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# A BILL FOR AN ACT

RELATING TO THE ARTS.

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

1           SECTION 1. Since the 2008 regular legislative session, the  
2 State of Hawaii has experienced the largest economic downturn in  
3 the State's history, with recent forecasts from the council on  
4 revenues projecting a \$2,000,000,000 shortfall in revenues from  
5 fiscal year 2009 to fiscal year 2011. The magnitude of the  
6 revenue shortfalls means that Hawaii's diverse array of culture  
7 and arts network of artists, performing arts organizations,  
8 museums, galleries and art retailers, ethnic neighborhoods,  
9 entertainers, musicians and school arts programs are at risk of  
10 being eliminated unless the State of Hawaii reaffirms its strong  
11 commitment to maintain a vibrant cultural community that is at  
12 the core of Hawaii's multicultural values.

13           During fiscal biennium 2007-2009, Hawaii state foundation  
14 on culture and arts funded \$2.2 million worth of grants to  
15 performing/visual arts organizations. This amount leveraged an  
16 additional \$28,200,000 into Hawaii's economy and was, in effect,  
17 more than a twelve to one match from federal and private

1 sources. Any reduction to the agency's grant programs could  
2 result in the loss of 2,357 jobs that contribute over \$1,000,000  
3 to the State's economy in taxable income.

4 At the same time, Hawaii's diverse range of cultural and  
5 arts offerings also play an important role in preserving the  
6 uniqueness of the Hawaii visitor experience and maintaining a  
7 steady flow of visitors to Hawaii's shores from the mainland and  
8 overseas.

9 The legislature finds that the works of art special fund  
10 will experience a substantial increase in the level of bond  
11 proceeds deposited into the fund during 2009-2012 as state  
12 construction is dramatically increased to stabilize Hawaii's  
13 economy, and to create jobs to upgrade Hawaii's transportation  
14 infrastructure and educational facilities.

15 The purpose of this Act is to authorize use of the State's  
16 works of art special fund to support a broader range of works of  
17 art acquisition and creation during the period between 2009 to  
18 2012.

19 Finally, the legislature finds that the use of the State's  
20 works of art special fund proceeds to support the operations of  
21 the Hawaii state foundation on culture and the arts is a public  
22 purpose.

1 SECTION 2. Section 103-8.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§103-8.5 Works of art special fund.** (a) There is  
4 created a works of art special fund, into which shall be  
5 transferred one per cent for works of art of all state fund  
6 appropriations for capital improvements designated for the  
7 construction cost element; provided that this transfer shall  
8 apply only to capital improvement appropriations that are  
9 designated for the construction or renovation of state  
10 buildings. The one per cent transfer requirement shall not  
11 apply to appropriations from the passenger facility charge  
12 special fund established by section 261-5.5 and the rental motor  
13 vehicle customer facility charge special fund established under  
14 section 261-5.6.

15 (b) The works of art special fund shall be used solely for  
16 the following purposes:

17 (1) Costs related to the acquisition of works of art,  
18 including any consultant or staff services required to  
19 carry out the art in public places and relocatable  
20 works of art programs, for all state buildings and the  
21 Bernice Pauahi Bishop Museum and the Iolani Palace;

1        (2) Costs related to creation of an electronic, digital,  
2        or other permanent record of works of art, as defined  
3        in section 103-8.5(g);

4        [~~(2)~~] (3) Site modifications, display, and interpretive  
5        work necessary for the exhibition of works of art,  
6        including works of art for the Bernice Pauahi Bishop  
7        Museum and the Iolani Palace;

8        [~~(3)~~] (4) Upkeep services, including maintenance, repair,  
9        and restoration of works of art, including works of  
10       art for the Bernice Pauahi Bishop Museum and the  
11       Iolani Palace; and

12       [~~(4)~~] (5) Storing and transporting works of art.

13       (c) The one per cent amount, which is included in all  
14 capital improvement appropriations, shall be calculated at the  
15 time the appropriation bills are signed into law. The moneys  
16 shall be transferred into the works of art special fund upon  
17 availability of moneys from the appropriations. Each agency  
18 receiving capital improvement appropriations shall calculate the  
19 one per cent amount and transfer the moneys into the works of  
20 art special fund.

21       (d) The comptroller and the state foundation on culture  
22 and the arts shall decide on [~~the~~] specific art objects to

1 acquire~~[7]~~ or to create, giving first consideration to placing  
2 appropriate pieces of art at the locations of the original  
3 appropriation.

4 The selection of, commissioning artists for, reviewing of  
5 design, execution, and placement of, and the acceptance of works  
6 of art shall be the responsibility of the comptroller and the  
7 state foundation on culture and the arts in consultation with  
8 the affected agency or department.

9 Expenditures from the works of art special fund shall be  
10 made by the comptroller.

11 (e) The comptroller shall:

12 (1) Provide each agency receiving capital improvement  
13 appropriations with information regarding items that  
14 shall be included and excluded from the one per cent  
15 amount;

16 (2) Ensure that each agency calculates its one per cent  
17 amount correctly; and

18 (3) Ensure that each agency transfers the correct amount  
19 to the works of art special fund in a timely manner.

20 (f) The comptroller and the executive director shall track  
21 amounts due from each agency under the one per cent requirement  
22 as provided in this section.

1        (g) For the purposes of this section:

2        "Permanent display" means the process of capturing and  
3 preserving a live performance on film by creating a visual and  
4 audio recording or other permanent record from digital or  
5 electronic media.

6        "Works of art" includes "arts" as defined in section 9-1,  
7 as well as live performing arts, which include, but are not  
8 limited to, live music, dance, drama, choreographed athletic or  
9 acrobatic performances, poetry readings, speeches, and lectures,  
10 and any process by which arts and live performances can be made  
11 into a permanent display."

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

14        SECTION 4. This Act shall take effect on July 1, 2050;  
15 provided that section 2 shall be repealed on December 31, 2011,  
16 and section 103-8.5, Hawaii Revised Statutes, shall be reenacted  
17 in the form in which it read on the day before the approval of  
18 this Act.

**Report Title:**

Culture and Arts; Works of Art

**Description:**

Authorizes use of bond proceeds deposited into State's works of art special fund to support operations of culture and art organizations. Provides financial assistance for Bishop Museum and Iolani Palace for the acquisition and costs associated with works of art. Defines "works of art" to include, among other things, permanent displays of arts and live performances. Effective 7/1/2050. (SD2)