

A BILL FOR AN ACT

RELATING TO TOURISM.

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

1 PART I

2 SECTION 1. The legislature recognizes that tourism is a
3 vital component of Hawaii's economy and it is essential to
4 ensure that this resource is managed effectively to support the
5 State's well-being.

6 The legislature finds that the state auditor and an
7 independent public accounting firm have identified deficiencies
8 in internal controls, organizational management, program
9 development, and tourism management at the Hawaii tourism
10 authority, underscoring the urgent need for organizational
11 reform.

12 The legislature further finds that a governance study
13 commissioned by the Hawaii tourism authority has shown that a
14 change in culture, direction, and organizational structure is
15 needed to promote and protect tourism as a highly valuable asset
16 for the State and its people.



1 Therefore, the legislature finds it prudent to eliminate
2 the Hawaii tourism authority and place the functions of
3 branding, marketing, and coordinating and promoting the State
4 within the department of business, economic development, and
5 tourism. This change is intended to strengthen tourism
6 management and foster confidence among stakeholders in the
7 State's strategic approach to managing a world-class
8 destination.

9 Furthermore, the legislature understands that the impacts
10 of tourism on Hawaii's residents must be managed
11 collaboratively. The primary effects of visitors to the State
12 are the physical use of Hawaii's natural resources and
13 environment. The state agency with the most experience and
14 expertise in mitigating the impacts of tourism on the
15 environment and natural resources is the department of land and
16 natural resources. The department also has offices on every
17 island to manage the personnel and other resources needed for
18 destination management. The legislature finds that a division
19 of destination management should be established within the
20 department of land and natural resources to address and



1 remediate the physical impacts of tourism, encouraging
2 stakeholder involvement in sustainable practices.

3 With these changes and oversight from the legislature, a
4 balance can be achieved to accommodate the needs of economic
5 development and those of sustainability and destination
6 management.

7 **PART II**

8 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is
9 repealed.

10 . **PART III**

11 SECTION 3. The Hawaii Revised Statutes is amended by
12 adding a new chapter to be appropriately designated and to read
13 as follows:

14 **"CHAPTER**

15 **DESTINATION MANAGEMENT**

16 **§ -1 Definitions.** As used in this chapter, unless the
17 context otherwise requires:

18 "Department" means the department of land and natural
19 resources.

20 "Destination stewardship" means the shared responsibility
21 of government, communities, residents, businesses, and visitors



1 to intentionally manage a place in a way that protects its
2 natural environment, cultural heritage, and social fabric while
3 supporting a healthy, resilient economy so the destination can
4 thrive for current and future generations.

5 "Division" means the division of destination management of
6 the department.

7 **§ -2 Destination management; division; established.**

8 There is established within the department the division of
9 destination management.

10 **§ -3 Division of destination management; staff. (a)**

11 The division shall be headed by the chief administrator, who
12 shall be exempt from chapter 76 and who shall oversee the staff
13 of the division.

14 (b) The staff of the division shall be exempt from chapter
15 76 and shall include:

16 (1) The assistant to the chief administrator;

17 (2) A destination management manager for the island of
18 Hawaii;

19 (3) A destination management manager for the island of
20 Kauai;



- (4) A destination management manager for the island of Maui;
- (5) A destination management manager for the islands of Molokai and Lanai; and
- (6) A destination management manager for the island of Oahu.

§ -4 Destination management action plans; counties;

8 **objectives; execution.** To meet the destination management
9 objectives for each county, the division may perform the actions
10 specified in each of the following plans:

11 (1) Oahu destination management action plan;
12 (2) Hawaii island destination management action plan;
13 (3) Maui nui destination management action plan; and
14 (4) Kauai destination management action plan,
15 during the specified phases; provided that the execution of each
16 destination management action plan shall be dependent on the
17 cooperation and participation of the applicable state or county
18 agency or an advisory group established pursuant to
19 section -5.



1 § -5 Assistance by state and county agencies; advisory

2 **group.** (a) Any state or county agency may render services upon
3 request of the division.

4 (b) The division may establish an advisory group that may
5 meet monthly or as the division deems necessary, which may
6 include the chairperson of the board of land and natural
7 resources; director of business, economic development, and
8 tourism; director of transportation; and executive director of
9 the state foundation on culture and the arts to advise the
10 division on matters relating to their respective departments or
11 agency in the preparation and execution of suggested:

12 (1) Measures to respond to tourism emergencies pursuant to
13 section 201-H;

17 (3) Measures to address issues affecting airlines, air
18 routes, and barriers to travel to Hawaii; and

19 (4) Programs to perpetuate the cultures of Hawaii and
20 engage local communities to sustain and preserve the
21 native Hawaiian culture.



1 § -6 Court proceedings; preferences; venue. (a) Any
2 action or proceeding to which the division, the State, or the
3 county may be a party, in which any question arises as to the
4 validity of this chapter, shall be preferred over all other
5 civil cases, except election cases, in the circuit court of the
6 circuit in which the case or controversy arises, and shall be
7 heard and determined in preference to all other civil cases
8 pending therein, except election cases, irrespective of position
9 on the calendar.

10 (b) Upon application of counsel to the division, the same
11 preference shall be granted in any action or proceeding
12 questioning the validity of this chapter in which the division
13 may be allowed to intervene.

14 (c) Any action or proceeding to which the division, the
15 State, or the county may be party, in which any question arises
16 as to the validity of this chapter or any portion of this
17 chapter, or any action of the division may be filed in the
18 circuit court of the circuit in which the case or controversy
19 arises, which court is hereby vested with original jurisdiction
20 over the action.



1 (d) Notwithstanding any provision of law to the contrary,
2 declaratory relief from the circuit court may be obtained for
3 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.

7 **§ -7 Annual report.** The division shall submit a
8 complete and detailed report of its activities, expenditures,
9 and results toward achieving the division's strategic plan
10 goals, to the governor and legislature no later than twenty days
11 prior to the convening of each regular session of the
12 legislature. The annual report shall include the descriptions
13 and evaluations of programs funded, together with any
14 recommendations by the division."

PART IV

16 SECTION 4. Chapter 201, Hawaii Revised Statutes, is
17 amended by adding a new part to be appropriately designated and
18 to read as follows:

"PART 1. OFFICE OF TOURISM

20 **§201-A Definitions.** As used in this part, unless the
21 context otherwise requires:



1 "Advisory board" means the advisory board on tourism.

2 "Office" means the office of tourism.

3 **S201-B Office of tourism; established.** There is

4 established within the department the office of tourism.

5 **S201-C Advisory board on tourism.** (a) There is

6 established within the department the advisory board on tourism.

7 The advisory board shall consist of twelve members; provided

8 that:

9 (1) The members shall be appointed by the governor as
10 provided in section 26-34, except as provided by this
11 section;

12 (2) The members shall include at least one representative
13 each from the city and county of Honolulu and the
14 counties of Hawaii, Kauai, and Maui;

15 (3) One member shall be appointed by the speaker of the
16 house of representatives, and one member shall be
17 appointed by the president of the senate;

18 (4) At least six members shall have knowledge, experience,
19 and expertise in the area of accommodations,
20 transportation, retail, entertainment, or attractions,
21 and at least one member appointed by the governor



1 shall have knowledge, experience, and expertise in the
2 area of Hawaiian cultural practices;

3 (5) At least one member shall represent a tourism-impacted
4 entity;

5 (6) The governor shall make appointments to ensure the
6 fulfillment of all requirements of paragraphs (2) and
7 (4); provided that upon the occurrence of a vacancy
8 subject to paragraph (3), the governor shall notify
9 the speaker of the house of representatives and the
10 president of the senate of any unfulfilled
11 requirements pursuant to paragraphs (2) and (4), and
12 the speaker of the house of representatives or the
13 president of the senate, as appropriate, shall appoint
14 a member who fulfills those requirements; and

15 (7) No person who has served as a member of the board of
16 directors of an organization or business that is under
17 contract with the office of tourism shall be eligible
18 to sit as a member of the advisory board until at
19 least two years have expired between the person's
20 termination from the contracting organization or



1 business and the person's appointment to the advisory
2 board.

3 (b) Members shall be appointed by the governor for terms
4 of four years; provided that membership on the board shall not
5 exceed eight consecutive years; provided further that each
6 member shall hold office until the member's successor is
7 appointed and qualified.

8 (c) The board shall elect a chairperson from among its
9 members.

10 (d) Seven members shall constitute a quorum, and a minimum
11 of seven affirmative votes shall be necessary for all actions by
12 the office. The members shall serve without compensation, but
13 shall be reimbursed for expenses, including traveling expenses,
14 necessary for the performance of their duties.

15 **§201-D Office of tourism; state tourism liaison; staff.**

16 (a) The office shall be headed by the director of business,
17 economic development, and tourism, who shall oversee the staff
18 of the office. The state tourism liaison shall serve as the
19 liaison to the advisory board on tourism and shall report to the
20 governor.



3 (1) The division manager, who shall oversee two
4 administrative assistants;

5 (2) The chief brand officer, who shall oversee two brand
6 managers;

9 (A) A procurement manager; and

10 (B) A procurement assistant;

11 (4) An attorney and compliance officer;

12 (5) An account specialist; and

13 (6) Two administrative staff.

14 §201-E Office; private attorney

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



§201-F Strategic tourism management plan; measures of

6 **effectiveness.** (a) The division shall be responsible for
7 developing a strategic tourism management plan that advances
8 tourism marketing, complies with destination management best
9 practices, and promotes regenerative tourism. The plan shall be
10 a single, comprehensive document that shall be updated every
11 year and include the following:

12 (1) Statewide Hawaii brand management efforts and
13 programs;
14 (2) Targeted markets;
15 (3) Efforts to enter into Hawaii brand management projects
16 that make effective use of cooperative programs;
17 (4) Program performance goals and targets that can be
18 monitored as market gauges and used as attributes to
19 evaluate the division's programs;
20 (5) The division's guidance and direction for the
21 development and coordination of promotional and



1 marketing programs that build and promote the Hawaii
2 brand, which are implemented through contracts and
3 agreements with destination marketing organizations or
4 other qualified organizations, including:

5 (A) Target markets and the results being sought;
6 (B) Key performance indicators and return on
7 investment; and
8 (C) Private sector collaborative or cooperative
9 efforts that may be required; and

10 (6) Statewide destination management and regenerative
11 tourism efforts and programs.

12 (b) In accordance with subsection (a), the division shall
13 develop measures of effectiveness to assess the overall benefits
14 and effectiveness of the strategic tourism management plan and
15 include documentation of the progress of the strategic tourism
16 management plan toward achieving the division's strategic plan
17 goals.

18 **§201-G Tourism-related activities.** (a) The division may
19 enter into contracts and agreements that include the following:
20 (1) Tourism promotion, marketing, development, and
21 destination management;



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



1 uses of the convention center facility may be issued
2 separately from the management, use, operation, or
3 maintenance of the facility;

4 (8) Tourism research and statistics to:

5 (A) Measure and analyze tourism trends;

6 (B) Provide information and research to assist in the
7 development and implementation of state tourism
8 policy; and

9 (C) Provide tourism information on:

10 (i) Visitor arrivals, visitor characteristics,
11 and expenditures;

12 (ii) The number of transient accommodation units
13 available, occupancy rates, and room rates;

14 (iii) Airline-related data including seat capacity
15 and number of flights;

16 (iv) The economic, social, and physical impacts
17 of tourism on the State; and

18 (v) The effects of the strategic tourism
19 management programs of the division on the
20 measures of effectiveness developed pursuant
21 to section -F(b); and



8 (b) The division shall be responsible for:

9 (1) Creating a vision and developing a long-range

10 strategic plan for tourism in Hawaii;

11 (2) Developing destination management action plans for

12 each county;

13 (3) Arranging for the conduct of research through

14 contractual services with the university of Hawaii or

15 any agency or other qualified persons concerning

16 social, economic, and environmental aspects of tourism

17 development in the State; and

18 (4) Providing technical or other assistance to agencies

19 and private industry upon request.

20 (c) The division may delegate to staff the responsibility

21 for soliciting, awarding, and executing contracts and for



1 monitoring and facilitating any and all functions developed in
2 accordance with this section.

3 (d) Where public disclosure of information gathered or
4 developed by the division may place a business at a competitive
5 disadvantage or may impair or frustrate the division's ability
6 to either compete as a visitor destination or obtain or use
7 information for a legitimate government function, the division
8 may withhold from public disclosure competitively sensitive
9 information, including:

- 10 (1) Completed survey forms and questionnaire forms;
- 11 (2) Coding sheets; and
- 12 (3) Database records of the information.

13 **S201- Tourism emergency.** (a) If the division determines
14 that the occurrence of a world conflict, terrorist threat,
15 national or global economic crisis, natural disaster, outbreak
16 of disease, or other catastrophic event adversely affects
17 Hawaii's tourism industry by resulting in a substantial
18 interruption in the commerce of the State and adversely
19 affecting the welfare of its people, the division shall submit a
20 request to the governor to declare that a tourism emergency
21 exists.



13 **\$201-I Tourism emergency special fund.** (a) There is
14 established outside the state treasury a tourism emergency
15 special fund to be administered by the division, into which
16 shall be deposited the revenues prescribed by section 237D-
17 6.5(b) and all investment earnings credited to the assets of the
18 fund.

19 (b) Moneys in the special fund shall be used exclusively
20 to provide for the development and implementation of emergency
21 measures to respond to any tourism emergency pursuant to section



1 201-H, including providing emergency assistance to tourists
2 during the tourism emergency.

3 (c) Use of the special fund, consistent with subsection
4 (b), shall be provided for in articles, bylaws, resolutions, or
5 other instruments executed by the division as administrator for
6 the special fund.

7 **§201-J Applicability of Hawaii public procurement code;**
8 **convention center contractor; construction contracts.** The
9 construction contracts for the maintenance of the convention
10 center facility by the private contractor that operates the
11 convention center, by its direct or indirect receipt of, and its
12 expenditure of, public funds from the department of business,
13 economic development, and tourism or the office, or both, shall
14 be subject to chapter 103D.

15 **§201-K Convention center enterprise special fund.** (a)

16 There is established the convention center enterprise special
17 fund, into which shall be deposited:

18 (1) A portion of the revenues from the transient
19 accommodations tax, as provided by section 237D-6.5;
20 (2) All revenues or moneys derived from the operations of
21 the convention center to include all revenues from the



1 food and beverage service, all revenues from the
2 parking facilities or from any concession, and all
3 revenues from the sale of souvenirs, logo items, or
4 any other items offered for purchase at the convention
5 center;

6 (3) Private contributions, interest, compensation, gross
7 or net revenues, proceeds, or other moneys derived
8 from any source or for any purpose arising from the
9 use of the convention center facility; and
10 (4) Appropriations by the legislature for marketing the
11 facility pursuant to section 201-G(a) (7) .

12 (b) Moneys in the convention center enterprise special
13 fund shall be used by the office for the payment of expenses
14 arising from any and all use, operation, maintenance,
15 alteration, improvement, or any unforeseen or unplanned repairs
16 of the convention center, including without limitation the food
17 and beverage service and parking service provided at the
18 convention center facility, the sale of souvenirs, logo items,
19 or other items, for any future major repair, maintenance, and
20 improvement of the convention center facility as a commercial
21 enterprise or as a world class facility for conventions,



1 entertainment, or public events, and for marketing the facility
2 pursuant to section 201-G(a) (7).

3 (c) Moneys in the convention center enterprise special
4 fund may be:

5 (1) Placed in interest-bearing accounts; provided that the
6 depository in which the money is deposited furnishes
7 security as provided in section 38-3; or

8 (2) Otherwise invested by the office until such time as
9 the moneys may be needed; provided that the office
10 shall limit its investments to those listed in section
11 36-21.

12 All interest accruing from investment of the moneys shall be
13 credited to the convention center enterprise special fund.

14 **§201-L Exemption of office from taxation.** All revenues
15 and receipts derived by the office from any project or a project
16 agreement or other agreement pertaining thereto shall be exempt
17 from all state taxation. Any right, title, and interest of the
18 office in any project shall also be exempt from all state
19 taxation. Except as otherwise provided by law, the interest of
20 a qualified person or other user of a project or a project
21 agreement or other agreements related to a project shall not be



1 exempt from taxation to a greater extent than it would be if the
2 costs of the project were directly financed by the qualified
3 person or user.

4 **S201-M Court proceedings; preferences; venue.** (a) Any
5 action or proceeding to which the office, the State, or the
6 county may be a party, in which any question arises as to the
7 validity of this chapter, shall be preferred over all other
8 civil cases, except election cases, in the circuit court of the
9 circuit in which the case or controversy arises, and shall be
10 heard and determined in preference to all other civil cases
11 pending therein, except election cases, irrespective of position
12 on the calendar.

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

17 (c) Any action or proceeding to which the office, the
18 State, or the county may be party, in which any question arises
19 as to the validity of this chapter or any portion of this
20 chapter, or any action of the office may be filed in the circuit
21 court of the circuit in which the case or controversy arises,



1 which court is hereby vested with original jurisdiction over the
2 action.

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

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

9 PART V

10 SECTION 5. Section 28-8.3, Hawaii Revised Statutes, is
11 amended as follows:

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

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



1 (1) By the public utilities commission, the labor and
2 industrial relations appeals board, and the Hawaii
3 labor relations board;

4 (2) By any court or judicial or legislative office of the
5 State; provided that if the attorney general is
6 requested to provide representation to a court or
7 judicial office by the chief justice or the chief
8 justice's designee, or to a legislative office by the
9 speaker of the house of representatives and the
10 president of the senate jointly, and the attorney
11 general declines to provide such representation on the
12 grounds of conflict of interest, the attorney general
13 shall retain an attorney for the court, judicial, or
14 legislative office, subject to approval by the court,
15 judicial, or legislative office;

16 (3) By the legislative reference bureau;

17 (4) By any compilation commission that may be constituted
18 from time to time;

19 (5) By the real estate commission for any action involving
20 the real estate recovery fund;



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



- (22) By the school facilities authority;
- (23) By the Mauna Kea stewardship and oversight authority;
- or
- (24) By a department, if the attorney general, for reasons deemed by the attorney general to be good and sufficient, declines to employ or retain an attorney for a department; provided that the governor waives the provision of this section."

2. By amending subsection (c) to read:

10 "(c) Every attorney employed by any department on a full-
11 time basis, except an attorney employed by the public utilities
12 commission, the labor and industrial relations appeals board,
13 the Hawaii labor relations board, the office of Hawaiian
14 affairs, the Hawaii health systems corporation or its regional
15 system boards, the department of commerce and consumer affairs
16 in prosecution of consumer complaints, insurance division, the
17 division of consumer advocacy, the University of Hawaii, the
18 [Hawaii tourism authority] office of tourism as provided in
19 section [201B-2.5,] 201-E, the Mauna Kea stewardship and
20 oversight authority, the office of information practices, or as
21 grand jury counsel, shall be a deputy attorney general."



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

3 " (a) Except as provided in this section, and
4 notwithstanding any other law to the contrary, from time to
5 time, the director of finance, for the purpose of defraying the
6 prorated estimate of central service expenses of government in
7 relation to all special funds, 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) Convention center enterprise special fund under
14 section [201B-8+] 201-K;

15 (5) Special funds established by section 206E-6;

16 (6) Aloha Tower fund created by section 206J-17;

17 (7) Funds of the employees' retirement system created by
18 section 88-109;

19 (8) Hawaii hurricane relief fund established under chapter
20 431P;



- 1 (9) Hawaii health systems corporation special funds and
- 2 the subaccounts of its regional system boards;
- 3 (10) Universal service fund established under section 269-
- 4 42;
- 5 (11) Emergency and budget reserve fund under section 328L-
- 6 3;
- 7 (12) Public schools special fees and charges fund under
- 8 section 302A-1130;
- 9 (13) Sport fish special fund under section 187A-9.5;
- 10 (14) Neurotrauma special fund under section 321H-4;
- 11 (15) Glass advance disposal fee established by section
- 12 342G-82;
- 13 (16) Center for nursing special fund under section 304A-
- 14 2163;
- 15 (17) Passenger facility charge special fund established by
- 16 section 261-5.5;
- 17 (18) Solicitation of funds for charitable purposes special
- 18 fund established by section 467B-15;
- 19 (19) Land conservation fund established by section 173A-5;
- 20 (20) Court interpreting services revolving fund under
- 21 section 607-1.5;



- (21) Trauma system special fund under section 321-22.5;
- (22) Hawaii cancer research special fund;
- (23) Community health centers special fund;
- (24) Emergency medical services special fund;
- (25) Rental motor vehicle customer facility charge special fund established under section 261-5.6;
- (26) Shared services technology special fund under section 27-43;
- (27) Automated victim information and notification system special fund established under section 353-136;
- (28) Deposit beverage container deposit special fund under section 342G-104;
- (29) Hospital sustainability program special fund under section 346G-4;
- (30) Nursing facility sustainability program special fund under section 346F-4;
- (31) Hawaii 3R's school improvement fund under section 302A-1502.4;
- (32) After-school plus program revolving fund under section 302A-1149.5;



1 (33) Civil monetary penalty special fund under section 321-
2 30.2;

3 (34) Stadium development special fund under section 109-
4 3.5; and

5 (35) Universal immunization purchase special fund under
6 section [+] 325-133[+],
7 shall deduct five per cent of all receipts of all other special
8 funds, which deduction shall be transferred to the general fund
9 of the State and become general realizations of the State. All
10 officers of the State and other persons having power to allocate
11 or disburse any special funds shall cooperate with the director
12 in effecting these transfers. To determine the proper revenue
13 base upon which the central service assessment is to be
14 calculated, the director shall adopt rules pursuant to chapter
15 91 for the purpose of suspending or limiting the application of
16 the central service assessment of any fund. No later than
17 twenty days prior to the convening of each regular session of
18 the legislature, the director shall report all central service
19 assessments made during the preceding fiscal year."



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

2 (1) Special out-of-school time instructional program fund

3 under section 302A-1310;

4 (2) School cafeteria special funds of the department of

5 education;

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

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

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

9 (6) Funds of the employees' retirement system created by

10 section 88-109;

11 (7) Hawaii hurricane relief fund established under chapter

12 431P;

13 (8) Convention center enterprise special fund established

14 under section ~~[201B-8]~~ 201-K;

15 (9) Hawaii health systems corporation special funds and

16 the subaccounts of its regional system boards;

17 (10) Universal service fund established under section 269-

18 42;

19 (11) Emergency and budget reserve fund under section 328L-

20 3;



- 1 (12) Public schools special fees and charges fund under
- 2 section 302A-1130;
- 3 (13) Sport fish special fund under section 187A-9.5;
- 4 (14) Neurotrauma special fund under section 321H-4;
- 5 (15) Center for nursing special fund under section 304A-
- 6 2163;
- 7 (16) Passenger facility charge special fund established by
- 8 section 261-5.5;
- 9 (17) Court interpreting services revolving fund under
- 10 section 607-1.5;
- 11 (18) Trauma system special fund under section 321-22.5;
- 12 (19) Hawaii cancer research special fund;
- 13 (20) Community health centers special fund;
- 14 (21) Emergency medical services special fund;
- 15 (22) Rental motor vehicle customer facility charge special
- 16 fund established under section 261-5.6;
- 17 (23) Shared services technology special fund under section
- 18 27-43;
- 19 (24) Nursing facility sustainability program special fund
- 20 established pursuant to section 346F-4;





1 shall include the descriptions and evaluations of programs
2 funded, together with any recommendations by the authority."

3 SECTION 9. Section 237-24.75, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§237-24.75 Additional exemptions.** In addition to the
6 amounts exempt under section 237-24, this chapter shall not
7 apply to:

8 (1) Amounts received as a beverage container deposit
9 collected under chapter 342G, part VIII;
10 (2) Amounts received by the operator of the Hawaii
11 convention center for reimbursement of costs or
12 advances made pursuant to a contract with the [Hawaii
13 ~~tourism authority~~] office under section [201B-7;]
14 201-G; and

15 (3) Amounts received by a professional employer
16 organization that is registered with the department of
17 labor and industrial relations pursuant to chapter
18 373L, from a client company equal to amounts that are
19 disbursed by the professional employer organization
20 for employee wages, salaries, payroll taxes, insurance
21 premiums, and benefits, including retirement,



vacation, sick leave, health benefits, and similar employment benefits with respect to covered employees at a client company; provided that this exemption shall not apply to amounts received by a professional employer organization after:

(A) Notification from the department of labor and

industrial relations that the professional

employer organization has not fulfilled or

maintained the registration requirements under

this chapter; or

A determination

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

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



1 SECTION 10. Section 237D-6.5, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 " (b) Except for the revenues collected pursuant to section
4 237D-2(e), revenues collected under this chapter shall be
5 distributed in the following priority, with the excess revenues
6 to be deposited into the general fund:

7 (1) \$1,500,000 shall be allocated to the Turtle Bay
8 conservation easement special fund beginning July 1,
9 2015, for the reimbursement to the state general fund
10 of debt service on reimbursable general obligation
11 bonds, including ongoing expenses related to the
12 issuance of the bonds, the proceeds of which were used
13 to acquire the conservation easement and other real
14 property interests in Turtle Bay, Oahu, for the
15 protection, preservation, and enhancement of natural
16 resources important to the State, until the bonds are
17 fully amortized;

18 (2) \$11,000,000 shall be allocated to the convention
19 center enterprise special fund established under
20 section [201B-8+] 201-K;



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

6 (4) \$3,000,000 shall be allocated to the special land and
7 development fund established under section 171-19;
8 provided that the allocation shall be expended in
9 accordance with the Hawaii tourism authority strategic
10 plan for:

11 (A) The protection, preservation, maintenance, and
12 enhancement of natural resources, including
13 beaches, important to the visitor industry;

14 (B) Planning, construction, and repair of facilities;
15 and

16 (C) Operation and maintenance costs of public lands,
17 including beaches, connected with enhancing the
18 visitor experience.

19 All transient accommodations taxes shall be paid into the
20 state treasury each month within ten days after collection and



1 shall be kept by the state director of finance in special
2 accounts for distribution as provided in this subsection."

3 PART VI

4 SECTION 11. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2026-2027 to be
7 allocated for the following positions established in section 2
8 of this Act:

9 (1) for one full-time equivalent (1.0 FTE)

10 chief administrator;

11 (2) \$ for one full-time equivalent (1.0 FTE)

12 destination management manager for the island of

13 Hawaii;

14 (3) § for one full-time equivalent (1.0 FTE)

15 destination management manager for the island of

16 Kauai;

17 (4) \$ for one full-time equivalent (1.0 FTE)

18 destination management manager for the island of Maui:

19 (5) § for one full-time equivalent (1.0 FTE)

20 destination management manager for the islands of

21 Molokai and Lanai: and



1 (6) \$ for one full-time equivalent (1.0 FTE)
2 destination management manager for the island of Oahu.
3 The sum appropriated shall be expended by the department of
4 land and natural resources for the purposes of this Act.
5 SECTION 12. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$ or so
7 much thereof as may be necessary for fiscal year 2026-2027 to be
8 allocated for the following positions established in section 3
9 of this Act;

10 (1) \$ for one full-time equivalent (1.0 FTE)
11 state tourism liaison;
12 (2) \$ for one full-time equivalent (1.0 FTE)
13 division manager;
14 (3) \$ for two full-time equivalent (2.0 FTE)
15 administrative assistants to the division manager;
16 (4) \$ for one full-time equivalent (1.0 FTE)
17 chief brand officer;
18 (5) \$ for two full-time equivalent (2.0 FTE)
19 brand managers;
20 (6) \$ for one full-time equivalent (1.0 FTE)
21 procurement manager;



11 The sum appropriated shall be expended by the department of
12 business, economic development, and tourism for the purposes of
13 this Act.

14 SECTION 13. In codifying the new sections added by section
15 4 of this Act, the revisor of statutes shall substitute
16 appropriate section numbers for the letters used in designating
17 the new sections in this Act.

18 SECTION 14. This Act shall take effect on January 1, 2027;
19 provided that sections 11 and 12 of this Act shall take effect
20 on July 1, .

21



H.B. NO. 1947

INTRODUCED BY:



JAN 23 2026



H.B. NO. 1947

Report Title:

Office of Tourism; Department of Business, Economic Development, and Tourism; Division of Destination Management, Department of Land and Natural Resources; Repeal of Hawaii Tourism Authority

Description:

Repeals the Hawaii Tourism Authority. Establishes the Office of Tourism within the Department of Business, Economic Development, and Tourism. Establishes the Division of Destination Management within the Department of Land and Natural Resources. Effective 1/1/2027.

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

