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# A BILL FOR AN ACT

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RELATING TO TOURISM.

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

1 PART I

2 SECTION 1. The Hawaii Revised Statutes is amended by  
3 adding a new chapter to be appropriately designated and to read  
4 as follows:

5 "CHAPTER

6 HAWAII DESTINATION STEWARDSHIP

7 § -1 Definitions. As used in this chapter, unless the  
8 context otherwise requires:

9 "Agency" means any agency, department, authority, board,  
10 commission, the university of Hawaii, or any other unit of the  
11 State or a county.

12 "Authority" means the Hawaii tourism authority established  
13 pursuant to section 201B-2.

14 "Board" means the board of directors of the authority, and  
15 any successor thereto.

16 "Convention center facility" or "convention center" means  
17 any combination of land, buildings, and improvements thereon,



1 acquired or developed by the State, and includes exhibition  
2 halls, meeting rooms, a plenary session hall, and support space  
3 that reflect a Hawaii sense of place; any other structure or  
4 facility required or useful for the operation of a convention  
5 center, including commercial, office, community service,  
6 parking, garage, and other supporting service structures; and  
7 all necessary, useful, and related equipment, furnishings, and  
8 appurtenances.

9 "Corporation for the stewardship of Hawaii tourism" or  
10 "corporation" means the nonprofit organization designated as the  
11 official destination stewardship organization for Hawaii.

12 "County" means the city and county of Honolulu, county of  
13 Hawaii, county of Kauai, or county of Maui.

14 "Destination stewardship" means a collaborative and  
15 coordinated process among public, private, nonprofit, and  
16 community stakeholders to manage the various elements of a  
17 visitor economy to:

- 18 (1) Support Hawaii's economic prosperity by creating,  
19 implementing, and monitoring strategies that attract  
20 targeted visitors and improve visitor experiences;



(2) Develop regenerative strategies to improve natural and cultural resources valued by Hawaii residents and visitors and yield benefits for communities in the State;

(3) Create strategies to manage visitation in ways that safeguard Hawaii parks, beaches, and natural areas; communities; cultural centers; and other assets from overcrowding and overuse;

(4) Yield opportunities for Hawaii residents to create and build locally based businesses and pursue rewarding careers; and

(5) Perpetuate the Hawaiian culture and honor the many cultures represented among the State's population.

"Destination stewardship organization" means a tourism organization that is structured to guide a visitor economy in collaboration with public, private, nonprofit, and community stakeholders in achieving beneficial outcomes from tourism, based on the principles of destination stewardship and regenerative tourism.

"Destination stewardship organization service agreement" or "agreement" means a written contract authorizing the destination



1 stewardship organization to expend state funding to achieve  
2 specified deliverables on behalf of the State.

3 "Hawaii brand" means the qualities and programs that  
4 collectively differentiate the Hawaii experience from other  
5 destinations.

6 "Hawaii destination stewardship council" or "state council"  
7 means an appointed governing body that collaborates to oversee  
8 the strategy, policy, and finances of the statewide destination  
9 stewardship organization.

10 "Incorporator" means the president and chief executive  
11 officer of the authority.

12 "Island destination stewardship council" or "island  
13 council" means an appointed body of stakeholders who collaborate  
14 in development of county or island destination management action  
15 plans, prioritize actions for implementation, and participate in  
16 achieving desired outcomes.

17 "Public agency" means any office, department, board,  
18 commission, bureau, division, public corporation agency, entity,  
19 or instrumentality of the federal, state, or county government.

20 "Regenerative tourism" means a tourism model that:



(1) Is designed and carefully managed to bring net benefits to local communities, resources, culture, and residents; and

(2) Engages in collaborative efforts to implement innovative and sustainable plans and strategies to:

(A) Make net-positive contributions from visitation;

(B) Support and create conditions that allow communities to flourish;

(C) Provide visitors with genuine and meaningful experiences in Hawaii; and

(D) Improve Hawaii places and experiences for current and future generations for the well-being of the environment, residents, indigenous communities, and visitors.

**§ -2 Nonprofit Hawaii destination stewardship**

**organization; establishment; board; incorporator.** (a) Through the incorporator, the authority shall organize a nonprofit corporation, to be designated as the corporation for the stewardship of Hawaii tourism, by filing with the department of commerce and consumer affairs a certificate of incorporation. The incorporator shall be responsible for taking all the



1 necessary actions to organize and incorporate the corporation,  
2 which shall be considered neither an agency of the State nor a  
3 public corporation. The corporation shall have all of the  
4 general powers of a nonprofit private corporation pursuant to  
5 chapter 414D.

6 (b) The incorporator shall state in the certificate of  
7 incorporation:

8 (1) That the corporation shall serve as the official  
9 destination stewardship organization for Hawaii and as  
10 the official representative for Hawaii tourism; and

11 (2) Any additional provisions that are necessary for the  
12 administration or management of the corporation.

13 (c) The certificate of incorporation shall further state  
14 that the initial affairs of the corporation shall be managed by  
15 the Hawaii destination stewardship council.

16 (d) The Hawaii destination stewardship council shall  
17 consist of up to twenty voting members and six ex officio,  
18 nonvoting members; provided that:

19 (1) The members shall be appointed by the governor, except  
20 as otherwise provided by this section;

21 (2) The voting members shall include:



- 1 (A) The elected chairs of island destination  
2 stewardship councils;
- 3 (B) At least eight members with direct experience and  
4 expertise in the business of accommodations,  
5 tourism-related transportation, retail,  
6 entertainment, or attractions; provided further  
7 that the governor shall appoint members from  
8 nominations submitted by statewide associations  
9 representing these industry sectors and shall  
10 strive to achieve a balance of representation  
11 from the sectors and from the four counties;
- 12 (C) A member representing a nonprofit organization  
13 engaged in advocacy for the environment;
- 14 (D) A member representing a nonprofit organization  
15 engaged in advocacy for social improvements;
- 16 (E) At least one member with knowledge, experience,  
17 and expertise in Hawaiian cultural practices;
- 18 (F) Two members of the house of representatives, to  
19 be appointed by the speaker of the house of  
20 representatives; and



(G) Two members of the senate, to be appointed by the president of the senate; and

(3) The state council shall include six ex officio members to represent state government agencies, as follows:

(A) The stewardship liaison in the office of the governor, or another designee of the governor;

(B) The chairperson of the board of agriculture and biosecurity, or the chairperson's designee;

(C) The director of business, economic development, and tourism, or the director's designee;

(D) The chairperson of the board of land and natural resources, or the chairperson's designee;

(E) The director of transportation, or the director's designee; and

(F) The executive director of the state foundation on culture and the arts, or the executive director's designee;

provided further that ex officio members shall not vote but may contribute to policy and strategy discussions and serve on council working groups and committees.





1 (e) Quorum for the Hawaii destination stewardship council  
2 shall consist of at least one-half of members who are neither ex  
3 officio members nor legislative appointees. A majority vote of  
4 all members present shall be necessary to conduct business.

5 (f) Members shall serve without compensation but shall be  
6 reimbursed for expenses, including travel expenses, necessary  
7 for the performance of their duties.

8 (g) Members appointed by the governor shall serve for  
9 four-year terms; provided that membership on the Hawaii  
10 destination stewardship council shall not exceed eight  
11 consecutive years; provided further that each member shall hold  
12 office until the member's successor is appointed and qualified.

13 (h) The voting members of the Hawaii destination  
14 stewardship council shall elect a chair and vice chair from  
15 among the membership of the state council. No chair shall serve  
16 more than four consecutive years.

17 (i) Members who are no longer part of the entities they  
18 were named to represent shall cease to be members of the Hawaii  
19 destination stewardship council. The vacancy shall be filled by  
20 appointment or election pursuant to this section.



(j) The Hawaii destination stewardship council may establish committees as it deems appropriate.

(k) The incorporator shall carry out other tasks required by chapter 414D that are needed to complete the organization of the corporation, including but not limited to holding the initial meeting of the island destination stewardship council, overseeing the election of the officers of the state council, and adopting the bylaws of the corporation and a corporate seal.

**§ -3 Corporation for the stewardship of Hawaii tourism; president and chief executive officer.** (a) The corporation shall be administered by the president and chief executive officer. The president and chief executive officer shall be:

(1) An individual with professional experience in the tourism industry;

(2) Selected and approved by a vote of the Hawaii destination stewardship council; and

(3) Approved by the governor.

The president and chief executive officer shall serve at the pleasure of the state council.

(b) The Hawaii destination stewardship council shall set the president and chief executive officer's compensation and



1 benefits based upon industry standards for the leaders of  
2 destination organizations of similar size and budget.

3 (c) The president and chief executive officer shall:

4 (1) Hire, supervise, and direct the staff of the  
5 corporation; and

6 (2) Determine the compensation of the staff of the  
7 corporation based on industry standards for positions  
8 at destination organizations of similar size and  
9 budget.

10 (d) The president and chief executive officer and other  
11 staff of the corporation shall not be considered employees of  
12 the State and shall be exempt from all laws pertaining to state  
13 employees, except for chapter 84.

14 (e) The president and chief executive officer shall report  
15 to and receive guidance from the Hawaii destination stewardship  
16 council on matters of policy, strategy, and finance. The  
17 president and chief executive officer shall implement the  
18 strategic plan adopted by the state council.

19 (f) The president and chief executive officer and  
20 corporation shall comply with chapter 103D for any goods and  
21 services purchased by the corporation to carry out its purposes.



1 (g) No later than twenty days before the convening of each  
2 regular session of the legislature, the president and chief  
3 executive officer shall submit to the legislature a report on  
4 the activities and budget of the corporation, including but not  
5 limited to:

6 (1) The income and expenses of the corporation;

7 (2) The fund balance of the corporation;

8 (3) A summary of the strategic tourism stewardship plan;

9 and

10 (4) A report of the corporation's progress in achieving  
11 the goals set forth in the strategic tourism  
12 stewardship plan.

13 The portions of the report that pertain to the income and  
14 expenses and fund balance of the corporation shall be audited by  
15 independent accountants retained by the corporation for this  
16 purpose.

17 The corporation shall post a copy of the report on a  
18 publicly accessible part of its official website.

19 **§ -4 Transition; destination stewardship organization**

20 **service agreement.** (a) After the effective date of this Act,

21 there shall be established a transition period during which the



1 authority shall continue to direct brand development,  
2 destination management, and other responsibilities of the  
3 corporation.

4 (b) During the transition period identified in subsection  
5 (a), the corporation shall be organized, and all the necessary  
6 administrative actions shall be taken so that the corporation  
7 shall be fully operational and capable of effectively fulfilling  
8 the objectives, purpose, duties, and functions set forth in its  
9 certificate of incorporation.

10 (c) The office of the governor shall enter into and  
11 execute a destination stewardship organization service agreement  
12 with the corporation. The agreement shall set forth a process,  
13 which shall not exceed three months, to transition  
14 responsibilities from the authority to the corporation. The  
15 agreement shall set dates on which the transition period begins  
16 and ends.

17 (d) After the transition period ends, the corporation  
18 shall assume the principal duties of stewarding the marketing  
19 and promotion of Hawaii as a visitor destination, destination  
20 development, and all other duties carried out by the authority.



1 (e) All of the terms and conditions that govern the  
2 destination stewardship organization service agreement shall be  
3 binding and enforceable upon all of the parties to the  
4 agreement. The corporation shall neither assume nor be held  
5 liable for any existing obligations or debts of the authority,  
6 unless the agreement expressly provides otherwise.

7 (f) On the final date of the transition period identified  
8 in subsection (a), the Hawaii destination stewardship council  
9 shall issue and deliver a certification to the president and  
10 chief executive officer of the authority.

11 (g) Once the certification is received by the president  
12 and chief executive officer of the authority, the authority  
13 shall cease to carry out its functions. The authority shall  
14 certify the date of transfer of the delegated functions, on  
15 which date the authority shall be repealed.

16 § -5 Powers; generally. (a) The corporation shall  
17 collaborate in actions to build a thriving tourism economy that:

18 (1) Addresses local priorities as determined through  
19 collaboration with island destination stewardship  
20 councils;



(2) Creates opportunities for commerce that benefit Hawaii residents;

(3) Safeguards and improves the unique assets of Hawaii; and

(4) Perpetuates the uniqueness of the Hawaiian culture and community and the significance of Hawaiian culture and community to the quality of the visitor experience.

(b) The corporation shall do any and all things necessary to carry out its purposes and to exercise the powers and functions provided in this chapter.

(c) Except as otherwise limited by this chapter, the corporation may:

(1) Sue and be sued;

(2) Adopt a seal and alter the same at its pleasure;

(3) Through its president and chief executive officer, make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter; provided that the corporation may enter into contracts and agreements for a period of up to five years, subject to the availability of funds; provided further that the



1 corporation may enter into agreements for the use of  
2 the convention center facility for a period of up to  
3 ten years;

4 (4) Make and alter bylaws for its organization and  
5 internal management;

6 (5) Through its president and chief executive officer,  
7 represent the corporation in communications with the  
8 governor and legislature;

9 (6) Through its president and chief executive officer,  
10 provide for the appointment of officers, agents, and  
11 employees, prescribing their duties and qualifications  
12 and fixing their salaries, without regard to chapters  
13 76 and 78, if funds have been appropriated by the  
14 legislature and allotted as provided by law;

15 (7) Through its president and chief executive officer,  
16 purchase supplies, equipment, and furniture;

17 (8) Through its president and chief executive officer,  
18 allocate the space or spaces that are to be occupied  
19 by the corporation and its staff;

20 (9) Through its president and chief executive officer,  
21 engage the services of consultants on a contractual





1 basis for rendering professional and technical  
2 assistance and advice;

3 (10) 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 (11) 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 (12) Undertake any and all other activities necessary to  
10 carry out the purposes of this chapter.

11 **§ -6 Meetings of the Hawaii destination stewardship**

12 **council.** (a) The meetings of the Hawaii destination  
13 stewardship council shall be open to the public as provided in  
14 section 92-3, except when it is necessary for the state council  
15 to receive:

16 (1) Information that is proprietary to a particular  
17 enterprise, or the disclosure of which might be  
18 harmful to the business interests of the enterprise;  
19 or

20 (2) Information that is necessary to protect Hawaii's  
21 competitive advantage as a visitor destination;



1 provided that information relating to marketing plans  
2 and strategies may be disclosed after the execution of  
3 the marketing plans and strategies.

4 (b) The state council may enter into an executive meeting  
5 that is closed to the public in accordance with part I of  
6 chapter 92.

7 (c) The state council shall be subject to sections 92-4  
8 and 92-5 to enable the state council to respect the proprietary  
9 requirements of enterprises with which they have business  
10 dealings.

11 § -7 **Strategic plan; strategic tourism stewardship plan;**  
12 **measures of effectiveness.** The corporation shall be responsible  
13 for leading development of collaborative plans, including but  
14 not limited to:

15 (1) Developing a vision and long-range strategic plan for  
16 tourism in Hawaii;

17 (2) Creating an annual strategic tourism stewardship plan  
18 to generate a healthy tourism economy, advance the  
19 Hawaii brand and destination stewardship best  
20 practices, and advance regenerative tourism; provided  
21 that the plan shall be a single, comprehensive



document to be shared annually with the legislature and governor no later than twenty days prior to the convening of each regular session; and

- (3) Developing periodic destination stewardship action plans for each county to identify and address destination stewardship objectives.

**§ -8 Destination stewardship action plans; island**

**destination stewardship councils; objectives; execution. (a)**

To identify and address destination stewardship objectives for each county, the corporation shall lead a collaborative process with island destination stewardship councils to develop destination stewardship action plans for each county.

(b) Members of the island councils shall be named by agreement of the mayor and chairperson of the county council of each county. Each island council shall include no fewer than fifteen and no more than twenty members. Appointed members who represent organizations not named in this section may serve a four-year term and may serve no more than eight years.

(c) A quorum shall consist of at least fifty per cent of the island council's full membership. The members of each



1 island council shall elect a chairperson and vice chairperson by  
2 a majority vote of the full membership.

3 (d) The members of an island council shall include:

4 (1) Representatives of each census-designated place on the  
5 island;

6 (2) The economic development officer of the applicable  
7 county;

8 (3) The executive director of the county visitor bureau;

9 (4) The head of the chamber of commerce or equivalent;

10 (5) At least six and no more than nine representatives of  
11 the county visitor industry, including owners,  
12 managers, association leaders, or others with direct  
13 experience and expertise in managing accommodations,  
14 restaurants, retail, entertainment, or attractions;

15 (6) At least one member with knowledge, experience, and  
16 expertise in the area of Hawaiian cultural practices;  
17 and

18 (7) Local representatives of state agencies with a role in  
19 the health of the Hawaii visitor economy, including  
20 the department of land and natural resources,



1 department of transportation, and department of  
2 agriculture and biosecurity.

3 (e) The membership of an island council also may include  
4 representatives of:

5 (1) Law enforcement or first responders;

6 (2) Educational institutions;

7 (3) The transportation sector;

8 (4) The housing sector;

9 (5) The agricultural sector; and

10 (6) Nonprofit organizations engaged in environmental,  
11 social, or cultural activities.

12 (f) Additional island councils may be designated for any  
13 county that encompasses more than one island that has a  
14 population of five thousand or more.

15 (g) Each county's destination stewardship action plan  
16 shall identify priorities for a healthy island visitor economy  
17 that creates positive visitor experiences, improves natural and  
18 cultural resources valued by island residents and visitors,  
19 mitigates overcrowding and overuse of resources, and advances  
20 regenerative strategies to create beneficial outcomes from



1 tourism, as described by guidelines developed by the corporation  
2 and approved by the Hawaii destination stewardship council.

3 (h) On an annual basis, each island council shall identify  
4 a one-year action plan to implement priority initiatives  
5 identified in the periodic destination stewardship plan. The  
6 island council shall use funding from an annual destination  
7 stewardship grant to implement the one-year action plan in  
8 collaboration with designated representatives of the corporation  
9 and in keeping with grant guidelines established by the  
10 corporation.

11 (i) The periodic and one-year destination stewardship  
12 action plans of each county shall be approved by a majority vote  
13 of the full membership of the applicable island council.

14 (j) Each island council, in collaboration with designated  
15 representatives of the corporation, shall prepare and approve an  
16 annual report identifying the outcomes of the annual destination  
17 stewardship action plan and describing how the island council  
18 complied with the grant guidelines.

19 **§ -9 Exemption of corporation from taxation by the**  
20 **State.** The following shall be exempt from all taxation by the  
21 State:



(1) All revenues and receipts derived by the corporation from any project or project agreement, or other agreement pertaining thereto; and

(2) Any right, title, and interest of the corporation in any project.

**§ -10 Declaration of public function, purpose, and necessity.** The powers and functions granted to and exercised by the corporation under this chapter are declared to be public and governmental functions, exercised for a public purpose, and matters of public necessity. Members of the Hawaii destination stewardship council and employees of the corporation shall not be personally liable for any activity of the corporation conducted in good faith.

**§ -11 Annual report.** The corporation shall submit to the governor and legislature a complete and detailed report of its activities, expenditures, and results, including the progress of the strategic tourism stewardship plan toward achieving the corporation's strategic plan goals, no later than twenty days prior to the convening of each regular session of the legislature. The annual report shall include the



descriptions and evaluations of programs funded, together with any recommendations of the corporation."

SECTION 2. Section 23-76, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) This section shall apply to the following:

(1) Section 237-24.3(4)--Amounts received by employment benefit plans and amounts received by nonprofit organizations or offices for the administration of employee benefit plans;

(2) Section 237-24.3(5)--Amounts received from food coupons under the federal food stamp program or vouchers under the Special Supplemental Foods Program for Women, Infants and Children;

(3) Section 237-24.3(6)--Amounts received from the sale of prescription drugs or prosthetic devices;

(4) Section 237-24.3(8)--Amounts received as dues by unincorporated merchants associations for advertising or promotion;

(5) Section 237-24.3(9)--Amounts received by labor organizations from real property leases;





1           (6)   Section 237-24.75(2)--Reimbursements to the Hawaii  
2                   convention center operator [~~from the Hawaii tourism~~  
3                   ~~authority~~];

4           (7)   Section 237-24.75(3)--Reimbursements to professional  
5                   employer organizations from client companies for  
6                   employee wages and fringe benefits; and

7           (8)   Section 209E-11--Amounts received by qualified  
8                   businesses in enterprise zones."

9           SECTION 3.   Section 28-8.3, Hawaii Revised Statutes, is  
10   amended by amending subsection (a) to read as follows:

11           "(a)   No department of the State other than the attorney  
12   general may employ or retain any attorney, by contract or  
13   otherwise, for the purpose of representing the State or the  
14   department in any litigation, rendering legal counsel to the  
15   department, or drafting legal documents for the department;  
16   provided that the foregoing provision shall not apply to the  
17   employment or retention of attorneys:

18           (1)   By the public utilities commission, the labor and  
19                   industrial relations appeals board, and the Hawaii  
20                   labor relations board;



- 1           (2) By any court or judicial or legislative office of the  
2           State; provided that if the attorney general is  
3           requested to provide representation to a court or  
4           judicial office by the chief justice or the chief  
5           justice's designee, or to a legislative office by the  
6           speaker of the house of representatives and the  
7           president of the senate jointly, and the attorney  
8           general declines to provide such representation on the  
9           grounds of conflict of interest, the attorney general  
10          shall retain an attorney for the court, judicial, or  
11          legislative office, subject to approval by the court,  
12          judicial, or legislative office;
- 13          (3) By the legislative reference bureau;
- 14          (4) By any compilation commission that may be constituted  
15          from time to time;
- 16          (5) By the real estate commission for any action involving  
17          the real estate recovery fund;
- 18          (6) By the contractors license board for any action  
19          involving the contractors recovery fund;
- 20          (7) By the office of Hawaiian affairs;



- 1           (8) By the department of commerce and consumer affairs for  
2           the enforcement of violations of chapters 480 and  
3           485A;
- 4           (9) As grand jury counsel;
- 5           (10) By the Hawaii health systems corporation, or its  
6           regional system boards, or any of their facilities;
- 7           (11) By the auditor;
- 8           (12) By the office of ombudsman;
- 9           (13) By the insurance division;
- 10          (14) By the University of Hawaii;
- 11          (15) By the Kahoolawe island reserve commission;
- 12          (16) By the division of consumer advocacy;
- 13          (17) By the office of elections;
- 14          (18) By the campaign spending commission;
- 15          ~~[(19) By the Hawaii tourism authority, as provided in~~  
16          ~~section 201B-2.5;~~
- 17          ~~[(20)]~~ (19) By the division of financial institutions;
- 18          ~~[(21)]~~ (20) By the office of information practices;
- 19          ~~[(22)]~~ (21) By the school facilities authority;
- 20          ~~[(23)]~~ (22) By the Mauna Kea stewardship and oversight  
21          authority; or



1       ~~[-(24)-]~~ (23) By a department, if the attorney general, for  
2               reasons deemed by the attorney general to be good and  
3               sufficient, declines to employ or retain an attorney  
4               for a department; provided that the governor waives  
5               the provision of this section."

6       SECTION 4. Section 36-27, Hawaii Revised Statutes, is  
7       amended by amending subsection (a) to read as follows:

8       "(a) Except as provided in this section, and  
9       notwithstanding any other law to the contrary, from time to  
10       time, the director of finance, for the purpose of defraying the  
11       prorated estimate of central service expenses of government in  
12       relation to all special funds, except the:

13       (1) Special out-of-school time instructional program fund  
14       under section 302A-1310;

15       (2) School cafeteria special funds of the department of  
16       education;

17       (3) Special funds of the University of Hawaii;

18       ~~[-(4)-] ~~Convention center enterprise special fund under~~~~  
19       ~~section 201B-8;~~

20       ~~[-(5)-]~~ (4) Special funds established by section 206E-6;

21       ~~[-(6)-]~~ (5) Aloha Tower fund created by section 206J-17;



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



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



1        [~~(30)~~] (29)    Nursing facility sustainability program special  
2                                fund under section 346F-4;  
3        [~~(31)~~] (30)    Hawaii 3R's school improvement fund under  
4                                section 302A-1502.4;  
5        [~~(32)~~] (31)    After-school plus program revolving fund under  
6                                section 302A-1149.5;  
7        [~~(33)~~] (32)    Civil monetary penalty special fund under  
8                                section 321-30.2;  
9        [~~(34)~~] (33)    Stadium development special fund under section  
10                               109-3.5; and  
11        [~~(35)~~] (34)    Universal immunization purchase special fund  
12                               under section 325-133,  
13 shall deduct five per cent of all receipts of all other special  
14 funds, which deduction shall be transferred to the general fund  
15 of the State and become general realizations of the State. All  
16 officers of the State and other persons having power to allocate  
17 or disburse any special funds shall cooperate with the director  
18 in effecting these transfers. To determine the proper revenue  
19 base upon which the central service assessment is to be  
20 calculated, the director shall adopt rules pursuant to chapter  
21 91 for the purpose of suspending or limiting the application of



1 the central service assessment of any fund. No later than  
2 twenty days prior to the convening of each regular session of  
3 the legislature, the director shall report all central service  
4 assessments made during the preceding fiscal year."

5 SECTION 5. Section 36-30, Hawaii Revised Statutes, is  
6 amended by amending subsection (a) to read as follows:

7 "(a) Each special fund, except the:

8 (1) Special out-of-school time instructional program fund  
9 under section 302A-1310;

10 (2) School cafeteria special funds of the department of  
11 education;

12 (3) Special funds of the University of Hawaii;

13 (4) Special funds established by section 206E-6;

14 (5) Aloha Tower fund created by section 206J-17;

15 (6) Funds of the employees' retirement system created by  
16 section 88-109;

17 (7) Hawaii hurricane relief fund established under chapter  
18 431P;

19 ~~[-(8) Convention center enterprise special fund established~~  
20 ~~under section 201B-8;~~





- 1       ~~(9)~~ (8)   Hawaii health systems corporation special funds  
2                   and the subaccounts of its regional system boards;  
3       ~~[(10)]~~ (9)   Universal service fund established under section  
4                   269-42;  
5       ~~[(11)]~~ (10)   Emergency and budget reserve fund under section  
6                   328L-3;  
7       ~~[(12)]~~ (11)   Public schools special fees and charges fund  
8                   under section 302A-1130;  
9       ~~[(13)]~~ (12)   Sport fish special fund under section 187A-9.5;  
10      ~~[(14)]~~ (13)   Neurotrauma special fund under section 321H-4;  
11      ~~[(15)]~~ (14)   Center for nursing special fund under section  
12                  304A-2163;  
13      ~~[(16)]~~ (15)   Passenger facility charge special fund  
14                  established by section 261-5.5;  
15      ~~[(17)]~~ (16)   Court interpreting services revolving fund under  
16                  section 607-1.5;  
17      ~~[(18)]~~ (17)   Trauma system special fund under section 321-  
18                  22.5;  
19      ~~[(19)]~~ (18)   Hawaii cancer research special fund;  
20      ~~[(20)]~~ (19)   Community health centers special fund;  
21      ~~[(21)]~~ (20)   Emergency medical services special fund;



1        [~~(22)~~] (21)   Rental motor vehicle customer facility charge  
2                                special fund established under section 261-5.6;  
3        [~~(23)~~] (22)   Shared services technology special fund under  
4                                section 27-43;  
5        [~~(24)~~] (23)   Nursing facility sustainability program special  
6                                fund established pursuant to section 346F-4;  
7        [~~(25)~~] (24)   Automated victim information and notification  
8                                system special fund established under section 353-136;  
9        [~~(26)~~] (25)   Hospital sustainability program special fund  
10                                under section 346G-4;  
11        [~~(27)~~] (26)   Civil monetary penalty special fund under  
12                                section 321-30.2; and  
13        [~~(28)~~] (27)   Stadium development special fund under section  
14                                109-3.5,  
15 shall be responsible for its pro rata share of the  
16 administrative expenses incurred by the department responsible  
17 for the operations supported by the special fund concerned."

18        SECTION 6.   Section 237-24.75, Hawaii Revised Statutes, is  
19 amended to read as follows:



1       **"§237-24.75 Additional exemptions.** In addition to the  
2 amounts exempt under section 237-24, this chapter shall not  
3 apply to:

4       (1) Amounts received as a beverage container deposit  
5 collected under chapter 342G, part VIII;

6       (2) Amounts received by the operator of the Hawaii  
7 convention center for reimbursement of costs or  
8 advances [~~made pursuant to a contract with the Hawaii~~  
9 ~~tourism authority under section 201B-7~~]; and

10       (3) Amounts received by a professional employer  
11 organization that is registered with the department of  
12 labor and industrial relations pursuant to chapter  
13 373L, from a client company equal to amounts that are  
14 disbursed by the professional employer organization  
15 for employee wages, salaries, payroll taxes, insurance  
16 premiums, and benefits, including retirement,  
17 vacation, sick leave, health benefits, and similar  
18 employment benefits with respect to covered employees  
19 at a client company; provided that this exemption  
20 shall not apply to amounts received by a professional  
21 employer organization after:



1 (A) Notification from the department of labor and  
2 industrial relations that the professional  
3 employer organization has not fulfilled or  
4 maintained the registration requirements under  
5 this chapter; or

6 (B) A determination by the department that the  
7 professional employer organization has failed to  
8 pay any tax withholding for covered employees or  
9 any federal or state taxes for which the  
10 professional employer organization is  
11 responsible.

12 As used in this paragraph, "professional employer  
13 organization", "client company", and "covered  
14 employee" shall have the meanings provided in section  
15 373L-1."

16 SECTION 7. Section 237D-6.5, Hawaii Revised Statutes, is  
17 amended by amending subsection (b) to read as follows:

18 "(b) Except for the revenues collected pursuant to section  
19 237D-2(e), revenues collected under this chapter shall be  
20 distributed in the following priority, with the excess revenues  
21 to be deposited into the general fund:



(1) \$1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, the proceeds of which were used to acquire the conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State, until the bonds are fully amortized;

~~[(2) \$11,000,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;~~

~~[(3)]~~ (2) An allocation shall be deposited into the tourism emergency special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency special fund; and

~~[(4)]~~ (3) \$3,000,000 shall be allocated to the special land and development fund established under section 171-19;



1 provided that the allocation shall be expended in  
2 accordance with the Hawaii tourism authority strategic  
3 plan for:

4 (A) The protection, preservation, maintenance, and  
5 enhancement of natural resources, including  
6 beaches, important to the visitor industry;

7 (B) Planning, construction, and repair of facilities;  
8 and

9 (C) Operation and maintenance costs of public lands,  
10 including beaches, connected with enhancing the  
11 visitor experience.

12 All transient accommodations taxes shall be paid into the  
13 state treasury each month within ten days after collection and  
14 shall be kept by the state director of finance in special  
15 accounts for distribution as provided in this subsection."

16 SECTION 8. Sections 6E-18, 23-76, 46-11, and 206E-34,  
17 Hawaii Revised Statutes, are amended by substituting the words  
18 "corporation for the stewardship of Hawaii tourism", or similar  
19 term, wherever the words "Hawaii tourism authority", or similar  
20 term, appears, as the context requires.

21 PART II



SECTION 9. Chapter 201B, Hawaii Revised Statutes, is repealed.

PART III

SECTION 10. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 11. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 12. This Act shall take effect upon its approval; provided that part II of this Act shall take effect on the date of transfer of delegated functions from the Hawaii tourism authority to the corporation for the stewardship of Hawaii tourism pursuant to section -4(g), Hawaii Revised Statutes.

INTRODUCED BY:



JAN 23 2026



# H.B. NO. 1944

**Report Title:**

Destination Stewardship; Corporation for the Stewardship of  
Hawaii Tourism; Nonprofit Organization; Hawaii Tourism  
Authority; Repeal

**Description:**

Establishes and designates the Corporation for the Stewardship  
of Hawaii Tourism, a nonprofit organization, as the official  
destination stewardship organization for the State. Repeals the  
Hawaii Tourism Authority.

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

