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# 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;**

**objectives; execution.** To meet the destination management

objectives for each county, the division may perform the actions

specified in each of the following plans:

(1) Oahu destination management action plan;

(2) Hawaii island destination management action plan;

(3) Maui nui destination management action plan; and

(4) Kauai destination management action plan,

during the specified phases; provided that the execution of each

destination management action plan shall be dependent on the

cooperation and participation of the applicable state or county

agency or an advisory group established pursuant to

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;

14           (2)   Programs for the management, improvement, and  
15 protection of Hawaii's natural environment and other  
16 areas frequented by visitors;

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."

15 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:

19 "PART . OFFICE OF TOURISM

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





"Advisory board" means the advisory board on tourism.

"Office" means the office of tourism.

**§201-B Office of tourism; established.** There is established within the department the office of tourism.

**§201-C Advisory board on tourism.** (a) There is established within the department the advisory board on tourism. The advisory board shall consist of twelve members; provided that:

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

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

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

(4) At least six members shall have knowledge, experience, and expertise in the area of accommodations, transportation, retail, entertainment, or attractions, 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.



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

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

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

(3) The chief finance and budget officer, who shall oversee:

(A) A procurement manager; and

(B) A procurement assistant;

(4) An attorney and compliance officer;

(5) An account specialist; and

(6) Two administrative staff.

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



(b) The advisory board may fix the compensation of the attorneys appointed or retained pursuant to this section. Attorneys appointed or retained by contract shall be exempt from chapters 76, 78, and 88.

**§201-F Strategic tourism management plan; measures of effectiveness.** (a) The division shall be responsible for developing a strategic tourism management plan that advances tourism marketing, complies with destination management best practices, and promotes regenerative tourism. The plan shall be a single, comprehensive document that shall be updated every year and include the following:

- (1) Statewide Hawaii brand management efforts and programs;
- (2) Targeted markets;
- (3) Efforts to enter into Hawaii brand management projects that make effective use of cooperative programs;
- (4) Program performance goals and targets that can be monitored as market gauges and used as attributes to evaluate the division's programs;
- (5) The division's guidance and direction for the 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;



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





1           (9) Any and all other activities necessary to carry out  
2           the intent of this chapter;  
3 provided that the division shall annually submit a report of the  
4 contracts and agreements entered into by the division to the  
5 governor, speaker of the house of representatives, president of  
6 the senate, and chairperson of the board of land and natural  
7 resources.

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 **§201- 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.



1           (b) Upon declaration by the governor that a tourism  
2 emergency exists pursuant to subsection (a), the division shall  
3 develop and implement measures to respond to the tourism  
4 emergency, including providing assistance to tourists during the  
5 emergency; provided that any tourism emergency response measure  
6 implemented pursuant to this subsection shall not include any  
7 provision that would adversely affect the organized labor force  
8 in tourism-related industries. With respect to a national or  
9 global economic crisis only, in addition to the governor's  
10 declaration of the existence of a tourism emergency, no action  
11 in response to the tourism emergency declaration may be taken by  
12 the division without the governor's express approval.

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,



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

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

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

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

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

**§201-L Exemption of office from taxation.** All revenues and receipts derived by the office from any project or a project agreement or other agreement pertaining thereto shall be exempt from all state taxation. Any right, title, and interest of the office in any project shall also be exempt from all state taxation. Except as otherwise provided by law, the interest of a qualified person or other user of a project or a project 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       **§201-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;



1 (22) By the school facilities authority;

2 (23) By the Mauna Kea stewardship and oversight authority;

3 or

4 (24) By a department, if the attorney general, for reasons  
5 deemed by the attorney general to be good and  
6 sufficient, declines to employ or retain an attorney  
7 for a department; provided that the governor waives  
8 the provision of this section."

9 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."



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

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

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

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

(3) Special funds of the University of Hawaii;

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

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

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

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

(8) Hawaii hurricane relief fund established under chapter 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;



- 1       (21)   Trauma system special fund under section 321-22.5;
- 2       (22)   Hawaii cancer research special fund;
- 3       (23)   Community health centers special fund;
- 4       (24)   Emergency medical services special fund;
- 5       (25)   Rental motor vehicle customer facility charge special
- 6               fund established under section 261-5.6;
- 7       (26)   Shared services technology special fund under section
- 8               27-43;
- 9       (27)   Automated victim information and notification system
- 10              special fund established under section 353-136;
- 11       (28)   Deposit beverage container deposit special fund under
- 12              section 342G-104;
- 13       (29)   Hospital sustainability program special fund under
- 14              section 346G-4;
- 15       (30)   Nursing facility sustainability program special fund
- 16              under section 346F-4;
- 17       (31)   Hawaii 3R's school improvement fund under section
- 18              302A-1502.4;
- 19       (32)   After-school plus program revolving fund under section
- 20              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."

20 SECTION 7. Section 36-30, Hawaii Revised Statutes, is  
21 amended by amending subsection (a) to read as follows:



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;



(25) Automated victim information and notification system  
special fund established under section 353-136;

(26) Hospital sustainability program special fund under  
section 346G-4;

(27) Civil monetary penalty special fund under section 321-  
30.2; and

[+](28)[+] Stadium development special fund under section  
109-3.5,

shall be responsible for its pro rata share of the  
administrative expenses incurred by the department responsible  
for the operations supported by the special fund concerned."

SECTION 8. Section 201B-16, Hawaii Revised Statutes, is  
amended to read as follows:

**"§201B-16 Annual report.** The authority shall submit a  
complete and detailed report of its activities, expenditures,  
and results[~~, including the progress of the strategic tourism  
management plan developed pursuant to section 201B-6,~~] toward  
achieving the authority's strategic plan goals, to the governor  
and legislature no later than twenty days prior to the convening  
of each regular session of the legislature. The annual report



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,



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

6 (A) Notification from the department of labor and  
7 industrial relations that the professional  
8 employer organization has not fulfilled or  
9 maintained the registration requirements under  
10 this chapter; or

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

17 As used in this paragraph, "professional employer  
18 organization", "client company", and "covered  
19 employee" shall have the meanings provided in section  
20 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;



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

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

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

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

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

All transient accommodations taxes shall be paid into the 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



(6) \$ for one full-time equivalent (1.0 FTE)  
destination management manager for the island of Oahu.

The sum appropriated shall be expended by the department of  
land and natural resources for the purposes of this Act.

SECTION 12. There is appropriated out of the general  
revenues of the State of Hawaii the sum of \$ or so  
much thereof as may be necessary for fiscal year 2026-2027 to be  
allocated for the following positions established in section 3  
of this Act:

(1) \$ for one full-time equivalent (1.0 FTE)  
state tourism liaison;

(2) \$ for one full-time equivalent (1.0 FTE)  
division manager;

(3) \$ for two full-time equivalent (2.0 FTE)  
administrative assistants to the division manager;

(4) \$ for one full-time equivalent (1.0 FTE)  
chief brand officer;

(5) \$ for two full-time equivalent (2.0 FTE)  
brand managers;

(6) \$ for one full-time equivalent (1.0 FTE)  
procurement manager;





1           (7)   \$                   for one full-time equivalent (1.0 FTE)  
2                   procurement assistant;  
3           (8)   \$                   for one full-time equivalent (1.0 FTE)  
4                   chief finance and budget officer;  
5           (9)   \$                   for one full-time equivalent (1.0 FTE)  
6                   attorney and compliance officer;  
7           (10)  \$                   for one full-time equivalent (1.0 FTE)  
8                   account specialist; and  
9           (11)  \$                   for two full-time equivalent (2.0 FTE)  
10                   administrative staff.

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:

A handwritten signature in black ink, appearing to be "A. Smith", written over a horizontal line.

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.*

