

ACT 187

S.B. NO. 866

A Bill for an Act Relating to Tourism.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that the *Special Master's Report to the Hawaii Tourism Authority on Recommendations Regarding The Hawaii Visitors and Convention Bureau*, dated December 31, 2003, by the Candon Consulting Group, LLC, recommended that the independence of the respective boards of directors of the Hawaii tourism authority and the Hawaii Visitors and Convention Bureau be preserved. The report states:

“There have been and are individuals who have served consecutively as Directors of both the HTA Board and the HVCB Board and visa-versa. This

situation invites questions about the arm's length nature of the relationship between these two Boards and their respective organizations. If enough members of each Board regularly switch from one to the other, the independence of each entity would diminish or disappear."

The legislature finds that the problem is especially improper in the awarding of tourism marketing contracts to the Hawaii Visitors and Convention Bureau by the Hawaii tourism authority, notwithstanding the request for proposals procurement process. In addition, there is the unstated but evident problem of the inability to obtain innovative and fresh marketing ideas when the bidder and the agency are effectively one and the same.

The purpose of this Act is to prohibit anyone who has served on the board of directors of the Hawaii Visitors and Convention Bureau, a private entity, from serving on the board of the Hawaii tourism authority for a two-year period immediately following service on the board of the Hawaii Visitors and Convention Bureau.

SECTION 2. Section 201B-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The authority shall be headed by a policy-making board of directors which consists of twelve public, voting members, and four ex officio nonvoting members; provided that:

- (1) Twelve public, voting members shall be appointed by the governor as provided in section 26-34, except as otherwise provided by law;
 - (2) The twelve public, voting members shall be composed of at least one representative each from the city and county of Honolulu and the counties of Hawaii, Kauai, and Maui; the remaining public members shall be appointed at-large;
 - (3) Of the twelve public, voting members, three shall be appointed by the governor from a list of three names submitted for each appointment by the president of the senate, and three shall be appointed by the governor from a list of three names submitted for each appointment by the speaker of the house of representatives; provided that if fewer than three names are submitted for each appointment, the governor may disregard the list;
 - (4) At least six of the twelve public, voting members shall have knowledge, experience, and expertise in the area of visitor industry management, marketing, promotion, transportation, retail, entertainment, or visitor attractions, and at least one shall have knowledge, experience, and expertise in the area of Hawaiian cultural practices; provided that no more than three members shall represent, be employed by, or be under contract to any sector of the industry represented on the board;
 - (5) The governor shall make appointments to ensure the fulfillment of all requirements; provided that any appointments made after July 1, 2002, shall be made to fulfill the requirements in place when the appointments are made;
 - (6) The director of business, economic development, and tourism, or a designated representative, shall be an ex officio nonvoting member;
 - (7) The director of transportation, or a designated representative, shall be an ex officio nonvoting member;
 - (8) The chairperson of the board of land and natural resources, or a designated representative, shall be an ex officio nonvoting member;
- [and]

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- (9) The executive director of the state foundation on culture and the arts, or a designated representative, shall be an ex officio nonvoting member[-.];
and
- (10) No person who has served as a member of the board of directors of the Hawaii Visitors and Convention Bureau shall be eligible to sit as a public, voting member of the board of directors of the Hawaii tourism authority until at least two years have expired between the person's termination from service on the Hawaii Visitors and Convention Bureau board and the person's appointment to the authority's board of directors."

SECTION 3. Statutory material to be repealed is bracketed and stricken.
New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 15, 2007.)