



GOV. MSG. NO. 1274

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 27, 2012

The Honorable Shan Tsutsui, President
and Members of the Senate
Twenty-Sixth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker
and Members of the House
Twenty-Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on June 27, 2012, the following bill was signed into law:

SB490 SD3 HD1 CD1

RELATING TO THE HAWAII TOURISM
AUTHORITY.
Act 171 (12)

Aloha
Neil Abercrombie

NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor

JUN 27 2012

THE SENATE
TWENTY-SIXTH LEGISLATURE, 2011
STATE OF HAWAII

ACT 171

S.B. NO. 490
S.D. 3
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO THE HAWAII TOURISM AUTHORITY.

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

1 SECTION 1. On January 19, 2012, President Obama signed an
2 executive order and announced new initiatives to significantly
3 increase travel and tourism in the United States. According to
4 the United States Department of Commerce, international travel
5 resulted in \$134,000,000,000 in United States exports in 2010
6 and is the nation's largest service export industry,
7 constituting seven per cent of total exports and twenty-four per
8 cent of service exports. The federal Bureau of Economic
9 Analysis estimates that every additional sixty-five
10 international visitors to the United States can generate enough
11 exports to support one additional travel and tourism-related
12 job. According to the travel industry and Bureau of Economic
13 Analysis, international travel is particularly important because
14 overseas travelers spend on average \$4,000 on each visit.

15 The legislature finds that these initiatives to increase
16 travel and tourism in the United States will be highly
17 beneficial to Hawaii's tourism economy and advance efforts to
18 help provide up to an estimated 154,000 jobs in Hawaii. With



1 2.4 million international visitors arriving in Hawaii each year,
2 Honolulu is the fifth busiest United States point-of-entry. The
3 executive order will ease access for international travelers - a
4 boon for Hawaii with its proximity to the growing Asia market.
5 China in particular is an emerging market for Hawaii's tourism
6 industry, with unprecedented growth potential. Visitor arrivals
7 from China to Hawaii are expected to reach 125,394 in 2012, up
8 twenty-eight per cent over 2011, with each visitor expected to
9 spend \$380 per day while in the State, higher than any other
10 market. The initiatives to increase the number of Chinese visas
11 processed and ensure that visa applicants are interviewed within
12 three weeks are significant milestones for Chinese tourism to
13 the United States and Hawaii.

14 In addition, visa waiver status for Taiwan has tremendous
15 potential for the State's tourism industry. Following the visa
16 waiver program with Korea in 2008, arrivals from Korea increased
17 thirty-five per cent, and similar growth is anticipated with
18 Taiwanese visitors.

19 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:

21 "(b) Revenues collected under this chapter, except for
22 revenues collected under section 237D-2(b), shall be distributed



1 as follows, with the excess revenues to be deposited into the
2 general fund:

- 3 (1) 17.3 per cent of the revenues collected under this
4 chapter shall be deposited into the convention center
5 enterprise special fund established under section
6 201B-8; provided that beginning January 1, 2002, if
7 the amount of the revenue collected under this
8 paragraph exceeds \$33,000,000 in any calendar year,
9 revenues collected in excess of \$33,000,000 shall be
10 deposited into the general fund;
- 11 (2) 34.2 per cent of the revenues collected under this
12 chapter shall be deposited into the tourism special
13 fund established under section 201B-11 for tourism
14 promotion and visitor industry research; provided that
15 for any period beginning on July 1, [~~2011~~] 2012, and
16 ending on June 30, 2015, no more than [~~\$69,000,000~~]
17 \$71,000,000 per fiscal year shall be deposited into
18 the tourism special fund established under section
19 201B-11; provided further that beginning on July 1,
20 2012, and ending on June 30, 2015, \$2,000,000 shall be
21 expended from the tourism special fund for development
22 and implementation of initiatives to take advantage of



1 expanded visa programs and increased travel
2 opportunities for international visitors to Hawaii;
3 and provided further that beginning on July 1, 2002,
4 of the first \$1,000,000 in revenues deposited:

5 (A) Ninety per cent shall be deposited into the state
6 parks special fund established in section
7 184-3.4; and

8 (B) Ten per cent shall be deposited into the special
9 land and development fund established in section
10 171-19 for the Hawaii statewide trail and access
11 program;

12 provided that of the 34.2 per cent, 0.5 per cent shall
13 be transferred to a sub-account in the tourism special
14 fund to provide funding for a safety and security
15 budget, in accordance with the Hawaii tourism
16 strategic plan 2005-2015; provided further that of the
17 revenues remaining in the tourism special fund after
18 revenues have been deposited as provided in this
19 paragraph and except for any sum authorized by the
20 legislature for expenditure from revenues subject to
21 this paragraph, beginning July 1, 2007, funds shall be
22 deposited into the tourism emergency trust fund,



1 established in section 201B-10, in a manner sufficient
2 to maintain a fund balance of \$5,000,000 in the
3 tourism emergency trust fund; and

4 (3) 44.8 per cent of the revenues collected under this
5 chapter shall be transferred as follows: Kauai county
6 shall receive 14.5 per cent, Hawaii county shall
7 receive 18.6 per cent, city and county of Honolulu
8 shall receive 44.1 per cent, and Maui county shall
9 receive 22.8 per cent; provided that for any period
10 beginning on July 1, 2011, and ending on June 30,
11 2015, the total amount transferred to the counties
12 shall not exceed \$93,000,000 per fiscal year.

13 Revenues collected under section 237D-2(b) shall be
14 deposited into the general fund. All transient accommodations
15 taxes shall be paid into the state treasury each month within
16 ten days after collection and shall be kept by the state
17 director of finance in special accounts for distribution as
18 provided in this subsection."

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

21 SECTION 4. This Act shall take effect on July 1, 2012.

S.B. NO.

490
S.D. 3
H.D. 1
C.D. 1

APPROVED this 27 day of JUN, 2012

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII