

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

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DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1947, H.D.1, Relating to Tourism

BEFORE THE:

House Committee Judiciary & Hawaiian Affairs

DATE: Thursday, February 19, 2026

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 325

Chair Tarnas, Vice-Chair Poepoe, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 1947, H.D.1, for your consideration.

Part II, Section 2, of H.B. 1947, H.D.1, repeals in its entirety chapter 201B, Hawaii Revised Statutes (HRS) thereby eliminating the Hawaii Tourism Authority (HTA).

Part III, Section 3, of the bill adds a new part to chapter 201, HRS, establishing within the Department of Business, Economic Development, and Tourism, the "Office of Tourism" (OOT) to replace the HTA, and an "Advisory Board on Tourism." The focus of the OOT is primarily on developing a strategic tourism management plan that advances tourism marketing, complies with destination management best practices, and promotes regenerative tourism. The OOT is also tasked to conduct activities to meet the objectives of each county's destination management action plan, with assistance from state and county agencies.

New section 201-I, HRS, creates a new "Tourism Emergency Special Fund" (TESF) to be administered by the Division and which will be funded with deposits from the revenues generated under section 237D-6.5(b), HRS.

New section 201-K, HRS, creates a new “Convention Center Enterprise Special Fund” (CCESF) which will be partially funded with a portion of the revenues generated from the Transient Accommodations Tax (TAT) as provided by section 237D-6.5(b)(2).

New section 201-L, HRS, provides that all revenues and receipts derived by the OOT from any project, project agreement, or other agreement “pertaining thereto” will be exempt from all Hawai’i taxes.

The bill provides additional conforming amendments to update statutory references which align with newly created sections and agencies and ensure exemptions and funding allocations remain consistent under the revised organizational structure.

The bill has defective effective date of July 1, 3000, with Part VI, section 15 (regarding appropriations for staffing) taking effect on July 1, 2026.

DOTAX can make the necessary form instruction changes to reflect the amendments in section 9 of the bill with an effective date of January 1, 2027.

Thank you for the opportunity to provide comments on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKAI

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Thursday, February 19, 2026
2:00 PM
State Capitol, Conference Room 325

In consideration of
HB 1947, HD1
RELATING TO TOURISM.

Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

I respectfully oppose House Bill 1947, HD1, which seeks to repeal the Hawai'i Tourism Authority (HTA) and establish the Office of Tourism within the Department of Business, Economic Development and Tourism (DBEDT).

The passing of SB1571 during the 2025 Hawai'i Legislative Session designated the Hawai'i Tourism Authority Board of Directors as an advisory board, requires a member of the Board to represent a tourism-impacted entity, requires the Authority's President and Chief Executive Officer to report to the Governor, and exempted all positions within the Authority from the State's Civil Service Law to provide greater flexibility to recruit skilled professionals to carry out its mission.

These amendments, among others, are an effort to improve, strengthen and rebuild public trust in the Authority by ensuring leadership accountability and proper oversight.

Since SB1571 was signed into law by Governor Green as Act 132, the advisory board has convened full advisory board meetings; established committees – Administrative, Branding, and Ho'okahua Hawai'i (which provides strategic guidance on destination stewardship, the perpetuation of Hawaiian culture, the development and enhancement of visitor experiences, workforce development, and planning) – as well as new committees for Sports Tourism and Film Tourism; and created Permitted Interaction Groups for HTA's CEO search and strategic plan.

In addition, the following FY 2026 priorities were identified by the HTA:

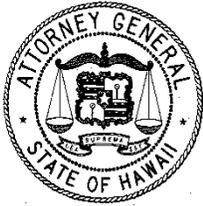
- Strengthen and diversify tourism's overall contribution to Hawai'i's economy through coordinated, market-appropriate branding and marketing activities with HTA's global marketing team, including increasing demand for sustainable, regenerative and experiential travel.
- Advance destination stewardship for Hawai'i, including growing HTA's sports portfolio to increase exposure of the Hawaiian Islands and support Hawai'i's communities and youth through professional sporting events, building the capacity of small businesses and community organizations, and developing a destination management app to manage tourism impacts.
- Improve interagency, visitor industry and community coordination and collaboration in destination management, workforce development, creative industries, DBEDT's Hawai'i Made program and agritourism.
- Perform essential repairs to the rooftop terrace deck of the Hawai'i Convention Center and reach specified milestones to ensure the completion of these repairs in 2027.

The Governor and the Legislature have provided the framework for the HTA to carry out its mission to strategically manage Hawai'i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires and visitor industry needs.

HB1947, HD1, notes that a change in culture, direction and organizational structure is needed to promote and protect tourism as a highly valuable asset for the State and its people, which Act 132 does by shifting governance roles, restructuring the board, and enhancing hiring flexibility, all aiming to restore confidence and operational effectiveness.

I respectfully request that the Committees allow the current progress to continue as a result of Act 132 and oppose HB1947, HD1. Repealing HTA now would create instability, delay critical projects and programs, and undermine collaborative efforts already underway.

Mahalo for the opportunity to testify.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:

H.B. NO. 1947, H.D. 1, RELATING TO TOURISM.

BEFORE THE:

HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

DATE: Thursday, February 19, 2026 **TIME:** 2:00 p.m.

LOCATION: State Capitol, Room 325

TESTIFIER(S): Anne E. Lopez, Attorney General, or
John E. Cole or Christopher J.I. Leong, Deputy Attorneys General

Chair Tarnas and Members of the Committee:

The Department of the Attorney General (Department) opposes establishing the position of "attorney and compliance officer" within the new Office of Tourism (page 9, line 11) and provides an additional comment.

This bill repeals the Hawaii Tourism Authority and establishes the Office of Tourism within the Department of Business, Economic Development and Tourism (DBEDT).

The Department respectfully opposes establishing the position of "attorney and compliance officer" within the new Office of Tourism (section 201-D(b)(4); page 9, line 11), and requests that this position be removed, changed to "compliance officer" or otherwise redescribed. As a general matter, state agencies should be advised by the Department. The position of "attorney and compliance officer" is also noted in section 15(8) of the bill that appropriates funds for the Office of Tourism positions (page 45, lines 9-10).

The Department serves as legal counsel to the State of Hawai'i, which statutory obligation includes providing legal services to state agencies. Because it is the largest legal entity of the State, with a number of diverse divisions, the Department is best suited to provide legal advice to its state clients on a broad array of matters and therefore, as a general matter, state agencies should be advised by deputy attorneys general. By utilizing attorneys representing state agencies within the Department, state

agencies benefit from the wide range of experience and expertise in a cost-effective and conflict-free manner. Additionally, because state agencies are regulated by a variety of laws not applicable in private practice – including the Procurement Code, the Sunshine Law, the Ethics Code, and the Uniform Information Practices Act – the Department's expertise representing state agencies in these areas would be difficult for private attorneys to duplicate, and certainly not without additional expense. Finally, because deputy attorneys general are separate and apart from the agencies they represent, they are insulated from political issues that may arise within an agency. This insulation permits the Department to provide objective legal counsel.

For these reasons, we respectfully request that the position of "attorney and compliance officer" be removed, changed to "compliance officer," or otherwise redescribed.

The Department also notes that section 201-C(d), on page 8, lines 10-14, states: "seven members shall constitute a quorum, and a minimum of seven affirmative votes shall be necessary for all actions by the office." Typically, advisory boards do not make binding decisions. Unless the intent is for the advisory board to make decisions for the Office of Tourism, the phrase "and a minimum of seven affirmative votes shall be necessary for all actions by the office" should be deleted.

Thank you for the opportunity to testify.



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TESTIMONY OF
CAROLINE ANDERSON
Interim President & CEO
Hawai'i Tourism Authority
before the
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

February 19, 2026
2 p.m.
State Capitol, Room 325

In consideration of
HB 1947 HD 1
RELATING TO TOURISM

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Hawai'i Tourism Authority (HTA) respectfully opposes HB 1947 HD1, which repeals the HTA and establishes the Office of Tourism within the Department of Business, Economic Development, and Tourism. We appreciate the opportunity to express our concerns about HB 1947 HD1, which would replace the existing law, which was founded on best practices and refined over its 25 years of existence.

Last year, the Legislature passed SB1571, which Gov. Josh Green signed into law as Act 132. The act transformed HTA's governance, thereby strengthening transparency, streamlining accountability, and enabling clearer decision-making. Considering the recent governance improvements and the resulting transformation at HTA, dissolving the HTA offers fewer advantages than the known drawbacks of the structure proposed in HB1947 HD1.

Our second concern is that HB 1947 HD1 transfers HTA's current responsibilities to the Office of Tourism while reducing staff from 30 to just 12 full-time positions.

We are also concerned that HB 1947 HD 1 does not recognize the reason the legislature moved HTA out of a state agency in 1998 with the signing of SB 2259— the state's tourism agency (HTA) should not operate like most other state agencies. Further embedding it as a state office is likely to force it to operate like one rather than aligning its functions with the industry it is supposed to serve. HTA and Hawai'i's tourism industry compete globally with other destinations, other countries, cities, and states for visitors, conventions, and investments. Most state agencies do not compete with other states, cities, or countries for resources. State policy shapes most state agencies' plans. HTA must shape its plans around the market and state policy.

HTA is already administratively attached to DBEDT, providing us with DBEDT leadership, process improvements, expertise, and ongoing close partnerships. We've especially benefited during this time of transition, as the permanent CEO position is being filled and many of HTA's leaders continue to fill multiple open roles each. Through this, we know that HTA does not need to become an office within DBEDT to benefit from its guidance and partnership.

Mahalo for the opportunity to share our comments in respectful opposition to HB 1947 HD1.

OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Nalani Ka'auwai Brun
Director, Office of Economic Development
County of Kaua'i

Before the House Committee on Judiciary & Hawaiian Affairs (JHA)

Rep. David A. Tarnas, Chair
Rep. Mahina Poepoe, Vice Chair

Thursday, February 19, 2026 – 2:00 PM
Conference Room 325 & Videoconference

Re: HB1947 HD1 – Relating to Tourism

Honorable Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

I respectfully **oppose HB1947 HD1**.

This measure repeals the Hawai'i Tourism Authority and reestablishes an Office of Tourism within DBEDT. While I understand the desire to reset governance, this proposal raises significant structural concerns — particularly for the neighbor islands.

Tourism impacts are not uniform across the state. Kaua'i's challenges differ from Maui's. Maui's differ from Hawai'i Island's. O'ahu operates at a different scale altogether. Effective destination management requires meaningful island-level engagement and on-the-ground coordination.

Under this proposal, the Advisory Board on Tourism is advisory only. It does not carry governing authority. There is no statutory requirement for island-based destination managers or formalized island representation in operational decision-making. Without built-in structural guarantees, neighbor island voices risk becoming consultative rather than influential. That has long been a challenge in state governance, and this bill does not resolve it.

If the Legislature proceeds with restructuring, I strongly urge that the statute require designated destination management leads for each island, with clear authority to coordinate with counties, community stakeholders, and state agencies. Destination management is inherently place-based. It cannot be effectively administered solely from a centralized office. Island-level accountability and engagement must be embedded in the structure — not left to administrative discretion.

There is also a broader concern. Hawai'i originally moved from an Office of Tourism model to an independent authority structure because tourism — as a global visitor industry — requires agility, procurement flexibility, and operational responsiveness. The shift away from the old Office model was intentional.

This bill brings us back to that structure.

The visitor industry is a business. It competes globally. Business functions do not perform well when constrained by traditional government operating structures and administrative processes. While DBEDT may be the most logical department if tourism must sit within a state agency, DBEDT already carries an expansive and highly diversified mandate.

Tourism is one of Hawai'i's largest economic drivers and deserves focused leadership and coordinated execution.

HB1947 HD1 dissolves the existing authority model without clearly demonstrating that the replacement structure will strengthen island representation, preserve on-the-ground coordination, or improve operational agility.

Governance reform should move us forward. This proposal risks recreating challenges the State previously sought to correct.

For these reasons, I respectfully urge the Committee to reconsider this measure.

Mahalo for the opportunity to testify.



COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

Rep. David A. Tarnas, Chair

Rep. Mahina Poepoe, Vice Chair

OPPOSED HB1947 HD1

Aloha Chair Tarnas, Vice Chair Poepoe and committee members,

My name is Antoinette Davis, and I have had the honor of serving as Executive Director of the Activities and Attractions Association of Hawai'i (A3H), a 501(c)(6) not-for-profit trade organization, since 1997. On behalf of our members, A3H **strongly opposes** the proposed repeal of the Hawai'i Tourism Authority (HTA).

We strongly oppose repealing HTA. Whether one supports or criticizes the agency, the reality is that tourism remains Hawai'i's primary economic engine, and the State must maintain a dedicated, well-funded entity responsible for marketing and brand stewardship. Hawai'i cannot afford a retreat from strategic marketing—or to subject those efforts to additional hurdles and restrictive conditions that weaken our competitiveness. Continued oversight through DBEDT is prudent and provides an appropriate structure for accountability.

HD1 attempts to save this measure by **removing the assignment of destination management to DLNR** – HB1947 is still lacking.

If the Legislature's intent is to improve HTA, there are more workable solutions already before you, including **SB2907**, **SB2906**, and **HB2447**.

Mahalo for your time, consideration, and the opportunity to testify.

Toni

Toni Marie Davis
Executive Director
Activities & Attractions Association of Hawaii, Inc.
Statewide 501 (c) (6) not-for-profit Trade Association
PO Box 598, Makawao, Hawaii 96768
(808)871-7947



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 Suite A-143A, #249
 Honolulu, HI 96825
 Phone: 808/933/9411
 Email: hfia@hawaiiiforest.org

Date:02/18/26

TO: Chair Tarnas, Vice Chair Poepoe, JHA Committee members Belatti, Cochran, Hashem, Kahaloa, Sayama, Takayama, Garcia and Shimizu

FROM: Hawaii Forest Association (HFA)

SUBJECT: In opposition of HB1947 Relating to Tourism

Dear Chair Tarnas, Vice Chair Poepoe, and JHA Committee members,

On behalf of the Hawai'i Forest Association (HFA) directors and members, I urge you to **oppose HB1947** which repeals the Hawaii Tourism Authority and establishes the Office of Tourism within the Department of Business, Economic Development, and Tourism.

The Hawaii Tourism Authority (HTA) plays a vital role in attracting tourists to our islands and supports the wide variety of public and private businesses and activities those visitors invest their time and money in while in Hawaii. For example, the HTA has long supported the Hawai'i Forest Association's annual flagship event, Hawaii's Woodshow - the only statewide juried woodworking exhibition. Every year out-of-state visitors enjoy the show, some returning each year. Frequently, these visitors make purchases, supporting both the HFA and participating local artists, as well. So many other small businesses, organizations, projects, and events benefit from the HTA's existence and support similarly.

Furthermore, having an experienced department that specifically serves the tourism industry is important during this time of economic uncertainty. Dividing HTA's roles and activities into multiple departments, especially departments that have little or no experience in tourism, will only set us back in our goal of expanding beneficial tourism opportunities that uplift Hawaii businesses and residents.

The Hawai'i Forest Association recognizes that the HTA was established to assist counties and communities across Hawaii in addressing the impacts and challenges of the visitor industry related to transportation, infrastructure, public safety, land management, water and more. Because these challenges are wide ranging, Hawaii needs one entity whose primary responsibility is to address these hurdles through tourism coordination and destination management and to uplift Hawaii's many private and public activities and services provided to visitors.

For these reasons, please oppose HB1947.

Mahalo,

Irene Sprecher, President
 Hawaii Forest Association

HFA's mission is to promote healthy and productive forests and a sustainable forest industry through management, education, planning, information exchange, and advocacy.

HFA Board of Directors

Officers: President Irene Sprecher, Vice President Taylor Coons, Secretary Nicholas Koch
 Directors: Jeremy Campbell, Doug, Michael Sowards, Aileen Yeh, Aaron Hammer, Tawn Speetjens

<p>HFA's members include woodworkers, landowners, sawmillers, foresters, educators, researchers, arborists, students and more.</p>	<p>50% of HFA members are business owners, employing nearly 150 people across the State.</p>	<p>HFA actively manages five restoration and/or native plant demonstration sites between Hawai'i island and Oahu.</p>
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<p>HFA members and their employees reside and work in 64 of the 76 Hawaii House and Senate districts.</p>	<p>HFA members reside across the Hawaiian Islands, with a majority of members on Hawai'i Island and O'ahu, as well as members located in the continental US, Canada and Guam.</p>	<p>HFA, with its sister organization, the Hawaii Forest Institute, engages in regular outreach and education.</p>
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HB-1947-HD-1

Submitted on: 2/19/2026 9:33:42 AM

Testimony for JHA on 2/19/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gregory Misakian	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB1947 HD1.

Gregory Misakian