry;
20		(B) Hawaiian language is supported and normalized as
21		an official language of the State as well as the

2023-2713 HB1375 SD3 SMA.docx

1		foundation of the host culture that attracts
2		visitors to Hawaii;
3		(C) Hawaiian cultural practitioners and cultural
4		sites that give value to Hawaii's heritage are
5		supported, nurtured, and engaged in sustaining
6		the visitor industry; and
7		(D) A Native Hawaiian cultural education and training
8		program is provided for the members of the
9		visitor industry workforce who have direct
10		contact with visitors; and
11	(6)	Review annually the expenditure of public funds by any
12		visitor industry organization that contracts with the
13		office to implement tourism promotion, development,
14		and management and make recommendations necessary to
15		ensure the effective use of the funds for the
16		development and management of tourism.
17	(b)	There is established within the office of tourism and
18	destinati	on management:
19	(1)	A tourism and marketing branch that shall implement
20		integrated marketing efforts that positively portray
21		Hawaii with a focus on its people and culture;

2023-2713 HB1375 SD3 SMA.docx

Page 7

1	(2)	A convention center branch to manage the convention
2		center and administer the convention center enterprise
3		special fund; and
4	(3)	A destination management branch that shall develop and
5		implement a plan that is inclusive of all islands and
6		promotes a dignified and healthy relationship with the
7		State's natural resources and Hawaiian culture.
8	(c)	The office shall be headed by a board of directors
9	that shal	l consist of nine members who shall be appointed by the
10	governor	as provided in section 26-34; provided that:
11	(1)	One member shall represent the hospitality industry;
12	(2)	One member shall represent the airline industry;
13	(3)	One member shall represent the retail industry;
14	(4)	One member shall have a background in Hawaiian
15		culture;
16	(5)	One member shall have a background in agriculture;
17	(6)	One member shall reside in the county of Maui and be
18		appointed from a list of three names submitted by the
19		senate president;

1 One member shall reside in the county of Kauai and be (7)2 appointed from a list of three names submitted by the senate president; 3 (8) One member shall reside in the county of Hawaii and be 4 5 appointed from a list of three names submitted by the 6 speaker of the house of representatives; and 7 (9) One member shall reside in the city and county of 8 Honolulu and be appointed from a list of three names submitted by the speaker of the house of 9 10 representatives. 11 All appointed members of the board of directors may continue in 12 office until their respective successors have been appointed; 13 provided that a holdover member shall not hold office beyond the 14 end of the second regular legislative session following the 15 expiration of the member's term of office. The board of 16 directors shall elect a chairperson from among its members; 17 provided that the director of business, economic development, 18 and tourism shall serve as the chairperson until a chairperson 19 is elected by the members of the board. The members shall serve 20 without compensation, but shall be reimbursed for expenses,

2023-2713 HB1375 SD3 SMA.docx

Page 9

including traveling expenses, necessary for the performance of
 their duties.

3	(d)	There shall be an executive director of tourism and
4	destinati	on management who shall have the same rights and
5	benefits	of other public employees, including membership in
6	public em	ployee health and pension benefits plans under chapters
7	87A and 8	8, and shall:
8	(1)	Be appointed and may be removed by the board of
9		directors;
10	(2)	Report to the board of directors;
11	(3)	Have knowledge, experience, and expertise in the areas
12		of accommodations, transportation, retail,
13		entertainment, Hawaiian culture, and agricultural
14		lands;
15	(4)	Be responsible for the day-to-day operations of the
16		office; and
17	(5)	Not be subject to chapter 76.
18	§201	-C Powers and functions, generally. (a) Except as
19	otherwise	limited by this part, the office may:

20 (1) Sue and be sued;

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(2)	Make and alter bylaws for its organization and
2		internal management;
3	(3)	Procure insurance against any loss in connection with
4		its property and other assets and operations in
5		amounts and from insurers as it deems desirable;
6	(4)	Contract for or accept revenues, compensation,
7		proceeds, and gifts or grants in any form from any
8		public agency or any other source;
9	(5)	Design, coordinate, and implement state policies and
10		directions for tourism and related activities taking
11		into account the economic, social, cultural, and
12		physical impacts of tourism on the State, Hawaii's
13		natural environment, areas frequented by visitors,
14		best practice destination management, and regenerative
15		tourism;
16	(6)	Have a permanent and strong focus on Hawaii brand
17		<pre>management;</pre>
18	(7)	Coordinate all agencies and engage the private sector
19		in the development of tourism-related activities and
20		resources;
		•

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(8)	Work to eliminate or reduce barriers to travel by
2		providing a positive and competitive business
3		environment, including coordination with the
4		department of transportation on issues affecting
5		airlines and air route development;
6	(9)	Market and promote sports-related and
7		entertainment-related activities and events;
8	(10)	Coordinate the development of new products with the
9		counties and other persons in the public sector and
10		private sector, including the development of sports,
11		culture, health and wellness, education, technology,
12		agriculture, and environmental tourism;
13	(11)	Establish:
14		(A) A public information and educational program to
15		inform the public of tourism and tourism-related
16		problems; and
17		(B) A program to monitor, investigate, and respond to
18		complaints about problems resulting directly or
19		indirectly from the tourism industry and take
20		appropriate action as necessary;

2023-2713 HB1375 SD3 SMA.docx

1	(12)	Encourage and engage in the development of tourism
2		education, training, and career counseling programs;
3	(13)	Develop and implement emergency measures to respond to
4		any adverse effects on the tourism industry, pursuant
5		to section 201-I;
6	(14)	Set and collect rents, fees, charges, or other
7		payments for the lease, use, occupancy, or disposition
8		of the convention center facility without regard to
9		chapter 91;
10	(15)	Notwithstanding chapter 171, acquire, lease as lessee
11		or lessor, own, rent, hold, and dispose of the
12		convention center facility in the exercise of its
13		powers and the performance of its duties under this
14		part;
15	(16)	Acquire by purchase, lease, or otherwise, and develop,
16		construct, operate, own, manage, repair, reconstruct,
17		enlarge, or otherwise effectuate, either directly or
18		through developers, a convention center facility; and
19	(17)	Adopt rules in accordance with chapter 91 with respect
20		to its projects, operations, properties, and
21		facilities.

2023-2713 HB1375 SD3 SMA.docx

1	(b)	Except as otherwise limited by this part, the office,
2	through t	he executive director may:
3	(1)	Make and execute contracts and all other instruments
4		necessary or convenient for the exercise of its powers
5		and functions under this part; provided that the
6		office may enter into contracts and agreements for a
7		period of up to five years, subject to the
8		availability of funds; provided further that the
9		office may enter into agreements for the use of the
10		convention center facility for a period of up to ten
11		years;
12	(2)	Represent the office in communications with the
13		governor and the legislature;
14	(3)	Provide for the appointment of officers, agents, a
15		sports coordinator, and employees, prescribing their
16		duties and qualifications, and fixing their salaries,
17		without regard to chapters 76 and 78, if funds have
18		been appropriated by the legislature and allotted as
19		provided by law;
20	(4)	Purchase supplies, equipment, and furniture;

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(5)	Allocate the space or spaces that are to be occupied
2		by the office and appropriate staff;
3	(6)	Engage the services of qualified persons to implement
4		the State's strategic tourism management plan or
5		portions thereof as determined by the office; and
6	(7)	Engage the services of consultants on a contractual
7		basis for rendering professional and technical
8		assistance and advice.
9	(c)	The office may enter into contracts and agreements
10	that incl	ude the following:
11	(1)	Tourism promotion, development, and management;
12	(2)	Product development and diversification issues focused
13		on visitors;
14	(3)	Promotion, development, and coordination of
15		sports-related and entertainment-related activities
16		and events;
17	(4)	Promotion of Hawaii, through a coordinated statewide
18		effort, as a place to do business, including high
19		technology business, and as a business destination;
20	(5)	Reduction of barriers to travel;

2023-2713 HB1375 SD3 SMA.docx

Page 15

1	(6)	Marketing, management, use, operation, or maintenance
2		of the convention center facility, including the
3		purchase or sale of goods or services, logo items,
4		concessions, sponsorships, and license agreements, or
5		any use of the convention center facility as a
6		commercial enterprise; provided that contracts issued
7		pursuant to this paragraph for the marketing of all
8		uses of the convention center facility may be issued
9		separately from the management, use, operation, or
10		maintenance of the facility;
11	(7)	Tourism research, market development-related research,
12		and statistics to:
13		(A) Measure and analyze tourism trends;
14		(B) Provide information and research to assist in the
15		development and implementation of state tourism
16		policy; and
17		(C) Provide tourism information on:
18		(i) Visitor arrivals, visitor characteristics,
19		and expenditures;
20		(ii) The number of transient accommodation units
21		available, occupancy rates, and room rates;

1 (iii) Airline-related data, including seat 2 capacity and number of flights; 3 (iv) The economic, social, and physical impacts 4 of tourism on the State; and 5 (v) The effects of the office's strategic 6 tourism management plan on the measures of 7 effectiveness developed pursuant to section 8 201-D; and 9 (8) Any and all other activities necessary to carry out 10 the intent of this part. 11 (d) The office may delegate to staff the responsibility 12 for soliciting, awarding, and executing contracts and for 13 monitoring and facilitating any and all contracts and agreements 14 developed in accordance with subsection (c). 15 (e) Where public disclosure of information gathered or 16 developed by the office may place a business at a competitive 17 disadvantage or may impair or frustrate the office's ability to 18 either compete as a visitor destination or obtain or utilize 19 information for a legitimate government function, the office may 20 withhold from public disclosure competitively sensitive 21 information, including:

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. ³ S.D. ³

1	(1)	Completed survey forms and questionnaire forms;
2	(2)	Coding sheets; and
3	. (3)	Database records of the information.
4	(f)	The office shall do any and all things necessary to
5	carry out	its purposes, to exercise the powers and
6	responsib	ilities given in this part, and to perform other
7	functions	required or authorized by law.
8	(g)	The powers and functions granted to and exercised by
9	the offic	e under this part are declared to be public and
10	governmen	tal functions, exercised for a public purpose, and
11	matters o	f public necessity.
12	§201	-D Strategic tourism management plan; measures of
13	effective	ness. (a) The office shall develop a strategic
14	tourism m	anagement plan that promotes tourism marketing,
15	complies	with best practice destination management, and promotes
16	regenerat	ive tourism. The plan shall be a single, comprehensive
17	document	that shall be updated annually and include the
18	following	:
19	(1)	Statewide Hawaii brand management efforts and
20		programs;

21 (2) Targeted markets;

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(3)	Efforts to enter into Hawaii brand management projects
2		that make effective use of cooperative programs;
3	(4)	Program performance goals and targets that can be
4		monitored as market gauges and used as attributes to
5		evaluate the office's programs; and
6	(5)	The office's guidance and direction for the
7		development and coordination of promotional and
8		marketing programs that build and promote the Hawaii
9		brand, which shall be implemented through county
10		contracts and agreements with destination marketing
11		organizations or other qualified organizations,
12		including:
13		(A) Target markets and the results being sought;
14		(B) Key performance indicators; and
15		(C) Private sector collaborative or cooperative
16		efforts that may be required.
17	(b)	In accordance with subsection (a), the office shall
18	develop m	easures of effectiveness to assess the overall benefits
19	and effec	tiveness of the strategic tourism management plan and
20	include d	ocumentation of the progress of the strategic tourism

H.B. NO. ¹³⁷⁵ H.D. ³ S.D. ³

management plan toward achieving the office's strategic plan
 goals.

3	<pre>§201-E Destination management action plan; objectives;</pre>
4	county destination management action plans. To meet the
5	destination management objectives for each county, the office
6	shall perform the actions specified in each of the following
7	three-year 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.
13	§201-F Assistance by state and county agencies; advisory
14	group. (a) Any state or county agency may render services upon
15	request of the office.
16	(b) The office may establish an advisory group that may
17	meet monthly or as often as the office deems necessary and may
18	include the executive director, director of transportation,
19	chairperson of the board of land and natural resources,
20	chairperson of the board of trustees of the office of Hawaiian
21	affairs, executive director of the state foundation on culture

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	and the a	rts, and chair of the travel industry management
2	advisory o	council of the University of Hawaii to advise the
3	office on	matters relating to their respective departments or
4	agency in	the preparation and execution of suggested:
5	(1)	Measures to respond to tourism emergencies pursuant to
6		section 201-I;
7	(2)	Programs for the management, improvement, and
8		protection of Hawaii's natural environment and other
9		areas frequented by visitors and residents;
10	(3)	Measures to address issues affecting airlines, air
11		routes, and barriers to travel to Hawaii;
12	(4)	Programs to perpetuate the culture of Hawaii and
13		engage local communities to sustain and preserve the
14		Native Hawaiian culture; and
15	(5)	Programs that include tourism marketing, best practice
16		destination management, and regenerative tourism as
17		part of an overall strategic tourism management plan.
18	§201	-G Applicability of Hawaii public procurement code;
19	conventio	n center contractor; construction contracts. The
20	construct	ion contracts for the maintenance of the convention
21	center fa	cility by the private contractor that operates the

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	conventio	n center, by its direct or indirect receipt of, and its
2	expenditu	re of, public funds from the department or the office,
3	or both,	shall be subject to part III of chapter 103D.
4	§201	-H Convention center enterprise special fund. (a)
5	There is	established in the state treasury the convention center
6	enterpris	e special fund, into which shall be deposited:
7	(1)	A portion of the revenues from the transient
8		accommodations tax, as provided by section 237D-6.5;
9	(2)	All revenues or moneys derived from the operations of
10		the convention center to include all revenues from the
11		food and beverage service, all revenues from the
12		parking facilities or from any concession, and all
13		revenues from the sale of souvenirs, logo items, or
14		any other items offered for purchase at the convention
15		center;
16	(3)	Private contributions, interest, compensation, gross
17		or net revenues, proceeds, or other moneys derived
18		from any source or for any purpose arising from the
19		use of the convention center facility; and
20	(4)	Appropriations by the legislature for marketing the
21		facility pursuant to section 201-C(c)(6).

2023-2713 HB1375 SD3 SMA.docx

1	(b)	Moneys in the convention center enterprise special
2	fund shal	l be used by the office for:
3	(1)	The payment of expenses arising from any and all use,
4		operation, maintenance, alteration, improvement, or
5		any unforeseen or unplanned repairs of the convention
6		center, including without limitation the food and
7		beverage service and parking service provided at the
8		convention center facility;
9	(2)	The sale of souvenirs, logo items, or other items;
10	(3)	Any future major repair, maintenance, and improvement
11		of the convention center facility as a commercial
12		enterprise or as a world class facility for
13		conventions, entertainment, or public events; and
14	(4)	Marketing the facility pursuant to section
15		201-C(c)(6).
16	(c)	Moneys in the convention center enterprise special
17	fund may	be:
18	(1)	Placed in interest-bearing accounts; provided that the
19		depository in which the money is deposited furnishes
20		security as provided in section 38-3; or

2023-2713 HB1375 SD3 SMA.docx

1 (2) Otherwise invested by the office until the time the 2 moneys may be needed; provided that the office shall 3 limit its investments to those listed in section 4 36-21. 5 All interest accruing from investment of the moneys shall be 6 credited to the convention center enterprise special fund. 7 §201-I Tourism emergency. (a) If the executive director 8 determines that the occurrence of a world conflict, terrorist 9 threat, national or global economic crisis, natural disaster, 10 outbreak of disease, or other catastrophic event adversely 11 affects Hawaii's tourism industry by resulting in a substantial 12 interruption in the commerce of the State and adversely 13 affecting the welfare of its people, the executive director 14 shall submit a request to the governor to declare that a tourism 15 emergency exists.

(b) Upon declaration by the governor that a tourism emergency exists pursuant to subsection (a), the office shall develop and implement measures to respond to the tourism emergency, including providing assistance to visitors during the emergency; provided that any tourism emergency response measure implemented pursuant to this subsection shall not include any

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

provision that would adversely affect the organized labor force in tourism-related industries. With respect to a national or global economic crisis only, in addition to the governor's declaration of the existence of a tourism emergency, no action in response to the tourism emergency declaration may be taken by the office without the governor's express approval.

7 §201-J Tourism emergency special fund. (a) There is
8 established outside the state treasury a tourism emergency
9 special fund to be administered by the executive director, into
10 which shall be deposited the revenues prescribed by section
11 237D-6.5(b) and all investment earnings credited to the assets
12 of the fund.

(b) Moneys in the special fund shall be used exclusively to provide for the development and implementation of emergency measures to respond to any tourism emergency pursuant to section 201-I, including providing emergency assistance to visitors during the tourism emergency.

(c) Use of the special fund, consistent with subsection
(b), shall be provided for in articles, bylaws, resolutions, or
other instruments executed by the executive director.

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 §201-K Exemption from taxation. All revenues and receipts 2 derived by the office from any project or a project agreement or 3 other agreement pertaining thereto shall be exempt from all 4 state taxation. Any right, title, and interest of the office in 5 any project shall also be exempt from all state taxation. 6 Except as otherwise provided by law, the interest of a qualified 7 person or other user of a project or a project agreement or 8 other agreements related to a project shall not be exempt from 9 taxation to a greater extent than it would be if the costs of 10 the project were directly financed by the qualified person or 11 user.

§201-L Private attorneys. (a) The executive director may 12 13 appoint or retain by contract one or more attorneys who are 14 independent of the attorney general to provide legal services 15 for the office solely in cases of contract negotiations in which 16 the attorney general lacks sufficient expertise; provided that 17 the independent attorney shall consult and work in conjunction 18 with the designated deputy attorney general assigned to the 19 office.

20 (b) The executive director may fix the compensation of the21 attorneys appointed or retained pursuant to this section.

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

Attorneys appointed or retained by contract shall be exempt from
 chapters 76, 78, and 88.

3 §201-M Court proceedings; preferences; venue. (a) Any 4 action or proceeding to which the office, the State, or the 5 county may be a party, in which any question arises as to the 6 validity of this part, shall be preferred over all other civil cases, except election cases, in the circuit court of the 7 8 circuit where the case or controversy arises, and shall be heard 9 and determined in preference to all other civil cases pending 10 therein except election cases, irrespective of position on the 11 calendar.

12 (b) Upon application of counsel to the office, the same 13 preference shall be granted in any action or proceeding 14 questioning the validity of this part in which the office may be 15 allowed to intervene.

(c) Any action or proceeding to which the office, the State, or the county may be party, in which any question arises as to the validity of this part or any portion of this part, or any action of the office may be filed in the circuit court of the circuit where the case or controversy arises, which court is hereby vested with original jurisdiction over the action.

2023-2713 HB1375 SD3 SMA.docx

Page 27

(d) Notwithstanding any provision of law to the contrary,
 declaratory relief from the circuit court may be obtained for
 any action.

4 (e) Any party aggrieved by the decision of the circuit
5 court may appeal in accordance with part I of chapter 641 and
6 the appeal shall be given priority.

§201-N Annual report. The office shall submit a complete 7 and detailed report of its activities, expenditures, and 8 9 results, including the progress of the strategic tourism 10 management plan, developed pursuant to section 201-D, toward 11 achieving the office's strategic plan goals, to the governor and 12 the legislature at least twenty days prior to the convening of each regular session. The annual report shall include the 13 14 descriptions and evaluations of programs funded, any contracts 15 and agreements entered into by the office during the preceding 16 calendar year, and any recommendations the office may make." SECTION 3. Section 28-8.3, Hawaii Revised Statutes, is 17 amended as follows: 18

19 1. By amending subsection (a) to read:

20 "(a) No department of the State other than the attorney21 general may employ or retain any attorney, by contract or

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 otherwise, for the purpose of representing the State or the 2 department in any litigation, rendering legal counsel to the 3 department, or drafting legal documents for the department; 4 provided that the foregoing provision shall not apply to the 5 employment or retention of attorneys:

- 6 (1) By the public utilities commission, the labor and
 7 industrial relations appeals board, and the Hawaii
 8 labor relations board;
- (2) By any court or judicial or legislative office of the 9 10 State; provided that if the attorney general is requested to provide representation to a court or 11 12 judicial office by the chief justice or the chief justice's designee, or to a legislative office by the 13 14 speaker of the house of representatives and the president of the senate jointly, and the attorney 15 16 general declines to provide such representation on the grounds of conflict of interest, the attorney general 17 shall retain an attorney for the court, judicial, or 18 legislative office, subject to approval by the court, 19 20 judicial, or legislative office;

21 (3) By the legislative reference bureau;

2023-2713 HB1375 SD3 SMA.docx

1	(4)	By any compilation commission that may be constituted
2		from time to time;
3	(5)	By the real estate commission for any action involving
4		the real estate recovery fund;
5	(6)	By the contractors license board for any action
6		involving the contractors recovery fund;
7	(7)	By the office of Hawaiian affairs;
8	(8)	By the department of commerce and consumer affairs for
9		the enforcement of violations of chapters 480 and
10		485A;
11	(9)	As grand jury counsel;
12	(10)	By the Hawaii health systems corporation, or its
13		regional system boards, or any of their facilities;
14	(11)	By the auditor;
15	(12)	By the office of ombudsman;
16	(13)	By the insurance division;
17	(14)	By the University of Hawaii;
18	(15)	By the Kahoolawe island reserve commission;
19	(16)	By the division of consumer advocacy;
20	(17)	By the office of elections;
21	(18)	By the campaign spending commission;



1	(19)	By the [Hawaii tourism authority, as provided in
2		section 201B-2.5;] office of tourism and destination
3		management, as provided in section 201-L;
4	(20)	By the division of financial institutions;
5	(21)	By the office of information practices;
6	(22)	By the school facilities authority;
7	(23)	By the Mauna Kea stewardship and oversight authority;
8		or
9	(24)	By a department, if the attorney general, for reasons
10		deemed by the attorney general to be good and
11		sufficient, declines to employ or retain an attorney
12		for a department; provided that the governor waives
13		the provision of this section."
14	2.	By amending subsection (c) to read:
15	"(C)	Every attorney employed by any department on a
16	full-time	basis, except an attorney employed by the public
17	utilities	commission, the labor and industrial relations appeals
18	board, th	e Hawaii labor relations board, the office of Hawaiian
19	affairs,	the Hawaii health systems corporation or its regional
20	system bo	ards, the department of commerce and consumer affairs
21	in prosec	ution of consumer complaints, insurance division, the

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	division c	of consumer advocacy, the University of Hawaii, [the
2	Hawaii tou	arism authority as provided in section 201B-2.5,]
3	office of	tourism and destination management, as provided in
4	section 20	1-L, the Mauna Kea stewardship and oversight
5	authority,	the office of information practices, or as grand jury
6	counsel, s	shall be a deputy attorney general."
7	SECTI	ON 4. Section 36-27, Hawaii Revised Statutes, is
8	amended by	amending subsection (a) to read as follows:
9	"(a)	Except as provided in this section, and
10	notwithsta	unding any other law to the contrary, from time to
11	time, the	director of finance, for the purpose of defraying the
12	prorated e	estimate of central service expenses of government in
13	relation t	o all special funds, except the:
14	(1)	Special out-of-school time instructional program fund
15		under section 302A-1310;
16	(2)	School cafeteria special funds of the department of
17		education;
18	(3)	Special funds of the University of Hawaii;
19	(4)	Convention center enterprise special fund under
20		section [201B-8;] 201-H;
21	(5)	Special funds established by section 206E-6;

2023-2713 HB1375 SD3 SMA.docx

1	(6)	Aloha Tower fund created by section 206J-17;
2	(7)	Funds of the employees' retirement system created by
3		section 88-109;
4	(8)	Hawaii hurricane relief fund established under chapter
5		431P;
6	(9)	Hawaii health systems corporation special funds and
7		the subaccounts of its regional system boards;
8	(10)	Universal service fund established under
9		section 269-42;
10	(11)	Emergency and budget reserve fund under
11		section 328L-3;
12	(12)	Public schools special fees and charges fund under
13		section 302A-1130;
14	(13)	Sport fish special fund under section 187A-9.5;
15	(14)	Neurotrauma special fund under section 321H-4;
16	(15)	Glass advance disposal fee established by
17		section 342G-82;
18	(16)	Center for nursing special fund under
19		section 304A-2163;
20	. (17)	Passenger facility charge special fund established by
21		section 261-5.5;

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(18)	Solicitation of funds for charitable purposes special
2		fund established by section 467B-15;
3	(19)	Land conservation fund established by section 173A-5;
4	(20)	Court interpreting services revolving fund under
5		section 607-1.5;
6	(21)	Trauma system special fund under section 321-22.5;
7	(22)	Hawaii cancer research special fund;
8	(23)	Community health centers special fund;
9	(24)	Emergency medical services special fund;
10	(25)	Rental motor vehicle customer facility charge special
11		fund established under section 261-5.6;
12	(26)	Shared services technology special fund under
13		section 27-43;
14	(27)	Automated victim information and notification system
15		special fund established under section 353-136;
16	(28)	Deposit beverage container deposit special fund under
17		section 342G-104;
18	(29)	Hospital sustainability program special fund under
19		section 346G-4;
20	(30)	Nursing facility sustainability program special fund
21		under section 346F-4;

2023-2713 HB1375 SD3 SMA.docx

1	(31)	Hawaii 3R's school improvement fund under	
2		section 302A-1502.4;	
3	(32)	After-school plus program revolving fund under	
4		section 302A-1149.5;	
5	(33)	Civil monetary penalty special fund under	
6		section 321-30.2; and	
7	[+](34)[+]Stadium development special fund under		
8		section 109-3.5,	
9	shall ded	uct five per cent of all receipts of all other special	
10	funds, which deduction shall be transferred to the general fund		
11	of the Sta	ate and become general realizations of the State. All	
12	officers of the State and other persons having power to allocate		
13	or disburse any special funds shall cooperate with the director		
14	in effect	ing these transfers. To determine the proper revenue	
15	base upon which the central service assessment is to be		
16	calculated, the director shall adopt rules pursuant to chapter		
17	91 for the purpose of suspending or limiting the application of		
18	the centre	al service assessment of any fund. No later than	
19	twenty day	ys prior to the convening of each regular session of	
20	the legis	lature, the director shall report all central service	
21	assessmen	ts made during the preceding fiscal year."	

2023-2713 HB1375 SD3 SMA.docx

1	SECTION 5. Section 36-30, Hawaii Revised Statutes, is		
2	amended by	y amending subsection (a) to read as follows:	
3	"(a)	Each special fund, except the:	
4	(1)	Special out-of-school time instructional program fund	
5		under section 302A-1310;	
6	(2)	School cafeteria special funds of the department of	
7		education;	
8	(3)	Special funds of the University of Hawaii;	
9	(4)	Special funds established by section 206E-6;	
10	(5)	Aloha Tower fund created by section 206J-17;	
11	(6)	Funds of the employees' retirement system created by	
12		section 88-109;	
13	(7)	Hawaii hurricane relief fund established under	
14		chapter 431P;	
15	(8)	Convention center enterprise special fund established	
16		under section [201B-8;] <u>201-H;</u>	
17	(9)	Hawaii health systems corporation special funds and	
18		the subaccounts of its regional system boards;	
19	(10)	Universal service fund established under	
20		section 269-42;	



1	(11)	Emergency and budget reserve fund under
2		section 328L-3;
3	(12)	Public schools special fees and charges fund under
4		section 302A-1130;
5	(13)	Sport fish special fund under section 187A-9.5;
6	(14)	Neurotrauma special fund under section 321H-4;
7	(15)	Center for nursing special fund under
8		section 304A-2163;
9	(16)	Passenger facility charge special fund established by
10		section 261-5.5;
11	(17)	Court interpreting services revolving fund under
12		section 607-1.5;
13	(18)	Trauma system special fund under section 321-22.5;
14	(19)	Hawaii cancer research special fund;
15	(20)	Community health centers special fund;
16	(21)	Emergency medical services special fund;
17	(22)	Rental motor vehicle customer facility charge special
18		fund established under section 261-5.6;
19	(23)	Shared services technology special fund under
20		section 27-43;

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(24)	Nursing facility sustainability program special fund
2		established pursuant to section 346F-4;
3	(25)	Automated victim information and notification system
4		special fund established under section 353-136;
5	(26)	Hospital sustainability program special fund under
6		section 346G-4;
7	(27)	Civil monetary penalty special fund under
8		section 321-30.2; and
9	[[](28)[]	Stadium development special fund under section
10		109-3.5,
11	shall be	responsible for its pro rata share of the
12	administr	ative expenses incurred by the department responsible
13	for the o	perations supported by the special fund concerned."
14	SECT	ION 6. Section 84-18, Hawaii Revised Statutes, is
15	amended by	y amending subsection (e) to read as follows:
16	"(e)	Subject to the restrictions imposed in subsections
17	(a) throu	gh (d), the following individuals shall not represent
18	any perso	n or business for a fee or other consideration
19	regarding	any legislative action or administrative action, as
20	defined is	n section 97-1, for twelve months after termination
21	from their	r respective positions:

2023-2713 HB1375 SD3 SMA.docx

1	(1)	The governor;
2	(2)	The lieutenant governor;
3	(3)	The administrative director of the State;
4	(4)	The attorney general;
5	(5)	The comptroller;
6	(6)	The chairperson of the board of agriculture;
7	(7)	The director of corrections and rehabilitation;
8	(8)	The director of finance;
9	(9)	The director of business, economic development, and
10		tourism;
11	(10)	The director of commerce and consumer affairs;
12	(11)	The adjutant general;
13	(12)	The superintendent of education;
14	(13)	The chairperson of the Hawaiian homes commission;
15	(14)	The director of health;
16	(15)	The director of human resources development;
17	(16)	The director of human services;
18	(17)	The director of labor and industrial relations;
19	(18)	The chairperson of the board of land and natural
20		resources;
21	(19)	The director of law enforcement;

2023-2713 HB1375 SD3 SMA.docx



1	(20)	The director of taxation;
2	(21)	The director of transportation;
3	(22)	The president of the University of Hawaii;
4	(23)	The executive administrator of the board of regents of
5		the University of Hawaii;
6	(24)	The administrator of the office of Hawaiian affairs;
7	(25)	The chief information officer;
8	(26)	The executive director of the agribusiness development
9		corporation;
10	(27)	The executive director of the campaign spending
11		commission;
12	(28)	The executive director of the Hawaii community
13		development authority;
14	(29)	The executive director of the Hawaii housing finance
15		and development corporation;
16	(30)	The [president and chief executive officer of the
17		Hawaii tourism authority;] executive director of the
18		office of tourism and destination management;
19	(31)	The executive officer of the public utilities
20		commission;
21	(32)	The state auditor;

2023-2713 HB1375 SD3 SMA.docx



1	(33)	The director of the legislative reference bureau;
2	(34)	The ombudsman;
3	(35)	The permanent employees of the legislature, other than
4		persons employed in clerical, secretarial, or similar
5		positions;
6	(36)	The administrative director of the courts;
7	(37)	The executive director of the state ethics commission;
8	(38)	The executive officer of the state land use
9		commission;
10	(39)	The executive director of the natural energy
11		laboratory of Hawaii authority;
12	(40)	The executive director of the Hawaii public housing
13		authority; and
14	(41)	The first deputy to the chairperson of the commission
15		on water resource management;
16	provided	that this subsection shall not apply to any person who
17	has held	one of the positions listed above only on an interim or
18	acting ba	sis and for a period of less than one hundred
19	eighty-on	e days."
20	SECT	ION 7. Section 88-9, Hawaii Revised Statutes, is
21	amended b	y amending subsection (d) to read as follows:





1 "(d) A retirant may be employed without reenrollment in the system and suffer no loss or interruption of benefits 2 3 provided by the system or under chapter 87A if the retirant is employed: 4 5 (1) As an elective officer pursuant to section 88-42.6(c) or as a member of the legislature pursuant to section 6 7 88-73(d); 8 (2) As a juror or precinct official; 9 (3) As a part-time or temporary employee excluded from 10 membership in the system pursuant to section 88-43, as 11 a session employee excluded from membership in the 12 system pursuant to section 88-54.2, [as the president 13 and chief executive officer of the Hawaii tourism 14 authority excluded from membership in the system 15 pursuant to section 201B-2,] or as any other employee 16 expressly excluded by law from membership in the 17 system; provided that: 18 (A) The retirant was not employed by the State or a 19 county during the six calendar months prior to

the first day of reemployment; and

2023-2713 HB1375 SD3 SMA.docx

20

1		(B)	No agreement was entered into between the State
2			or a county and the retirant, prior to the
3			retirement of the retirant, for the return to
4			work by the retirant after retirement;
5	(4)	In a	position identified by the appropriate
6		juris	sdiction as a labor shortage or difficult-to-fill
7		posit	tion; provided that:
8		(A)	The retirant was not employed by the State or a
9			county during the twelve calendar months prior to
10			the first day of reemployment;
11		(B)	No agreement was entered into between the State
12			or a county and the retirant, prior to the
13			retirement of the retirant, for the return to
14			work by the retirant after retirement; and
15		(C)	Each employer shall contribute to the pension
16			accumulation fund the required percentage of the
17			rehired retirant's compensation to amortize the
18			system's unfunded actuarial accrued liability; or
19	(5)	As a	teacher or an administrator in a teacher shortage
20		area	identified by the department of education or in a

2023-2713 HB1375 SD3 SMA.docx

1	char	ter school or as a mentor for new classroom
2	teac	hers; provided that:
3	(A)	The retirant was not employed by the State or a
4		county during the twelve calendar months prior to
5		the first day of reemployment;
6	(B)	No agreement was entered into between the State
7		or a county and the retirant prior to the
8		retirement of the retirant, for the return to
9		work by the retirant after retirement; and
10	(C)	The department of education or charter school
11		shall contribute to the pension accumulation fund
12		the required percentage of the rehired retirant's
13		compensation to amortize the system's unfunded
14		actuarial accrued liability."
15	SECTION 8	. Section 206E-34, Hawaii Revised Statutes, is
16	amended by ame	nding subsection (c) to read as follows:
17	"(c) The	Hawaii community development authority shall:
18	(1) Desi	gnate and develop the state-owned land for the
19	cult	ural public market;

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(2)	Accept, for consideration, input regarding the
2		establishment of the cultural public market from the
3		following departments [and agencies]:
4		(A) The department of agriculture;
5		(B) The department of business, economic development,
6		and tourism;
7		(C) The department of land and natural resources;
8		(D) The department of labor and industrial relations;
9		and
10		(E) The [Hawaii tourism authority;] office of tourism
11		and destination management;
12	(3)	Consider and determine the propriety of using
13		public-private partnerships in the development and
14		operation of the cultural public market;
15	(4)	Develop, distribute, and accept requests for proposals
16		from private entities for plans to develop and operate
17		the cultural public market; and
18	(5)	Ensure that the Hawaiian culture is the featured
19		culture in the cultural public market."
20	SECT	ION 9. Section 225P-3, Hawaii Revised Statutes, is
21	amended by	y amending subsection (c) to read as follows:

2023-2713 HB1375 SD3 SMA.docx



1	"(c)	The commission shall include the following members:
2	(1)	The chairs of the standing committees of the
3		legislature with subject matter jurisdiction
4		encompassing environmental protection and land use;
5	(2)	The chairperson of the board of land and natural
6		resources or the chairperson's designee, who shall be
7		the co-chair of the commission;
8	(3)	The director of the office of planning and sustainable
9		development or the director's designee, who shall be
10		the co-chair of the commission;
11	(4)	The director of business, economic development, and
12		tourism or the director's designee;
13	(5)	The chairperson of the board of directors of the
14		[Hawaii tourism authority] office of tourism and
15		destination management or the chairperson's designee;
16	(6)	The chairperson of the board of agriculture or the
17		chairperson's designee;
18	(7)	The chief executive officer of the office of Hawaiian
19		affairs or the officer's designee;
20	(8)	The chairperson of the Hawaiian homes commission or
21		the chairperson's designee;

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1	(9)	The director of transportation or the director's
2		designee;
3	(10)	The director of health or the director's designee;
4	(11)	The adjutant general or the adjutant general's
5		designee;
6	(12)	The chairperson of the board of education or the
7		chairperson's designee;
8	(13)	The directors of each of the county planning
9		departments, or the directors' designees; and
10	(14)	The manager of the coastal zone management program."
11	SECT	ION 10. Section 237-24.75, Hawaii Revised Statutes, is
12	amended t	o read as follows:
13	"§23	7-24.75 Additional exemptions. In addition to the
14	amounts e	xempt under section 237-24, this chapter shall not
15	apply to:	
16	(1)	Amounts received as a beverage container deposit
17		collected under chapter 342G, part VIII;
18	(2)	Amounts received by the operator of the Hawaii
19		convention center for reimbursement of costs or
20		advances made pursuant to a contract with the [Hawaii
21		tourism authority under section 201B-7;] office of

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. ³ S.D. ³

1		tourism and destination management under
2		<pre>subsection 201-C(c); and</pre>
3	(3)	Amounts received by a professional employer
4		organization that is registered with the department of
5		labor and industrial relations pursuant to chapter
6		373L, from a client company equal to amounts that are
7		disbursed by the professional employer organization
8		for employee wages, salaries, payroll taxes, insurance
9		premiums, and benefits, including retirement,
10		vacation, sick leave, health benefits, and similar
11		employment benefits with respect to covered employees
12		at a client company; provided that this exemption
13		shall not apply to amounts received by a professional
14		employer organization after:
15		(A) Notification from the department of labor and
16		industrial relations that the professional
17		employer organization has not fulfilled or
18		maintained the registration requirements under
19		this chapter; or
20		(B) A determination by the department that the
21		professional employer organization has failed to

2023-2713 HB1375 SD3 SMA.docx

1	pay any tax withholding for covered employees or
2	any federal or state taxes for which the
3	professional employer organization is
4	responsible.
5	As used in this paragraph, "professional employer
6	organization", "client company", and "covered
7	employee" shall have the meanings provided in section
8	373L-1."
9	SECTION 11. Section 237D-6.5, Hawaii Revised Statutes, is
10	amended by amending subsection (b) to read as follows:
11	"(b) Except for the revenues collected pursuant to section
12	237D-2(e), revenues collected under this chapter shall be
13	distributed in the following priority, with the excess revenues
14	to be deposited into the general fund:
15	(1) \$1,500,000 shall be allocated to the Turtle Bay
16	conservation easement special fund beginning July 1,
17	2015, for the reimbursement to the state general fund
18	of debt service on reimbursable general obligation
19	bonds, including ongoing expenses related to the
20	issuance of the bonds, the proceeds of which were used
21	to acquire the conservation easement and other real

2023-2713 HB1375 SD3 SMA.docx

1		property interests in Turtle Bay, Oahu, for the
2		protection, preservation, and enhancement of natural
3		resources important to the State, until the bonds are
4		fully amortized;
5	(2)	\$11,000,000 shall be allocated to the convention
6		center enterprise special fund established under
7		section [201B-8;] <u>201-H;</u>
8	(3)	An allocation shall be deposited into the tourism
9		emergency special fund, established in section
10		[201B-10,] <u>201-J,</u> in a manner sufficient to maintain a
11		fund balance of \$5,000,000 in the tourism emergency
12		special fund; and
13	(4)	\$3,000,000 shall be allocated to the special land and
14		development fund established under section 171-19;
15		provided that the allocation shall be expended in
16		accordance with the Hawaii tourism [authority]
17		authority's 2020-2025 strategic plan for:
18		(A) The protection, preservation, maintenance, and
19		enhancement of natural resources, including
20		beaches, important to the visitor industry;

2023-2713 HB1375 SD3 SMA.docx

1		(B)	Planning, construction, and repair of facilities;
2			and
3		(C)	Operation and maintenance costs of public lands,
4			including beaches, connected with enhancing the
5			visitor experience.
6	All 1	crans:	ient accommodations taxes shall be paid into the
7	state trea	asury	each month within ten days after collection and
8	shall be }	kept }	by the state director of finance in special
9	accounts :	for d	istribution as provided in this subsection."
10	SECT	ION 12	2. Act 231, Session Laws of Hawaii 2005, section
11	2, is ame	nded 1	by amending subsection (c) to read as follows:
12	"(c)	The	Hawaii community development authority shall:
13	(1)	Desig	gnate and develop the state-owned land for the
14		cult	ural public market;
15	(2)	Acce	pt, for consideration, input regarding the
16		estal	blishment of the cultural public market from the
17		follo	owing departments and agencies:
18		(A)	The department of agriculture;
19		(B)	The department of business, economic development,
20			and tourism;
21		(C)	The department of land and natural resources;



1		(D) The department of labor and industrial relations;			
2		and			
3		(E) The [Hawaii-tourism authority;] office of tourism			
4		and destination management;			
5	(3)	Consider and determine the propriety of [utilizing]			
6		using public-private partnerships in the development			
7		and operation of the cultural public market;			
8	(4)	Develop, distribute, and accept requests for proposals			
9		from private entities for plans to develop and operate			
10		the cultural public market; and			
11	(5)	Ensure that the Hawaiian culture is the featured			
12		culture in the cultural public market."			
13	SECT	ION 13. Chapter 201B, Hawaii Revised Statutes, is			
14	repealed.				
15	SECT	ION 14. Sections 6E-18, 23-13, 23-76, 46-11, and			
16	171-173,	Hawaii Revised Statutes, are amended by substituting			
17	the term "office of tourism and destination management", or				
18	similar to	erm, wherever the term "Hawaii tourism authority", or			
19	similar t	erm, appears, as the context requires.			

2023-2713 HB1375 SD3 SMA.docx



SECTION 15. All rights, powers, functions, and duties of 1 the Hawaii tourism authority are transferred to the office of 2 tourism and destination management. 3 SECTION 16. All employees who occupy civil service 4 positions and whose functions are transferred to the office of 5 tourism and destination management by this Act shall retain 6 their civil service status, whether permanent or temporary. 7 8 Employees shall be transferred without loss of salary, seniority 9 (except as prescribed by applicable collective bargaining 10 agreements), retention points, prior service credit, any vacation and sick leave credits previously earned, and other 11 12 rights, benefits, and privileges, in accordance with state 13 personnel laws and this Act; provided that the employees possess 14 the minimum qualifications and public employment requirements 15 for the class or position to which transferred or appointed, as 16 applicable; provided further that subsequent changes in status 17 may be made pursuant to applicable civil service and 18 compensation laws. 19 Any employee who, prior to this Act, is exempt from civil

Any employee who, prior to this Act, is exempt from civil service and is transferred as a consequence of this Act may retain the employee's exempt status, but shall not be appointed

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 to a civil service position as a consequence of this Act. An 2 exempt employee who is transferred by this Act shall not suffer 3 any loss of prior service credit, vacation or sick leave credits 4 previously earned, or other employee benefits or privileges as a 5 consequence of this Act; provided that the employees possess 6 legal and public employment requirements for the position to 7 which transferred or appointed, as applicable; provided further 8 that subsequent changes in status may be made pursuant to 9 applicable employment and compensation laws. The executive 10 director of the office of tourism and destination management may 11 prescribe the duties and qualifications of these employees and 12 fix their salaries without regard to chapter 76, Hawaii Revised 13 Statutes.

SECTION 17. All appropriations, records, equipment,
machines, files, supplies, contracts, books, papers, documents,
maps, and other personal property heretofore made, used,
acquired, or held by the Hawaii tourism authority relating to
the functions transferred to the office of tourism and
destination management shall be transferred with the functions
to which they relate.

2023-2713 HB1375 SD3 SMA.docx

SECTION 18. All rules, policies, procedures, quidelines, 1 2 and other material adopted or developed by the Hawaii tourism authority to implement provisions of the Hawaii Revised Statutes 3 that are made applicable to the office of tourism and 4 destination management by this Act, shall remain in full force 5 6 and effect until amended or repealed by the department of business, economic development, and tourism pursuant to chapter 7 91, Hawaii Revised Statutes. 8

9 In the interim, every reference to the Hawaii tourism 10 authority or the board of directors of the Hawaii tourism 11 authority in those rules, policies, procedures, guidelines, and 12 other material is amended to refer to the office of tourism and 13 destination management and the executive director of the office 14 of tourism and destination management, as appropriate.

15 SECTION 19. There is appropriated out of the general 16 revenues of the State of Hawaii the sum of \$60,000,000 or so 17 much thereof as may be necessary for fiscal year 2023-2024 and 18 the same sum or so much thereof as may be necessary for fiscal 19 year 2024-2025 for the establishment, administration, and 20 operation of the office of tourism and destination management

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 and to fund the positions as provided in section 20; provided that the appropriation shall be allocated as follows: 2 3 (1) \$4,110,649 for administrative costs; 4 (2) \$17,969,351 for destination management; and 5 (3) \$37,920,000 for branding, including major sports. The sums appropriated shall be expended by the office of 6 7 tourism and destination management for the purposes of this Act. 8 SECTION 20. (a) Notwithstanding any other law to the 9 contrary, the office of tourism and destination management shall 10 be organized as provided in this section for fiscal years 11 2023-2024 and 2024-2025. 12 (b) The office of tourism and destination management shall 13 be headed by one full-time equivalent (1.0 FTE) executive 14 director position, who shall be assisted by one full-time 15 equivalent (1.0 FTE) assistant executive director position; 16

16 provided that the executive director shall be paid a salary not 17 to exceed ninety per cent of the salary of the director of 18 business, economic development, and tourism. The assistant 19 executive director shall be paid a salary not to exceed ninety 20 per cent of the executive director's salary. There shall be 21 established one full-time equivalent (1.0 FTE) management

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 analyst position and one full-time equivalent (1.0 FTE) 2 executive assistant position, who shall report to the assistant 3 executive director. 4 (c) There shall be established: 5 (1) One full-time (1.0 FTE) equivalent chief financial 6 officer position, who shall report to the assistant 7 executive director; 8 (2) One full-time equivalent (1.0 FTE) budget and fiscal 9 officer position; 10 (3) One full-time equivalent (1.0 FTE) administrative 11 assistant position, who shall report to the budget and 12 fiscal officer; 13 (4) One full-time equivalent (1.0 FTE) procurement manager 14 position, who shall report to the chief financial 15 officer; and (5) One full-time equivalent (1.0 FTE) administrative 16 17 assistant position, who shall report to the 18 procurement manager. 19 (d) There shall be established: 20 (1) One full-time equivalent (1.0 FTE) chief branding, 21 cultural, and marketing officer position, who shall

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. ³ S.D. ³

1		report to the assistant executive director and be
2		assisted by one full-time equivalent (1.0 FTE)
3		administrative assistant position;
4	(2)	One full-time equivalent (1.0 FTE) senior brand
5		manager position and one full-time equivalent (1.0
6		FTE) senior cultural manager position, who shall
7		report to the chief branding, cultural, and marketing
8		officer;
9	(3)	Three full-time equivalent (3.0 FTE) brand manager
10		positions, who shall report to the senior branding
11		manager; and
12	(4)	One full-time equivalent (1.0 FTE) cultural specialist
13		position, who shall report to the senior cultural
14		manager.
15	(e)	There shall be established:
16	(1)	One full-time equivalent (1.0 FTE) director of
17		destination management position, who shall report to
18		the assistant executive director and who shall be
19		assisted by one full-time equivalent (1.0 FTE)
20		administrative assistant position; and

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 (2) One full-time equivalent (1.0 FTE) natural resource 2 manager position, one full-time equivalent (1.0 FTE) 3 Oahu community specialist position, one full-time 4 equivalent (1.0 FTE) Kauai community specialist 5 position, one full-time equivalent (1.0 FTE) Maui 6 community specialist position, and one full-time 7 equivalent (1.0 FTE) Hawaii island community 8 specialist position, who shall report to the director 9 of destination management.

10 (f) There shall be established one full-time equivalent 11 (1.0 FTE) director of the convention center position, who shall 12 report to the assistant executive director.

13 SECTION 21. There is appropriated out of the convention 14 center enterprise special fund the sum of \$28,500,000 or so much 15 thereof as may be necessary for fiscal year 2023-2024 and the 16 same sum or so much thereof as may be necessary for fiscal year 17 2024-2025 for payment of expenses arising from any and all use, 18 operation, maintenance, alteration, improvement, or any 19 unforeseen or unplanned repairs of the convention center, 20 including without limitation the food and beverage service and 21 parking service provided at the convention center facility; the

2023-2713 HB1375 SD3 SMA.docx

H.B. NO. ¹³⁷⁵ H.D. 3 S.D. 3

1 sale of souvenirs, logo items, or other items; for any future 2 major repair, maintenance, and improvement of the convention 3 center facility as a commercial enterprise or as a world class 4 facility for conventions, entertainment, or public events; and 5 for marketing the convention center facility.

6 The sums appropriated shall be expended by the department
7 of business, economic development, and tourism for the purposes
8 of this Act.

9 SECTION 22. There is appropriated out of the general 10 revenues of the State of Hawaii the sum of \$64,000,000 or so 11 much thereof as may be necessary for fiscal year 2023-2024 for 12 plans, design, construction, and equipment for repairs and 13 improvements of the convention center rooftop terrace deck.

14 The sum appropriated shall be expended by the office of 15 tourism and destination management for the purposes of this Act.

16 SECTION 23. In codifying the new sections added by 17 section 2 of this Act, the revisor of statutes shall substitute 18 appropriate section numbers for the letters used in designating 19 the new sections in this Act.

20 SECTION 24. Statutory material to be repealed is bracketed21 and stricken. New statutory material is underscored.

2023-2713 HB1375 SD3 SMA.docx

SECTION 25. This Act shall take effect on July 1, 2023;
 provided that amendments made to section 237D-6.5, Hawaii
 Revised Statutes, by section 11 of this Act, shall not be
 repealed when that section is repealed and reenacted on June 30,
 2023, pursuant to section 9 of Act 229, Session Laws of Hawaii
 2021.



Report Title:

HTA; Board of Directors; Repeal; DBEDT; Office of Tourism and Destination Management; Establishment; Regenerative Tourism; Destination Management Action Plans; Positions; Convention Center Enterprise Special Fund; Appropriation

Description:

Establishes an Office of Tourism and Destination Management within the Department of Business, Economic Development, and Tourism that encompasses regenerative tourism and best practice destination management. Transfers the functions, duties, appropriations, and positions of the Hawaii Tourism Authority to the Office of Tourism and Destination Management. Requires the Office of Tourism and Destination Management to implement certain county destination management action plans. Dissolves the Hawaii Tourism Authority and the Board of Directors for the Hawaii Tourism Authority. Appropriates funds. (SD3)

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

