

---

---

# A BILL FOR AN ACT

RELATING TO STATE DEPARTMENTS.

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

- 1 SECTION 1. The purpose of this Act is to:
- 2 (1) Transfer the special advisor for tourism to the office
- 3 of the governor from the department of business,
- 4 economic development, and tourism;
- 5 (2) Transfer the natural energy laboratory of Hawaii
- 6 authority to the department of accounting and general
- 7 services from the department of business, economic
- 8 development, and tourism;
- 9 (3) Provide funding for the Hawaii clean energy
- 10 initiative; and
- 11 (4) Establish a renewable energy branch in the department
- 12 of business, economic development, and tourism.

13 PART I

14 SPECIAL ADVISOR FOR TOURISM

15 TRANSFER TO OFFICE OF THE GOVERNOR

- 16 SECTION 2. The purpose of this part is to transfer the
- 17 position of special advisor for tourism from the department of



1 business, economic development, and tourism to the office of the  
2 governor.

3 SECTION 3. Chapter 27, Hawaii Revised Statutes, is amended  
4 by adding a new part to be appropriately designated and to read  
5 as follows:

6 "PART . TOURISM

7 §27- Special advisor for tourism. (a) There is  
8 established within the office of the governor a special advisor  
9 for tourism who shall be appointed by the governor without  
10 regard to section 26-34. The special advisor shall not be  
11 subject to chapters 76 and 89.

12 (b) The special advisor shall serve as the liaison between  
13 the governor and the Hawaii tourism authority, department of  
14 business, economic development, and tourism, and other public  
15 and private parties on matters relating to tourism."

16 PART II

17 NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY

18 TRANSFER TO DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

19 SECTION 4. The purpose of this part is to effectuate the  
20 transfer of the natural energy laboratory of Hawaii authority,  
21 with its statutory duties, from the department of business,



1 economic development, and tourism to the department of  
2 accounting and general services.

3 SECTION 5. Section 227D-2, Hawaii Revised Statutes, is  
4 amended by amending subsections (a) and (b) to read as follows:

5 "(a) There is established the natural energy laboratory of  
6 Hawaii authority, which shall be a body corporate and politic  
7 and an instrumentality and agency of the State. The authority  
8 shall be placed within the [~~department of business, economic~~  
9 ~~development, and tourism~~] department of accounting and general  
10 services for administrative purposes [~~, pursuant to section 26-~~  
11 ~~35~~]. The purpose of the natural energy laboratory of Hawaii  
12 authority shall be to facilitate research, development, and  
13 commercialization of natural energy resources and ocean-related  
14 research, technology, and industry in Hawaii and to engage in  
15 retail, commercial, or tourism activities that will financially  
16 support that research, development, and commercialization at a  
17 research and technology park in Hawaii. Its duties shall  
18 include:

19 (1) Establishing, managing, and operating facilities that  
20 provide sites for:

21 (A) Research and development;



- 1 (B) Commercial projects and businesses [~~utilizing~~  
2 using natural resources, such as ocean water or  
3 geothermal energy;
- 4 (C) Compatible businesses engaged in scientific and  
5 technological investigations, or retail,  
6 commercial, and tourism activities; and
- 7 (D) Businesses or educational facilities that support  
8 the primary projects and activities;
- 9 (2) Providing support, utilities, and other services to  
10 facility tenants and government agencies;
- 11 (3) Maintaining the physical structure of the facilities;
- 12 (4) Promoting and marketing these facilities;
- 13 (5) Promoting and marketing the reasonable [~~utilization~~  
14 use of available natural resources;
- 15 (6) Supporting ocean research and technology development  
16 projects that support national and state interests,  
17 use facilities and infrastructure in Hawaii, and  
18 foster potential commercial development; and
- 19 (7) Engaging in retail, commercial, and tourism activities  
20 that are not related to facilitating research,  
21 development, and commercialization of natural energy  
22 resources in Hawaii; provided that all income derived





1 from these activities shall be deposited in the  
2 natural energy laboratory of Hawaii authority special  
3 fund.

4 (b) The governing body of the authority shall consist of a  
5 board of directors having eleven voting members. Three members  
6 from the general public shall be appointed by the governor for  
7 staggered terms pursuant to section 26-34, except that one of  
8 these members shall be a resident of the county of Hawaii. The  
9 members shall be selected on the basis of their knowledge,  
10 interest, and proven expertise in [~~, but not limited to,~~] one or  
11 more of the following fields: finance, commerce and trade,  
12 corporate management, marketing, economics, engineering, energy  
13 management, real estate development, property management,  
14 aquaculture, and ocean science. The chairperson and secretary  
15 of the research advisory committee shall serve on the board.  
16 The [~~director of business, economic development, and tourism,~~  
17 comptroller, the chairperson of the board of land and natural  
18 resources, the president of the University of Hawaii, the mayor  
19 of the county of Hawaii, an appointed member from the board of  
20 the high technology development corporation, and an appointed  
21 member from the board of the Hawaii strategic development  
22 corporation, or their designated representatives, shall serve as



1 ex officio, voting members of the board. The [~~director of~~  
2 ~~business, economic development, and tourism~~] comptroller shall  
3 serve as the chairperson until such time as a chairperson is  
4 elected by the board from the membership. The board shall elect  
5 other officers as it deems necessary."

6 PART III

7 CONFORMING AMENDMENTS FOR

8 DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

9 SECTION 6. The purpose of this part is to conform various  
10 sections of the Hawaii Revised Statutes to the amendments made  
11 under the two previous parts.

12 SECTION 7. Section 26-18, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "**§26-18 Department of business, economic development, and**  
15 **tourism.** (a) The department of business, economic development,  
16 and tourism shall be headed by a single executive to be known as  
17 the director of business, economic development, and tourism.

18 The department shall undertake statewide business and  
19 economic development activities, undertake energy development  
20 and management, provide economic research and analysis, plan for  
21 the use of Hawaii's ocean resources, and encourage the



1 development and promotion of industry and international commerce  
2 through programs established by law.

3 (b) The following are placed in the department of  
4 business, economic development, and tourism for administrative  
5 purposes as defined by section 26-35: Aloha Tower development  
6 corporation, Hawaii community development authority, Hawaii  
7 housing finance and development corporation, high technology  
8 development corporation, land use commission, [~~natural energy~~  
9 ~~laboratory of Hawaii authority,~~] and any other boards and  
10 commissions as shall be provided by law.

11 The department of business, economic development, and  
12 tourism shall be empowered to establish, modify, or abolish  
13 statistical boundaries for cities, towns, or villages in the  
14 [~~State~~] state and shall publish, as expeditiously as possible,  
15 an up-to-date list of cities, towns, and villages after changes  
16 to statistical boundaries have been made."

17 PART IV

18 TRANSITION PROVISIONS

19 SECTION 8. (a) All rights, powers, functions, and duties  
20 of the agencies, divisions, or programs transferred under parts  
21 I and II are transferred to the successor agencies as provided  
22 under those parts.



1 (b) All officers and employees whose functions are  
2 transferred by parts I and II of this Act shall be transferred  
3 with their functions and shall continue to perform their regular  
4 duties upon their transfer, subject to state personnel laws and  
5 this Act; provided that an officer or employee whose position is  
6 no longer authorized under the General Appropriations Act of  
7 2009 shall not be transferred.

8 (c) No officer or employee who has tenure and has been  
9 transferred pursuant to subsection (b) shall suffer any loss of  
10 salary, seniority, prior service credit, vacation, sick leave,  
11 or other employee benefit or privilege as a consequence of this  
12 Act.

13 (d) If a position held by an officer or employee having  
14 tenure is no longer authorized under the General Appropriations  
15 Act of 2009, the movement of an officer or employee to another  
16 position shall be subject to the appropriate collective  
17 bargaining agreement.

18 SECTION 9. All rules, policies, procedures, guidelines,  
19 and other material adopted or developed by an agency, division,  
20 or program transferred under parts I and II shall be transferred  
21 to the successor agency and shall remain in full force and  
22 effect until amended or repealed by the successor agency.



1 SECTION 10. All records, equipment, machines, files,  
2 supplies, contracts, books, papers, documents, maps, and other  
3 personal property heretofore made, used, or acquired or held by  
4 an agency, division, or program transferred under parts I and II  
5 of this Act shall be transferred to the successor agency.

6 SECTION 11. Parts I and II of this Act shall not affect  
7 the membership or term of any appointed member of a board or  
8 other policy-making or advisory body transferred under those  
9 parts. Such a member shall continue to serve on the board or  
10 other body for the member's term without necessity of  
11 reappointment.

12 SECTION 12. The legislative reference bureau shall conduct  
13 a review of parts I and II of this Act and make recommendations  
14 to move chapters affected by those parts to the appropriate  
15 titles of the Hawaii Revised Statutes. The legislative  
16 reference bureau shall submit its findings and recommendations,  
17 accompanied by proposed legislation, to the legislature by  
18 January 1, 2010.

19 PART V

20 HAWAII CLEAN ENERGY INITIATIVE

21 SECTION 13. There is appropriated out of the general  
22 revenues of the State of Hawaii the sum of \$393,518 or so much



1 thereof as may be necessary for fiscal year 2009-2010 and the  
2 same sum or so much thereof as may be necessary for fiscal year  
3 2010-2011 to provide for seven positions for and otherwise  
4 support the Hawaii clean energy initiative of the department of  
5 business, economic development, and tourism.

6 The sums appropriated shall be expended by the department  
7 of business, economic development, and tourism for the purposes  
8 of this section.

9 PART VI

10 RENEWABLE ENERGY

11 SECTION 14. The purpose of this part is to support the  
12 renewable energy industry in Hawaii by:

- 13 (1) Establishing a renewable energy branch in the  
14 department of business, economic development, and  
15 tourism to coordinate and promote renewable energy  
16 initiatives;
- 17 (2) Strengthening laws supporting energy diversification,  
18 long-term provision of dependable energy services, and  
19 use of diverse energy technologies; and
- 20 (3) Providing adequate resources to support the renewable  
21 energy industry, and for comprehensive energy



1 planning, in the department of business, economic  
2 development, and tourism.

3 SECTION 15. Chapter 201, Hawaii Revised Statutes, is  
4 amended by adding a new section to be appropriately designated  
5 and to read as follows:

6 "§201- Renewable energy branch; establishment. (a)

7 There is established a renewable energy branch within the  
8 department.

9 (b) Branch functions shall include:

- 10 (1) Renewable energy resource assessments, technical  
11 analyses, and resource development functions,  
12 including design, management, and completion of  
13 systematic analysis of existing and proposed energy  
14 resource programs;
- 15 (2) Evaluation of analyses conducted by government  
16 agencies and other organizations;
- 17 (3) Development and management of programs to encourage  
18 public and private exploration, research, and  
19 commercial development of renewable energy resources;
- 20 (4) Project facilitation functions, including the  
21 development and implementation of programs to



- 1           facilitate the efficient permitting of renewable  
2           energy projects;
- 3           (5) Renewable energy partnership and outreach functions,  
4           including participation in renewable and sustainable  
5           energy evaluation and demonstration projects,  
6           outreach, and other activities to promote technically,  
7           economically, and environmentally feasible  
8           technologies and projects;
- 9           (6) Renewable energy resource, technology, and project  
10           viability consultant functions, including serving as a  
11           consultant to the governor, public agencies, and  
12           private industry on matters related to the use of  
13           Hawaii's renewable energy resources; and
- 14           (7) Research, reporting, implementation, and support of  
15           renewable and transportation energy related laws."

16           SECTION 16. Section 196-4, Hawaii Revised Statutes, is  
17 amended to read as follows:

18           "**§196-4 Powers and duties.** Subject to the approval of the  
19 governor, the coordinator shall:

- 20           (1) Formulate plans, including objectives, criteria to  
21           measure accomplishment of objectives, programs through  
22           which the objectives are to be attained, and financial





1 requirements for the optimum development of Hawaii's  
2 energy resources;

3 (2) Conduct systematic analysis of existing and proposed  
4 energy resource programs, evaluate the analysis  
5 conducted by government agencies and other  
6 organizations and recommend [~~to the governor and to~~  
7 ~~the legislature~~] programs [~~which~~] that represent the  
8 most effective allocation of resources for the  
9 development of energy sources;

10 (3) Formulate and recommend specific proposals, as  
11 necessary, for conserving energy and fuel, including  
12 the allocation and distribution thereof [~~, to the~~  
13 ~~governor and to the legislature~~];

14 (4) Assist public and private agencies in implementing  
15 energy conservation and efficiency programs, the  
16 development of indigenous energy resources, and  
17 related measures;

18 (5) Coordinate the State's energy [~~conservation and~~  
19 ~~allocation~~] programs with [~~that~~] those of the federal  
20 government, other state governments, governments of  
21 nations with interest in common energy resources, and  
22 the political subdivisions of the State;



- 1 (6) Develop programs to encourage private and public  
2 exploration [~~and~~], research, and development of  
3 [~~alternative~~] indigenous energy resources [~~which~~] that  
4 will benefit the State;
- 5 (7) Conduct public education programs to inform the public  
6 of the energy situation as may exist from time to time  
7 and of the government actions taken thereto;
- 8 (8) Serve as consultant to the governor, public agencies,  
9 and private industry on energy-related matters  
10 [~~related to the acquisition, utilization and~~  
11 ~~conservation of energy resources~~];
- 12 (9) Contract for services when required for implementation  
13 of this chapter;
- 14 (10) Review proposed state actions [~~which~~] that the  
15 coordinator finds to have significant effect on  
16 [~~energy consumption~~] the State's energy objectives and  
17 report to the governor their effect on the energy  
18 [~~conservation~~] program, and perform [~~such~~] other  
19 services as may be required by the governor and the  
20 legislature;
- 21 (11) Prepare and submit an annual report and [~~such~~] other  
22 reports as may be requested to the governor and to the



1 legislature on the implementation of this chapter and  
2 all matters related to energy resources; [~~and~~]

3 (12) Formulate a systematic process, including the  
4 development of requirements, to identify geographic  
5 areas that are rich with renewable energy resource  
6 potential that can be developed in a cost-effective  
7 and environmentally benign manner and designate these  
8 areas as renewable energy zones;

9 (13) Develop and recommend incentives, plans, and programs  
10 to encourage the development of renewable energy  
11 resource projects within the renewable energy zones;

12 (14) Assist public and private agencies in identifying  
13 utility transmission projects or infrastructure  
14 required to accommodate and facilitate the development  
15 of renewable energy resources;

16 (15) Assist public and private agencies, in coordination  
17 with the department of budget and finance, in  
18 accessing the use of special purpose revenue bonds to  
19 finance the engineering, design, and construction of  
20 transmission projects and infrastructure that are  
21 deemed critical to the development of renewable energy  
22 resources;



1        (16) Develop the criteria or requirements for identifying  
 2        and qualifying specific transmission projects and  
 3        infrastructure that are critical to the development of  
 4        renewable energy resources, including providing  
 5        assistance in accessing the use of special purpose  
 6        revenue bonds to finance the projects or  
 7        infrastructure; and

8        [~~12~~] (17) Adopt rules for the administration of this  
 9        chapter pursuant to chapter 91[, provided that the  
 10        rules shall be submitted to the legislature for  
 11        review]."

12        SECTION 17. Section 226-18, Hawaii Revised Statutes, is  
 13        amended to read as follows:

14        "**§226-18 Objectives and policies for facility systems--**  
 15        **energy.** (a) Planning for the State's facility systems with  
 16        regard to energy shall be directed toward the achievement of the  
 17        following objectives, giving due consideration to all:

- 18        (1) Dependable, efficient, and economical statewide energy
- 19        systems capable of supporting the needs of the people;
- 20        (2) Increased energy self-sufficiency where the ratio of
- 21        indigenous to imported energy use is increased;



1 (3) Greater energy security and diversification in the  
2 face of threats to Hawaii's energy supplies and  
3 systems; and

4 (4) Reduction, avoidance, or sequestration of greenhouse  
5 gas emissions from energy supply and use.

6 (b) To achieve the energy objectives, it shall be the  
7 policy of this State to ensure the short- and long-term  
8 provision of adequate, reasonably priced, and dependable energy  
9 services to accommodate demand.

10 (c) To further achieve the energy objectives, it shall be  
11 the policy of this State to:

12 (1) Support research and development as well as promote  
13 the use of renewable energy sources;

14 (2) Ensure that the combination of energy supplies and  
15 energy-saving systems is sufficient to support the  
16 demands of growth;

17 (3) Base decisions of least-cost supply-side and demand-  
18 side energy resource options on a comparison of their  
19 total costs and benefits when a least-cost is  
20 determined by a reasonably comprehensive,  
21 quantitative, and qualitative accounting of their  
22 long-term, direct and indirect economic,



- 1 environmental, social, cultural, and public health  
2 costs and benefits;
- 3 (4) Promote all cost-effective conservation of power and  
4 fuel supplies through measures, including:
- 5 (A) Development of cost-effective demand-side  
6 management programs;
- 7 (B) Education; and
- 8 (C) Adoption of energy-efficient practices and  
9 technologies;
- 10 (5) Ensure, to the extent that new supply-side resources  
11 are needed, that the development or expansion of  
12 energy systems uses the least-cost energy supply  
13 option and maximizes efficient technologies;
- 14 (6) Support research, development, [and] demonstration,  
15 and use of energy efficiency, load management, and  
16 other demand-side management programs, practices, and  
17 technologies;
- 18 (7) Promote alternate fuels and transportation energy  
19 efficiency [~~by encouraging diversification of~~  
20 ~~transportation modes and infrastructure~~];



- 1           (8) Support actions that reduce, avoid, or sequester  
2           greenhouse gases in utility, transportation, and  
3           industrial sector applications;
- 4           (9) Support actions that reduce, avoid, or sequester  
5           Hawaii's greenhouse gas emissions through agriculture  
6           and forestry initiatives; and
- 7           (10) Provide priority handling and processing for all state  
8           and county permits required for renewable energy  
9           projects."

10           SECTION 18. Subject to the availability of federal funding  
11 for energy programs provided by grants, and subject to the  
12 constraints, oversight, and reporting requirements of those  
13 federal programs, the governor is hereby authorized to establish  
14 positions necessary to accomplish the management of those  
15 projects funded by federal grants; provided that the positions  
16 shall be exempt from chapter 76, Hawaii Revised Statutes; and  
17 provided further that the governor shall submit a report to the  
18 legislature on all positions established as of December 31 and  
19 June 30 of each fiscal year that the positions exist and are  
20 occupied.

21           SECTION 19. There are established within the department of  
22 business, economic development, and tourism seven full-time



1 temporary positions to support the planning and renewable energy  
2 provisions of chapters 196, 201, and 226, Hawaii Revised  
3 Statutes. The positions shall be exempt from chapter 76, Hawaii  
4 Revised Statutes.

5 SECTION 20. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$ or so  
7 much thereof as may be necessary for fiscal year 2009-2010 and  
8 the same sum or so much thereof as may be necessary for fiscal  
9 year 2010-2011 to be deposited into the energy security special  
10 fund.

11 SECTION 21. There is appropriated out of the energy  
12 security special fund the sum of \$ or so much thereof  
13 as may be necessary for fiscal year 2009-2010 and the same sum  
14 or so much thereof as may be necessary for fiscal year 2010-2011  
15 for the seven full-time, temporary positions, established under  
16 section 20.

17 The sums appropriated shall be expended by the department  
18 of business, economic development, and tourism for the purposes  
19 of this part.





1 PART VII

2 MISCELLANEOUS

3 SECTION 22. This Act does not affect rights and duties  
4 that matured, penalties that were incurred, and proceedings that  
5 were begun, before its effective date.

6 SECTION 23. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 24. This Act shall take effect on July 1, 2020.



**Report Title:**

State Departments; DBEDT

**Description:**

Transfers the special advisor for tourism and the natural energy laboratory of Hawaii authority from the department of business, economic tourism, and development. Establishes a renewable energy branch in the department of business, economic development, and tourism. Appropriates funds for the Hawaii Clean Energy Initiative. Takes effect July 1, 2020. (SB294 HD1)

