



EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

**GOV. MSG. NO. 1234**

June 24, 2014

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

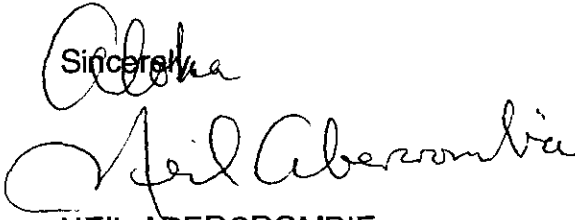
The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 24, 2014, the following bill was signed into law:

HB1692 HD2 SD2 CD1

RELATING TO TOURISM  
**ACT 131 (14)**

*Sincerely,*  
  
NEIL ABERCROMBIE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO TOURISM.

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

- 1 SECTION 1. Section 201B-3, Hawaii Revised Statutes, is  
2 amended to read as follows:
- 3 **\*§201B-3 Powers [~~and duties.~~], generally.** (a) Except as  
4 otherwise limited by this chapter, the authority may:
- 5 (1) Sue and be sued;
- 6 (2) Have a seal and alter the same at pleasure;
- 7 (3) Through its president and chief executive officer,  
8 make and execute contracts and all other instruments  
9 necessary or convenient for the exercise of its powers  
10 and functions under this chapter; provided that the  
11 authority may enter into contracts and agreements for  
12 a period of up to five years, subject to the  
13 availability of funds; and provided further that the  
14 authority may enter into agreements for the use of the  
15 convention center facility for a period of up to ten  
16 years;
- 17 (4) Make and alter bylaws for its organization and  
18 internal management;



- 1 (5) Unless otherwise provided in this chapter, adopt rules  
2 in accordance with chapter 91 with respect to its  
3 projects, operations, properties, and facilities;
- 4 (6) Through its president and chief executive officer,  
5 represent the authority in communications with the  
6 governor and the legislature;
- 7 (7) Through its president and chief executive officer,  
8 provide for the appointment of officers, agents, a  
9 sports coordinator, and employees, subject to the  
10 approval of the board, prescribing their duties and  
11 qualifications, and fixing their salaries, without  
12 regard to chapters 76 and 78, if there is no  
13 anticipated revenue shortfall in the tourism special  
14 fund and funds have been appropriated by the  
15 legislature and allotted as provided by law;
- 16 (8) Through its president and chief executive officer,  
17 purchase supplies, equipment, or furniture;
- 18 (9) Through its president and chief executive officer,  
19 allocate the space or spaces that are to be occupied  
20 by the authority and appropriate staff;
- 21 (10) Through its president and chief executive officer,  
22 engage the services of qualified persons to implement



- 1 the State's tourism marketing plan or portions thereof  
2 as determined by the authority;
- 3 (11) Through its president and chief executive officer,  
4 engage the services of consultants on a contractual  
5 basis for rendering professional and technical  
6 assistance and advice;
- 7 (12) Procure insurance against any loss in connection with  
8 its property and other assets and operations in  
9 amounts and from insurers as it deems desirable;
- 10 (13) Contract for or accept revenues, compensation,  
11 proceeds, and gifts or grants in any form from any  
12 public agency or any other source[, ~~including any~~  
13 ~~revenues or proceeds arising from the operation or use~~  
14 ~~of the convention center~~];
- 15 (14) Develop, coordinate, and implement state policies and  
16 directions for tourism and related activities taking  
17 into account the economic, social, and physical  
18 impacts of tourism on the State [~~and its natural~~  
19 ~~resources infrastructure, provided that the authority~~  
20 ~~shall support the efforts of other state and county~~  
21 ~~departments or agencies to manage, improve, and~~



- 1           ~~protect~~], Hawaii's natural environment, and areas  
2           frequented by visitors;
- 3           (15) Have a permanent, strong focus on [~~marketing and~~  
4           ~~promotion~~], Hawaii brand management;
- 5           (16) Conduct market development-related research as  
6           necessary;
- 7           (17) Coordinate all agencies and advise the private sector  
8           in the development of tourism-related activities and  
9           resources;
- 10          (18) Work to eliminate or reduce barriers to travel to  
11          provide a positive and competitive business  
12          environment, including coordinating with the  
13          department of transportation on issues affecting  
14          airlines and air route development;
- 15          (19) Market and promote sports-related activities and  
16          events;
- 17          (20) Coordinate the development of new products with the  
18          counties and other persons in the public sector and  
19          private sector, including the development of sports,  
20          culture, health and wellness, education, technology,  
21          agriculture, and nature tourism;



- 1 (21) Establish a public information and educational program  
2 to inform the public of tourism and tourism-related  
3 problems;
- 4 (22) Encourage the development of tourism educational,  
5 training, and career counseling programs;
- 6 (23) Establish a program to monitor, investigate, and  
7 respond to complaints about problems resulting  
8 directly or indirectly from the tourism industry and  
9 taking appropriate action as necessary;
- 10 (24) Develop and implement emergency measures to respond to  
11 any adverse effects on the tourism industry, pursuant  
12 to section 201B-9;
- 13 (25) Set and collect rents, fees, charges, or other  
14 payments for the lease, use, occupancy, or disposition  
15 of the convention center facility without regard to  
16 chapter 91;
- 17 (26) Notwithstanding chapter 171, acquire, lease as lessee  
18 or lessor, own, rent, hold, and dispose of the  
19 convention center facility in the exercise of its  
20 powers and the performance of its duties under this  
21 chapter; and



1 (27) Acquire by purchase, lease, or otherwise, and develop,  
2 construct, operate, own, manage, repair, reconstruct,  
3 enlarge, or otherwise effectuate, either directly or  
4 through developers, a convention center facility.

5 ~~[(b) The authority shall be responsible for:~~

6 ~~(1) Promoting, marketing, and developing the tourism~~  
7 ~~industry in the State;~~

8 ~~(2) Arranging for the conduct of research through~~  
9 ~~contractual services with the University of Hawaii or~~  
10 ~~any agency or other qualified persons concerning~~  
11 ~~social, economic, and environmental aspects of tourism~~  
12 ~~development in the State, provided that, where public~~  
13 ~~disclosure of information gathered by the authority~~  
14 ~~may place businesses at a competitive disadvantage and~~  
15 ~~impair or frustrate the authority's ability to obtain~~  
16 ~~information for a legitimate government function, the~~  
17 ~~authority may withhold from public disclosure~~  
18 ~~competitively sensitive information, including:~~

19 ~~(A) Completed survey and questionnaire forms;~~

20 ~~(B) Coding sheets; and~~

21 ~~(C) Database records of the information;~~



1       ~~(3) Providing technical or other assistance to agencies~~  
2       ~~and private industry upon request,~~

3       ~~(4) Creating a vision and developing a long range~~  
4       ~~strategic plan for tourism in Hawaii, and~~

5       ~~(5) Reviewing annually the expenditure of public funds by~~  
6       ~~any visitor industry organization with which the~~  
7       ~~authority contracts to perform tourism promotion,~~  
8       ~~marketing, and development and making recommendations~~  
9       ~~necessary to ensure the effective use of the funds for~~  
10       ~~the development of tourism. The authority shall also~~  
11       ~~prepare annually a report of expenditures, including~~  
12       ~~descriptions and evaluations of programs funded,~~  
13       ~~together with any recommendations the authority may~~  
14       ~~make and shall submit the report to the governor and~~  
15       ~~the legislature as part of the annual report required~~  
16       ~~under section 201B-16.~~

17       ~~(e)]~~ (b) The authority shall do any and all things  
18 necessary to carry out its purposes, to exercise the powers and  
19 responsibilities given in this chapter, and to perform other  
20 functions required or authorized by law.

21       (c) As used in this section, "Hawaii brand" shall have the  
22 same meaning as in section 201B-6."





1 SECTION 2. Section 201B-6, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 (a) The authority shall be responsible for developing a  
4 tourism marketing plan. The plan shall be a single,  
5 comprehensive document that shall be updated every year and  
6 ~~[includes]~~ include the following:

- 7 (1) Statewide ~~[promotional]~~ Hawaii brand management  
8 efforts and programs;
- 9 (2) Targeted markets;
- 10 (3) Efforts to enter into Hawaii brand ~~[marketing]~~  
11 management projects that make effective use of  
12 cooperative ~~[advertising]~~ programs;
- 13 (4) Program performance goals and targets that can be  
14 monitored as market gauges and used as attributes to  
15 evaluate the authority's ~~[promotional]~~ programs; and
- 16 (5) ~~[Coordination of marketing plans of all destination~~  
17 ~~marketing organizations receiving state funding prior~~  
18 ~~to finalization of the authority's marketing plan.]~~  
19 The authority's guidance and direction for the  
20 development and coordination of promotional and  
21 marketing programs that build and promote the Hawaii  
22 brand, which are implemented through contracts and



1 agreements with destination marketing organizations or  
2 other qualified organizations, including:

3 (A) Target markets and the results being sought;

4 (B) Key performance indicators; and

5 (C) Private sector collaborative or cooperative  
6 efforts that may be required.

7 As used in this section, "Hawaii brand" means the programs  
8 that collectively differentiate the Hawaii experience from other  
9 destinations."

10 SECTION 3. Section 201B-7, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 **"§201B-7 Tourism-related activities.** (a) The authority  
13 may enter into contracts and agreements that include the  
14 following:

15 (1) Tourism promotion, marketing, and development;

16 (2) Market development-related research;

17 (3) Product development and diversification issues focused  
18 on visitors;

19 (4) Promotion, development, and coordination of sports-  
20 related activities and events;



- 1           (5) Promotion of Hawaii, through a coordinated statewide  
2           effort, as a place to do business, including high  
3           technology business, and as a business destination;
- 4           (6) Reduction of barriers to travel;
- 5           (7) Marketing, management, use, operation, or maintenance  
6           of the convention center facility, including the  
7           purchase or sale of goods or services, logo items,  
8           concessions, sponsorships, and license agreements, or  
9           any use of the convention center facility as a  
10          commercial enterprise; provided that effective  
11          January 1, 2003, and thereafter, the contract for  
12          management of the convention center facility shall  
13          include marketing for all uses of the facility;
- 14          (8) Tourism research and statistics to:
- 15               (A) Measure and analyze tourism trends;
- 16               (B) Provide information and research to assist in the  
17               development and implementation of state tourism  
18               policy; and
- 19               (C) Provide tourism information on:
- 20                   (i) Visitor arrivals, visitor characteristics,  
21                   and expenditures;



- 1                   (ii) The number of transient accommodation units
- 2                                   available, occupancy rates, and room rates;
- 3                   (iii) Airline-related data including seat capacity
- 4                                   and number of flights;
- 5                   (iv) The economic, social, and physical impacts
- 6                                   of tourism on the State; and
- 7                   (v) The effects of the marketing programs of the
- 8                                   authority on the measures of effectiveness
- 9                                   developed pursuant to section 201B-6(b); and

10           (9) Any and all other activities necessary to carry out

11                   the intent of this chapter;

12 provided that the authority shall periodically submit a report

13 of the contracts and agreements entered into by the authority to

14 the governor, the speaker of the house of representatives, and

15 the president of the senate.

- 16           (b) The authority shall be responsible for:
- 17           (1) Creating a vision and developing a long-range
  - 18                                   strategic plan for tourism in Hawaii;
  - 19           (2) Promoting, marketing, and developing the tourism
  - 20                                   industry in the State;
  - 21           (3) Arranging for the conduct of research through
  - 22                                   contractual services with the University of Hawaii or



1 any agency or other qualified persons concerning  
2 social, economic, and environmental aspects of tourism  
3 development in the State;

4 (4) Providing technical or other assistance to agencies  
5 and private industry upon request;

6 (5) Perpetuating the uniqueness of the native Hawaiian  
7 culture and community, and their importance to the  
8 quality of the visitor experience, by ensuring that:

9 (A) The Hawaiian culture is accurately portrayed by  
10 Hawaii's visitor industry;

11 (B) Hawaiian language is supported and normalized as  
12 both an official language of the State as well as  
13 the foundation of the host culture that draws  
14 visitors to Hawaii;

15 (C) Hawaiian cultural practitioners and cultural  
16 sites that give value to Hawaii's heritage are  
17 supported, nurtured, and engaged in sustaining  
18 the visitor industry; and

19 (D) A native Hawaiian cultural education and training  
20 program is provided for the visitor industry  
21 workforce having direct contact with visitors;  
22 and



1       (6) Reviewing annually the expenditure of public funds by  
2       any visitor industry organization that contracts with  
3       the authority to perform tourism promotion, marketing,  
4       and development and making recommendations necessary  
5       to ensure the effective use of the funds for the  
6       development of tourism.

7       ~~[(b)]~~ (c) The authority may delegate to staff the  
8 responsibility for soliciting, awarding, and executing  
9 contracts~~[-]~~ and for monitoring and facilitating any and all  
10 functions developed in accordance with ~~[subsection (a)-]~~ this  
11 section.

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

19       (1) Completed survey forms and questionnaire forms;

20       (2) Coding sheets; and

21       (3) Database records of the information."



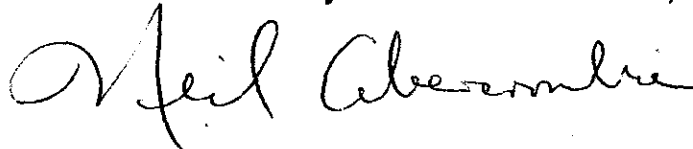
1 SECTION 4. Section 201B-16, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 \*~~{}~~\$201B-16~~{}~~ **Annual report.** The authority shall submit  
4 a complete and detailed report of its activities, expenditures,  
5 and results, including the progress of the tourism marketing  
6 plan developed pursuant to section 201B-6, toward achieving the  
7 authority's strategic plan goals, to the governor and the  
8 legislature at least twenty days prior to the convening of each  
9 regular session of the legislature. The annual report shall  
10 include the descriptions and evaluations of programs funded,  
11 together with any recommendations the authority may make."

12 SECTION 5. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect upon its approval.

APPROVED this 24 day of JUN , 2014



GOVERNOR OF THE STATE OF HAWAII

