

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. With these changes and oversight from the
9 legislature, a balance can be achieved to accommodate the needs
10 of economic development and those of sustainability and
11 destination management.

12 Accordingly, the purpose of this Act is to:

13 (1) Repeal the Hawaii tourism authority and transfer its
14 functions to an office of tourism to be established
15 within the department of business, economic
16 development, and tourism; and
17 (2) Appropriate funds.

18 PART II

19 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is
20 repealed.

21 PART III



1 SECTION 3. Chapter 201, Hawaii Revised Statutes, is
2 amended by adding a new part to be appropriately designated and
3 to read as follows:

4 **"PART . OFFICE OF TOURISM**

5 **§201-A Definitions.** As used in this part, unless the
6 context otherwise requires:

7 "Advisory board" or "board" means the advisory board on
8 tourism.

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

12 "Office" means the office of tourism.

13 "Convention center facility" or "convention center" means
14 any combination of land, buildings, and improvements thereon,
15 acquired or developed by the State, and includes exhibition
16 halls, meeting rooms, a plenary session hall, and support space
17 that reflect a Hawaii sense of place; any other structure or
18 facility required or useful for the operation of a convention
19 center, including commercial, office, community service,
20 parking, garage, and other supporting service structures; and,



1 all necessary, useful, and related equipment, furnishings, and
2 appurtenances.

3 "Destination management" means a collaborative and
4 coordinated process with public, private, and community
5 stakeholders to manage the various elements of a visitor
6 destination to:

- 7 (1) Create, implement, and monitor strategies that attract
8 targeted visitor markets and improve visitor
9 experiences;
- 10 (2) Improve natural and cultural resources valued by
11 Hawaii residents and visitors;
- 12 (3) Develop and maintain tourism-related infrastructure to
13 prevent overcrowding and overtaxing sites and
14 resources; and
- 15 (4) Ensure that the provision of services enhances the
16 visitor experience.

17 "Destination stewardship" means the shared responsibility
18 of government, communities, residents, businesses, and visitors
19 to intentionally manage a place in a way that protects its
20 natural environment, cultural heritage, and social fabric while



1 supporting a healthy, resilient economy so the destination can
2 thrive for current and future generations.

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

6 "Public agency" means any office, department, board,
7 commission, bureau, division, public corporation agency, or
8 instrumentality of the federal, state, or county government.

9 "Regenerative tourism" means a tourism model that:

10 (1) Is designed and carefully managed to bring net
11 benefits to local communities and destinations; and
12 (2) Implements an innovative and sustainable economic
13 development plan to:

14 (A) Make net positive contributions;
15 (B) Create conditions that allow communities to
16 flourish;
17 (C) Engage in collaborative efforts that provide
18 visitors with genuine and meaningful experiences
19 in Hawaii; and
20 (D) Improve destinations for current and future
21 generations for the well-being of the



1 environment, residents, indigenous communities,
2 and visitors.

3 **§201-B Office of tourism; established.** There is
4 established within the department the office of tourism.

5 **§201-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:

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; staff.** (a) The office shall be
16 headed by the director of business, economic development, and
17 tourism, *ex officio*, who shall:

18 (1) Oversee the staff of the office;
19 (2) Serve as the liaison to the advisory board on tourism;
20 and
21 (3) Report to the governor.



1 (b) The staff of the office shall be exempt from chapter

2 76 and shall include:

3 (1) The office of tourism manager, who shall oversee two
4 administrative assistants;

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

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

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 Strategic tourism management plan; measures of

15 effectiveness. (a) The office shall be responsible for

16 developing a strategic tourism management plan that advances

17 tourism marketing, complies with destination management best

18 practices, and promotes regenerative tourism. The plan shall be

19 a single, comprehensive document that shall be updated every

20 year and include the following:





1 (6) Statewide destination management, destination
2 stewardship, and regenerative tourism efforts and
3 programs.

4 (b) In accordance with subsection (a), the office shall
5 develop measures of effectiveness to assess the overall benefits
6 and effectiveness of the strategic tourism management plan and
7 include documentation of the progress of the strategic tourism
8 management plan toward achieving the office's strategic plan
9 goals.

10 \\$201-F Destination management action plans; counties;

- 11 **objectives; execution.** To meet the destination management
- 12 objectives for each county, the office shall perform the actions
- 13 specified in each of the following plans:



1

2 **§201-G Tourism-related activities.** (a) The office may
3 enter into contracts and agreements that include the following:

4 (1) Tourism promotion, marketing, development, and
5 destination management;

6 (2) Market development-related research;

7 (3) Product development and diversification issues focused
8 on visitors;

9 (4) Promotion, development, and coordination of festivals,
10 community events, cultural activities, environmental
11 stewardship activities, sports-related activities, and
12 events that strengthen the relationships between the
13 place and people for Hawaii's residents and visitors
14 alike;

15 (5) Promotion of Hawaii, through a coordinated statewide
16 effort, as a place to do business, including high
17 technology business, and as a business destination;

18 (6) Reduction of barriers to travel;

19 (7) Marketing, management, use, operation, or maintenance
20 of the convention center facility, including the
21 purchase or sale of goods or services, logo items,



1 concessions, sponsorships, and license agreements, or
2 any use of the convention center facility as a
3 commercial enterprise; provided that effective
4 January 1, 2020, and thereafter, contracts issued
5 pursuant to this paragraph for the marketing of all
6 uses of the convention center facility may be issued
7 separately from the management, use, operation, or
8 maintenance of the facility;

9 (8) Tourism research and statistics to:

10 (A) Measure and analyze tourism trends;
11 (B) Provide information and research to assist in the
12 development and implementation of state tourism
13 policy; and

14 (C) Provide tourism information on:

15 (i) Visitor arrivals, visitor characteristics,
16 and expenditures;
17 (ii) The number of transient accommodation units
18 available, occupancy rates, and room rates;
19 (iii) Airline-related data including seat capacity
20 and number of flights;



1 (iv) The economic, social, and physical impacts
2 of tourism on the State; and
3 (v) The effects of the strategic tourism
4 management programs of the office on the
5 measures of effectiveness developed pursuant
6 to section 201-E(b); and

7 (9) Any and all other activities necessary to carry out
8 the intent of this chapter;

9 provided that the office shall annually submit a report of the
10 contracts and agreements entered into by the office to the
11 governor, speaker of the house of representatives, president of
12 the senate, and chairperson of the board of land and natural
13 resources.

14 (b) The office shall be responsible for:

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

17 (2) Developing destination management action plans for
18 each county:

19 (3) Arranging for the conduct of research through
20 contractual services with the university of Hawaii or
21 any agency or other qualified persons concerning



1 social, economic, and environmental aspects of tourism
2 development in the State; and

3 (4) Providing technical or other assistance to agencies
4 and private industry upon request.

5 (c) The office may delegate to staff the responsibility
6 for soliciting, awarding, and executing contracts and for
7 monitoring and facilitating any and all functions developed in
8 accordance with this section.

9 (d) Where public disclosure of information gathered or
10 developed by the office may place a business at a competitive
11 disadvantage or may impair or frustrate the office's ability to
12 either compete as a visitor destination or obtain or use
13 information for a legitimate government function, the office may
14 withhold from public disclosure competitively sensitive
15 information, including:

16 (1) Completed survey forms and questionnaire forms;
17 (2) Coding sheets; and
18 (3) Database records of the information.

19 **§201-H Tourism emergency.** (a) If the office determines
20 that the occurrence of a world conflict, terrorist threat,
21 national or global economic crisis, natural disaster, outbreak



1 of disease, or other catastrophic event adversely affects
2 Hawaii's tourism industry by resulting in a substantial
3 interruption in the commerce of the State and adversely
4 affecting the welfare of its people, the office shall submit a
5 request to the governor to declare that a tourism emergency
6 exists.

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

19 **§201-I Tourism emergency special fund.** (a) There is
20 established outside the state treasury a tourism emergency
21 special fund to be administered by the office, into which shall



1 be deposited the revenues prescribed by section 237D-6.5(b) and
2 all investment earnings credited to the assets of the fund.

3 (b) Moneys in the special fund shall be used exclusively
4 to provide for the development and implementation of emergency
5 measures to respond to any tourism emergency pursuant to section
6 201-H, including providing emergency assistance to tourists
7 during the tourism emergency.

8 (c) Use of the special fund, consistent with subsection
9 (b), shall be provided for in articles, bylaws, resolutions, or
10 other instruments executed by the office as administrator for
11 the special fund.

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



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

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

3 (1) A portion of the revenues from the transient
4 accommodations tax, as provided by section 237D-6.5;
5 (2) All revenues or moneys derived from the operations of
6 the convention center to include all revenues from the
7 food and beverage service, all revenues from the
8 parking facilities or from any concession, and all
9 revenues from the sale of souvenirs, logo items, or
10 any other items offered for purchase at the convention
11 center;
12 (3) Private contributions, interest, compensation, gross
13 or net revenues, proceeds, or other moneys derived
14 from any source or for any purpose arising from the
15 use of the convention center facility; and
16 (4) Appropriations by the legislature for marketing the
17 facility pursuant to section 201-G(a) (7).

18 (b) Moneys in the convention center enterprise special
19 fund shall be used by the office for the payment of expenses
20 arising from any and all use, operation, maintenance,



1 alteration, improvement, or any unforeseen or unplanned repairs
2 of the convention center, including without limitation the food
3 and beverage service and parking service provided at the
4 convention center facility; the sale of souvenirs, logo items,
5 or other items; for any future major repair, maintenance, and
6 improvement of the convention center facility as a commercial
7 enterprise or as a world class facility for conventions,
8 entertainment, or public events; and for marketing the facility
9 pursuant to section 201-G(a) (7).

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

12 (1) Placed in interest-bearing accounts; provided that the
13 depository in which the money is deposited furnishes
14 security as provided in section 38-3; or
15 (2) Otherwise invested by the office until such time as
16 the moneys may be needed; provided that the office
17 shall limit its investments to those listed in section
18 36-21.

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



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

12 **§201-M Court proceedings; preferences; venue.** (a) Any
13 action or proceeding to which the office, the State, or the
14 county may be a party, in which any question arises as to the
15 validity of this chapter, shall be preferred over all other
16 civil cases, except election cases, in the circuit court of the
17 circuit in which the case or controversy arises, and shall be
18 heard and determined in preference to all other civil cases
19 pending therein, except election cases, irrespective of position
20 on the calendar.



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

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

18 **S201-N Assistance by state and county agencies.** Any state
19 or county agency may render services upon request of the office.

20 **\$201-O Annual report.** The office shall submit a complete
21 and detailed report of its activities, expenditures, and



1 results, including the progress of the strategic tourism
2 management plan developed pursuant to section 201-E, toward
3 achieving the office's strategic plan goals, to the governor and
4 legislature no later than twenty days prior to the convening of
5 each regular session of the legislature. The annual report
6 shall include the descriptions and evaluations of programs
7 funded, together with any recommendations by the office."

PART IV

9 SECTION 4. Section 28-8.3, Hawaii Revised Statutes, is
10 amended as follows:

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

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

19 (1) By the public utilities commission, the labor and
20 industrial relations appeals board, and the Hawaii
21 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 [+(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 2. By amending subsection (c) to read:

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

19 SECTION 5. Section 36-27, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:



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

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

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

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

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

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

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

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

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

19 (9) Hawaii health systems corporation special funds and
20 the subaccounts of its regional system boards;



- 1 (10) Universal service fund established under section 269-
- 2 42;
- 3 (11) Emergency and budget reserve fund under section 328L-
- 4 3;
- 5 (12) Public schools special fees and charges fund under
- 6 section 302A-1130;
- 7 (13) Sport fish special fund under section 187A-9.5;
- 8 (14) Neurotrauma special fund under section 321H-4;
- 9 (15) Glass advance disposal fee established by section
- 10 342G-82;
- 11 (16) Center for nursing special fund under section 304A-
- 12 2163;
- 13 (17) Passenger facility charge special fund established by
- 14 section 261-5.5;
- 15 (18) Solicitation of funds for charitable purposes special
- 16 fund established by section 467B-15;
- 17 (19) Land conservation fund established by section 173A-5;
- 18 (20) Court interpreting services revolving fund under
- 19 section 607-1.5;
- 20 (21) Trauma system special fund under section 321-22.5;
- 21 (22) Hawaii cancer research special fund;



- 1 (23) Community health centers special fund;
- 2 (24) Emergency medical services special fund;
- 3 (25) Rental motor vehicle customer facility charge special
4 fund established under section 261-5.6;
- 5 (26) Shared services technology special fund under section
6 27-43;
- 7 (27) Automated victim information and notification system
8 special fund established under section 353-136;
- 9 (28) Deposit beverage container deposit special fund under
10 section 342G-104;
- 11 (29) Hospital sustainability program special fund under
12 section 346G-4;
- 13 (30) Nursing facility sustainability program special fund
14 under section 346F-4;
- 15 (31) Hawaii 3R's school improvement fund under section
16 302A-1502.4;
- 17 (32) After-school plus program revolving fund under section
18 302A-1149.5;
- 19 (33) Civil monetary penalty special fund under section 321-
20 30.2;



18 SECTION 6. Section 36-30, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:
20 "(a) Each special fund, except the:



- 1 (1) Special out-of-school time instructional program fund
- 2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
- 4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 (4) Special funds established by section 206E-6;
- 7 (5) Aloha Tower fund created by section 206J-17;
- 8 (6) Funds of the employees' retirement system created by
- 9 section 88-109;
- 10 (7) Hawaii hurricane relief fund established under chapter
- 11 431P;
- 12 (8) Convention center enterprise special fund established
- 13 under section [201B-8-] 201-K;
- 14 (9) Hawaii health systems corporation special funds and
- 15 the subaccounts of its regional system boards;
- 16 (10) Universal service fund established under section 269-
- 17 42;
- 18 (11) Emergency and budget reserve fund under section 328L-
- 19 3;
- 20 (12) Public schools special fees and charges fund under
- 21 section 302A-1130;



- 1 (13) Sport fish special fund under section 187A-9.5;
- 2 (14) Neurotrauma special fund under section 321H-4;
- 3 (15) Center for nursing special fund under section 304A-
- 4 2163;
- 5 (16) Passenger facility charge special fund established by
- 6 section 261-5.5;
- 7 (17) Court interpreting services revolving fund under
- 8 section 607-1.5;
- 9 (18) Trauma system special fund under section 321-22.5;
- 10 (19) Hawaii cancer research special fund;
- 11 (20) Community health centers special fund;
- 12 (21) Emergency medical services special fund;
- 13 (22) Rental motor vehicle customer facility charge special
- 14 fund established under section 261-5.6;
- 15 (23) Shared services technology special fund under section
- 16 27-43;
- 17 (24) Nursing facility sustainability program special fund
- 18 established pursuant to section 346F-4;
- 19 (25) Automated victim information and notification system
- 20 special fund established under section 353-136;



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

3 (27) Civil monetary penalty special fund under section 321-
4 30.2; and

5 [+] (28) [+] Stadium development special fund under section
6 109-3.5,
7 shall be responsible for its pro rata share of the
8 administrative expenses incurred by the department responsible
9 for the operations supported by the special fund concerned."

10 SECTION 7. Section 84-18, Hawaii Revised Statutes, is
11 amended by amending subsection (e) to read as follows:
12 "(e) Subject to the restrictions imposed in subsections
13 (a) through (d), the following individuals shall not represent
14 any person or business for a fee or other consideration
15 regarding any legislative action or administrative action, as
16 defined in section 97-1, for twelve months after termination
17 from their respective positions:

18 (1) The governor;

19 (2) The lieutenant governor;

20 (3) The administrative director of the State;

21 (4) The attorney general;



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



1 (23) The executive administrator of the board of regents of
2 the University of Hawaii;

3 (24) The administrator of the office of Hawaiian affairs;

4 (25) The chief information officer;

5 (26) The executive director of the agribusiness development
6 corporation;

7 (27) The executive director of the campaign spending
8 commission;

9 (28) The executive director of the Hawaii community
10 development authority;

11 (29) The executive director of the Hawaii housing finance
12 and development corporation;

13 [(30) ~~The president and chief executive officer of the~~
14 ~~Hawaii tourism authority;~~

15 [(31)] (30) The executive officer of the public utilities
16 commission;

17 [(32)] (31) The state auditor;

18 [(33)] (32) The director of the legislative reference
19 bureau;

20 [(34)] (33) The ombudsman;



19 SECTION 8. Section 225P-3, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "(c) The commission shall include the following members:



- (1) The chairs of the standing committees of the legislature with subject matter jurisdiction encompassing environmental protection and land use;
- (2) The chairperson of the board of land and natural resources or the chairperson's designee, who shall be the co-chair of the commission;
- (3) The director of the office of planning and sustainable development or the director's designee, who shall be the co-chair of the commission;
- (4) The director of business, economic development, and tourism or the director's designee;
- (5) The chairperson of the ~~board of directors of the Hawaii tourism authority~~ advisory board on tourism established pursuant to section 201-C or the chairperson's designee;
- (6) The chairperson of the board of agriculture and biosecurity or the chairperson's designee;
- (7) The chief executive officer of the office of Hawaiian affairs or the officer's designee;
- (8) The chairperson of the Hawaiian homes commission or the chairperson's designee;



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

13 "§237-24.75 **Additional exemptions.** In addition to the
14 amounts exempt under section 237-24, this chapter shall not
15 apply to:

16 (1) Amounts received as a beverage container deposit
17 collected under chapter 342G, part VIII;
18 (2) Amounts received by the operator of the Hawaii
19 convention center for reimbursement of costs or
20 advances made pursuant to a contract with the [Hawaii



~~tourism authority~~] office of tourism under section

[201B-7;] 201-G; and

(3) Amounts received by a professional employer organization that is registered with the department of labor and industrial relations pursuant to chapter 373L, from a client company equal to amounts that are disbursed by the professional employer organization for employee wages, salaries, payroll taxes, insurance 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

(B) A determination by the department that the professional employer organization has failed to



1 pay any tax withholding for covered employees or
2 any federal or state taxes for which the
3 professional employer organization is
4 responsible.

5 As used in this paragraph, "professional employer
6 organization", "client company", and "covered
7 employee" shall have the meanings provided in section
8 373L-1."

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

11 " (b) Except for the revenues collected pursuant to section
12 237D-2(e), revenues collected under this chapter shall be
13 distributed in the following priority, with the excess revenues
14 to be deposited into the general fund:

15 (1) \$1,500,000 shall be allocated to the Turtle Bay
16 conservation easement special fund beginning July 1,
17 2015, for the reimbursement to the state general fund
18 of debt service on reimbursable general obligation
19 bonds, including ongoing expenses related to the
20 issuance of the bonds, the proceeds of which were used
21 to acquire the conservation easement and other real



1 property interests in Turtle Bay, Oahu, for the
2 protection, preservation, and enhancement of natural
3 resources important to the State, until the bonds are
4 fully amortized;

5 (2) \$11,000,000 shall be allocated to the convention
6 center enterprise special fund established under
7 section [201B-8~~7~~] 201-K;

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

13 (4) \$3,000,000 shall be allocated to the special land and
14 development fund established under section 171-19;
15 provided that the allocation shall be expended in
16 accordance with the Hawaii tourism authority strategic
17 plan for:

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



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

2 and

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

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

PART V

11 SECTION 11. All rights, powers, functions, and duties of
12 the Hawaii tourism authority are transferred to the office of
13 tourism within the department of business, economic development,
14 and tourism.

15 All employees who occupy civil service positions and whose
16 functions are transferred to the office of tourism by this Act
17 shall retain their civil service status, whether permanent or
18 temporary. Employees shall be transferred without loss of
19 salary, seniority (except as prescribed by applicable collective
20 bargaining agreements), retention points, prior service credit,
21 any vacation and sick leave credits previously earned, and other



1 rights, benefits, and privileges, in accordance with state
2 personnel laws and this Act; provided that the employees possess
3 the minimum qualifications and public employment requirements
4 for the class or position to which transferred or appointed, as
5 applicable; provided further that subsequent changes in status
6 may be made pursuant to applicable civil service and
7 compensation laws.

8 Any employee who, prior to this Act, is exempt from civil
9 service and is transferred as a consequence of this Act may
10 retain the employee's exempt status, but shall not be appointed
11 to a civil service position as a consequence of this Act. An
12 exempt employee who is transferred by this Act shall not suffer
13 any loss of prior service credit, vacation or sick leave credits
14 previously earned, or other employee benefits or privileges as a
15 consequence of this Act; provided that the employees possess
16 legal and public employment requirements for the position to
17 which transferred or appointed, as applicable; provided further
18 that subsequent changes in status may be made pursuant to
19 applicable employment and compensation laws. The director of
20 business, economic development, and tourism may prescribe the



1 duties and qualifications of these employees and fix their
2 salaries without regard to chapter 76, Hawaii Revised Statutes.

3 SECTION 12. All appropriations, records, equipment,
4 machines, files, supplies, contracts, books, papers, documents,
5 maps, and other personal property heretofore made, used,
6 acquired, or held by the Hawaii tourism authority relating to
7 the functions transferred to the office of tourism shall be
8 transferred with the functions to which they relate.

9 SECTION 13. All rules, policies, procedures, guidelines,
10 and other material adopted or developed by the Hawaii tourism
11 authority to implement provisions of the Hawaii Revised Statutes
12 that are reenacted or made applicable to the office of tourism
13 by this Act shall remain in full force and effect until amended
14 or repealed by the office of tourism pursuant to chapter 91,
15 Hawaii Revised Statutes.

16 In the interim, every reference to the Hawaii tourism
17 authority in those rules, policies, procedures, guidelines, and
18 other material is amended to refer to the office of tourism, as
19 appropriate.

20 SECTION 14. All deeds, leases, contracts, loans,
21 agreements, permits, or other documents executed or entered into



1 by or on behalf of the Hawaii tourism authority, pursuant to the
2 provisions of the Hawaii Revised Statutes, that are reenacted or
3 made applicable to the office of tourism by this Act shall
4 remain in full force and effect. Upon the effective date of
5 this Act, every reference to the Hawaii tourism authority or its
6 president and chief executive officer therein shall be construed
7 as a reference to the office of tourism, or the director of
8 business, economic development, and tourism, as appropriate.

PART VI

10 SECTION 15. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2026-2027 to be
13 allocated for the following positions established in section 3
14 of this Act:

15 (1) \$ for one full-time equivalent (1.0 FTE)

16 office of tourism manager;

17 (2) for two full-time equivalent (2.0 FTE)

18 administrative assistants to the office of tourism

19 manager;

20 (3) \$ for one full-time equivalent (1.0 FTE)

21 chief brand officer;



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

15 The sum appropriated shall be expended by the department of
16 business, economic development, and tourism for the purposes of
17 this Act.

18 SECTION 16. This Act does not affect rights and duties
19 that matured, penalties that were incurred, and proceedings that
20 were begun before its effective date.



1 SECTION 17. In codifying the new sections added by section
2 3 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

5 SECTION 18. Sections 6E-18, 23-13, 23-76, 46-11, 76-16,
6 and 206E-34, Hawaii Revised Statutes, are amended by
7 substituting the words "office of tourism" whenever the words
8 "Hawaii tourism authority" appear, as the context requires.

9 SECTION 19. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 20. This Act shall take effect on July 1, 3000;
12 provided that section 15 of this Act shall take effect on July
13 1, 2026.



Report Title:

Office of Tourism; Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; Repeal; Appropriation

Description:

Repeals the Hawaii Tourism Authority. Establishes the Office of Tourism within the Department of Business, Economic Development, and Tourism. Appropriates funds. Effective 7/1/3000. (HD1)

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

