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# A BILL FOR AN ACT

RELATING TO GOVERNMENT.

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

1 SECTION 1. The purpose of this Act is to reorganize  
2 certain state executive branch departments to reflect the  
3 provisions of the General Appropriations Act of 2009.

4 PART I

5 SECTION 2. The purpose of this part is to abolish the  
6 Aloha Tower development corporation and to transfer jurisdiction  
7 over and responsibility for the harbors modernization functions  
8 of the Aloha Tower development corporation to the harbors  
9 division of the department of transportation.

10 SECTION 3. Chapter 206J, Hawaii Revised Statutes, is  
11 repealed.

12 SECTION 4. Chapter 266, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15 "§266- Partnership between department of transportation,  
16 harbors division, and the United States Department of  
17 Transportation, Maritime Administration; commercial harbors  
18 modernization plan. (a) On July 1, 2010, the department of



1 transportation, harbors division, shall assume jurisdiction over  
2 the harbors modernization project from the Aloha Tower  
3 development corporation, to undertake projects for the  
4 commercial harbors modernization plan in subsection (b);  
5 provided that the department of transportation shall be the  
6 successor in interest to all assets and debts, liabilities, or  
7 other obligations incurred by the Aloha Tower development  
8 corporation. All projects, prior to implementation, shall be  
9 approved by the director of transportation and the governor.

10 For purposes of this subsection, the department of  
11 transportation, harbors division, shall seek the input and  
12 guidance of the United States Department of Transportation,  
13 Maritime Administration, in the management of the harbors  
14 modernization project; provided that the department of  
15 transportation, harbors division, may enter into an agreement  
16 with Maritime Administration for the purpose of infrastructure  
17 improvements of harbors statewide.

18 (b) The harbors modernization group established under  
19 subsection (d) shall have jurisdiction over harbors projects  
20 that shall collectively be known as the commercial harbors  
21 modernization plan. These harbor projects shall be as follows:



- 1        (1) Honolulu harbor. Development of infrastructure,  
2        expansion of facilities, and tenant relocations,  
3        including the development of the new Kapalama  
4        container terminal;
- 5        (2) Kahului harbor. Development of infrastructure,  
6        expansion of facilities, tenant relocations, and  
7        acquisition of lands, including the West harbor barge  
8        or ferry slip or both, West harbor dredging and  
9        breakwater, West harbor cruise terminal, Pier 1 fuel  
10       line replacement and upgrade, East harbor breakwater,  
11       and Pier 2B strengthening;
- 12       (3) Hana Harbor. Development of infrastructure,  
13       demolition, as necessary, and expansion of facilities  
14       and acquisition of lands;
- 15       (4) Hilo harbor. Development of infrastructure, expansion  
16       of facilities, tenant relocations, and acquisition of  
17       lands, including the Pier 4 interisland cargo  
18       terminal;
- 19       (5) Kawaihae harbor. Development of infrastructure,  
20       expansion of facilities, tenant relocations,  
21       acquisition of lands, including the Pier 2 terminal



1           and barge improvements, Pier 2 extension and terminal,  
2           and Pier 4 and liquid bulk terminals;

3           (6) Kalaeloa harbor. Development of infrastructure,  
4           expansion of facilities, tenant relocations, and  
5           acquisition of lands, including the West harbor  
6           infrastructure, Pier 4 dedicated fuel pier, and  
7           extension of the fuel line; and

8           (7) Nawiliwili harbor. Development of infrastructure,  
9           expansion of facilities, tenant relocations, and  
10           acquisition of lands, including the new multi-use  
11           pier.

12           (c) Land disposition matters in projects identified in the  
13           commercial harbors modernization plan, including land  
14           acquisition, leasing, and conveyance, and acquisition of  
15           easements or right-of-ways, shall continue to be under the  
16           jurisdiction of the board of land and natural resources pursuant  
17           to chapter 171.

18           (d) Except as otherwise provided in this subsection, the  
19           harbors modernization group shall be comprised of thirteen  
20           members, as follows:

21           (1) The following ex-officio voting members or their  
22           designees:



- 1           (A) The director of transportation;
- 2           (B) The director of business, economic development,
- 3           and tourism;
- 4           (C) The director of finance;
- 5           (D) The mayor of the city and county of Honolulu and
- 6           the mayors of the counties of Hawaii, Maui, and
- 7           Kauai; and
- 8           (E) The chairperson of the board of land and natural
- 9           resources;
- 10          and
- 11          (2) The following voting members, appointed by the
- 12          governor pursuant to section 26-34:
- 13          (A) Two public members from the maritime industry who
- 14          shall be directly involved with a harbor or
- 15          offshore mooring facility that is primarily for
- 16          the movement of commercial cargo, passenger, and
- 17          fishing vessels entering, leaving, or traveling
- 18          within the state harbor system, or directly
- 19          involved with an activity that requires and is
- 20          directly related to the loading, offloading,
- 21          storage, or distribution of goods and services by
- 22          means of seaborne transportation; and



1           (B) Three members from the public at large, for  
2           staggered terms pursuant to section 26-34;  
3           provided that no member from the public at large  
4           shall be an officer or employee of the State or  
5           its political subdivisions.

6           Except as provided in paragraph (2), regarding staggered  
7           terms, the members of the harbors modernization group shall  
8           serve for four year terms and shall continue in office until  
9           their respective successors have been appointed. The director  
10           of transportation shall serve as the chairperson of the harbors  
11           modernization group.

12           Members shall serve without compensation, but each member  
13           shall be reimbursed for expenses, including travel expenses,  
14           incurred in the performance of their duties.

15           (e) The department of transportation may apply any  
16           revenues derived from commercial development projects in the  
17           state harbors to defray the cost of harbor infrastructure  
18           improvements incurred within the State."

19           SECTION 5. Members as of July 1, 2009, of the harbor  
20 modernization group, established pursuant to section 206J-5.5,  
21 Hawaii Revised Statutes, shall continue their service under the

1 jurisdiction of the department of transportation pursuant to  
2 this Act.

3 SECTION 6. All appropriations, records, equipment,  
4 machines, files, supplies, contracts, books, papers, documents,  
5 maps, and other personal property heretofore made, used,  
6 acquired, or held by the Aloha Tower development corporation  
7 with regard to harbor projects and development relating to the  
8 functions transferred to the department of transportation shall  
9 be transferred with the functions to which they relate.

10 SECTION 7. This part shall take effect on July 1, 2010.

11 PART II

12 SECTION 8. The purpose of this part is to transfer the  
13 position of tourism liaison from the department of business,  
14 economic development, and tourism to the office of the governor.

15 SECTION 9. Chapter 27, Hawaii Revised Statutes, is amended  
16 by adding a new part to be appropriately designated and to read  
17 as follows:

18 "PART . TOURISM

19 §27- Special advisor for tourism. (a) There is  
20 established within the office of the governor a special advisor  
21 for tourism who shall be appointed by the governor without



1 regard to section 26-34. The special advisor shall not be  
2 subject to chapters 76 and 89.

3 (b) The special advisor for tourism shall serve as the  
4 liaison between the governor and the Hawaii tourism authority,  
5 department of business, economic development, and tourism, and  
6 other public and private parties on matters relating to  
7 tourism."

8 PART III

9 SECTION 10. The purpose of this part is to transfer the  
10 small business regulatory review board, with its statutory  
11 duties and powers, from the department of business, economic  
12 development, and tourism to the department of commerce and  
13 consumer affairs.

14 SECTION 11. Section 201M-5, Hawaii Revised Statutes, is  
15 amended to read as follows:

16 "**§201M-5 Small business regulatory review board; powers.**

17 (a) There shall be established within the department of  
18 [~~business, economic development, and tourism,~~] commerce and  
19 consumer affairs for administrative purposes [7] a small business  
20 regulatory review board to review any proposed new or amended  
21 rule or to consider any request from small business owners for  
22 review of any rule adopted by a state agency and to make





1 recommendations to the agency or the legislature regarding the  
2 need for a rule change or legislation. For requests regarding  
3 county ordinances, the board may make recommendations to the  
4 county council or the mayor for appropriate action.

5 (b) The board shall consist of eleven members, who shall  
6 be appointed by the governor pursuant to section 26-34.  
7 Nominations to fill vacancies shall be made from names submitted  
8 by the review board. The appointments shall reflect  
9 representation of a variety of businesses in the State; provided  
10 that no more than two members shall be representatives from the  
11 same type of business, and that there shall be at least two  
12 representatives from each county.

13 (c) All members of the board shall be either a current or  
14 former owner or officer of a business and shall not be an  
15 officer or employee of the federal, state, or county government.  
16 A majority of the board shall elect the chairperson. The  
17 chairperson shall serve a term of not more than one year, unless  
18 removed earlier by a two-thirds vote of all members to which the  
19 board is entitled.

20 (d) A majority of all the members to which the board is  
21 entitled shall constitute a quorum to do business, and the  
22 concurrence of a majority of all the members to which the board



1 is entitled shall be necessary to make any action of the board  
2 valid.

3 (e) In addition to any other powers provided by this  
4 chapter, the board may:

5 (1) Adopt any rules necessary to implement this chapter;

6 (2) Organize and hold conferences on problems affecting  
7 small business; and

8 (3) Do any and all things necessary to effectuate the  
9 purposes of this chapter.

10 (f) The board shall submit an annual report to the  
11 legislature twenty days prior to each regular session detailing  
12 any requests from small business owners for review of any rule  
13 adopted by a state agency, and any recommendations made by the  
14 board to an agency or the legislature regarding the need for a  
15 rule change or legislation. The report shall also contain a  
16 summary of the comments made by the board to agencies regarding  
17 its review of proposed new or amended rules.

18 (g) The expenses of the board shall be funded entirely  
19 from the compliance resolution fund; provided that this  
20 provision shall not require the board to charge any fee for its  
21 service. The director of commerce and consumer affairs shall  
22 include, as part of any other fee charged to a person or



1 organization, an amount with a reasonable nexus to the small  
2 business regulatory review activities of the board.

3 For the purpose of this subsection, "expenses" includes  
4 operating expenses, cash capital expenses, and debt service  
5 attributable to the board."

6 PART IV

7 SECTION 12. The purpose of this part is to the transfer  
8 the natural energy laboratory of Hawaii authority, with its  
9 statutory duties and powers, from the department of business,  
10 economic development, and tourism to the department of  
11 accounting and general services.

12 SECTION 13. Section 227D-2, Hawaii Revised Statutes, is  
13 amended by amending subsections (a) and (b) to read as follows:

14 "(a) There is established the natural energy laboratory of  
15 Hawaii authority, which shall be a body corporate and politic  
16 and an instrumentality and agency of the State. The authority  
17 shall be placed within the [~~department of business, economic~~  
18 ~~development, and tourism]~~ department of accounting and general  
19 services for administrative purposes [~~, pursuant to section 26-~~  
20 ~~35]~~. The purpose of the natural energy laboratory of Hawaii  
21 authority shall be to facilitate research, development, and  
22 commercialization of natural energy resources and ocean-related



1 research, technology, and industry in Hawaii and to engage in  
2 retail, commercial, or tourism activities that will financially  
3 support that research, development, and commercialization at a  
4 research and technology park in Hawaii. Its duties shall  
5 include:

6 (1) Establishing, managing, and operating facilities that  
7 provide sites for:

8 (A) Research and development;

9 (B) Commercial projects and businesses utilizing  
10 natural resources, such as ocean water or  
11 geothermal energy;

12 (C) Compatible businesses engaged in scientific and  
13 technological investigations, or retail,  
14 commercial, and tourism activities; and

15 (D) Businesses or educational facilities that support  
16 the primary projects and activities;

17 (2) Providing support, utilities, and other services to  
18 facility tenants and government agencies;

19 (3) Maintaining the physical structure of the facilities;

20 (4) Promoting and marketing these facilities;

21 (5) Promoting and marketing the reasonable utilization of  
22 available natural resources;



- 1 (6) Supporting ocean research and technology development  
2 projects that support national and state interests,  
3 use facilities and infrastructure in Hawaii, and  
4 foster potential commercial development; and
- 5 (7) Engaging in retail, commercial, and tourism activities  
6 that are not related to facilitating research,  
7 development, and commercialization of natural energy  
8 resources in Hawaii; provided that all income derived  
9 from these activities shall be deposited in the  
10 natural energy laboratory of Hawaii authority special  
11 fund.
- 12 (b) The governing body of the authority shall consist of a  
13 board of directors having eleven voting members. Three members  
14 from the general public shall be appointed by the governor for  
15 staggered terms pursuant to section 26-34, except that one of  
16 these members shall be a resident of the county of Hawaii. The  
17 members shall be selected on the basis of their knowledge,  
18 interest, and proven expertise in, but not limited to, one or  
19 more of the following fields: finance, commerce and trade,  
20 corporate management, marketing, economics, engineering, energy  
21 management, real estate development, property management,  
22 aquaculture, and ocean science. The chairperson and secretary



1 of the research advisory committee shall serve on the board.  
2 The [~~director of business, economic development, and tourism,~~]  
3 director of the department of accounting and general services,  
4 the chairperson of the board of land and natural resources, the  
5 [~~president of the University of Hawaii,~~] director of the  
6 department of accounting and general services, the mayor of the  
7 county of Hawaii, an appointed member from the board of the high  
8 technology development corporation, and an appointed member from  
9 the board of the Hawaii strategic development corporation, or  
10 their designated representatives, shall serve as ex officio,  
11 voting members of the board. The [~~director of business,~~  
12 ~~economic development, and tourism]~~ director of the department of  
13 accounting and general services shall serve as the chairperson  
14 until such time as a chairperson is elected by the board from  
15 the membership. The board shall elect other officers as it  
16 deems necessary."

17 PART V

18 SECTION 14. The purpose of this part is to transfer the  
19 arts and culture development branch within the department of  
20 business, economic development, and tourism to the state  
21 foundation on culture and the arts, which is placed within the



1 department of accounting and general services for administrative  
2 purposes.

3 SECTION 15. All rights, powers, functions, and duties of  
4 the arts and culture branch of the department of business,  
5 economic development, are transferred to the state foundation on  
6 culture and the arts.

7 PART VI

8 SECTION 16. The purpose of this part is to transfer the  
9 film industry branch within the department of business, economic  
10 development, and tourism to the Hawaii tourism authority.

11 SECTION 17. Chapter 201B, Hawaii Revised Statutes, is  
12 amended by adding a new part to be appropriately designated and  
13 to read as follows:

14 "PART . HAWAII TELEVISION AND FILM DEVELOPMENT

15 §201B-A Definitions. As used in this part:

16 "Applicant" means a person applying for a grant or venture  
17 capital investment from the authority under this part.

18 "Board" means the Hawaii television and film development  
19 board.

20 "Eligible Hawaii project" or "project" means an  
21 entertainment project in which at least seventy-five per cent of  
22 the budget for the production costs, excluding salaries and



1 costs for the producer, director, writer, screenplay, and actors  
2 in the project, is dedicated for the purchase or lease of goods  
3 or services from a vendor or supplier who is located and doing  
4 business in the State.

5 "Fund" means the Hawaii television and film development  
6 special fund.

7 "Venture capital investment" means any of the following  
8 investments in a project:

- 9 (1) Common or preferred stock and equity securities  
10 without a repurchase requirement for at least five  
11 years;
- 12 (2) A right to purchase stock or equity securities;
- 13 (3) Any debenture, whether or not convertible or having  
14 stock purchase rights, which is subordinated, together  
15 with security interests against the assets of the  
16 borrower, by their terms to all borrowings of the  
17 borrower from other institutional lenders, and that is  
18 for a term of not less than three years, and that has  
19 no part amortized during the first three years; and
- 20 (4) General or limited partnership interests.

21 **§201B-B Hawaii television and film development board. (a)**

22 There is established the Hawaii television and film development





1 board. The board shall be attached to the Hawaii tourism  
2 authority for administrative purposes only. The board shall  
3 administer the grant and venture capital investment programs and  
4 the Hawaii television and film development special fund  
5 established under this part. The board shall also assess and  
6 consider the overall viability and development of the television  
7 and film industries and make recommendations to appropriate  
8 state or county agencies.

9 (b) The board shall be composed of nine members, four of  
10 whom shall be appointed by the governor pursuant to section  
11 26-34, and all of whom shall serve four-year staggered terms.  
12 One of the governor's appointments shall be made from a list of  
13 nominees submitted by the president of the senate and another  
14 appointment shall be made from a list of nominees submitted by  
15 the speaker of the house of representatives. The four appointed  
16 members shall possess a current working knowledge of the film,  
17 television, or entertainment industry. The executive director  
18 of the Hawaii tourism authority and the chairs of the four  
19 county film commissions, or their equivalent, shall serve as ex  
20 officio voting members, who may be represented on the board by  
21 designees.



1 The chairperson and vice chairperson of the board shall be  
2 selected by the board by majority vote. Five members shall  
3 constitute a quorum, whose affirmative vote shall be necessary  
4 for all actions by the board. The members shall serve without  
5 compensation but shall be reimbursed for expenses, including  
6 travel expenses, necessary for the performance of their duties.

7 (c) The film industry branch development manager shall  
8 serve as the executive secretary of the board.

9 (d) The board may adopt rules pursuant to chapter 91 to  
10 effectuate the purposes of this part.

11 **§201B-C Hawaii television and film development special**  
12 **fund.** (a) There is established in the state treasury the  
13 Hawaii television and film development special fund into which  
14 shall be deposited:

- 15 (1) Appropriations by the legislature;
- 16 (2) Donations and contributions made by private  
17 individuals or organizations for deposit into the  
18 fund;
- 19 (3) Grants provided by governmental agencies or any other  
20 source; and
- 21 (4) Any profits or other amounts received from venture  
22 capital investments.



1 (b) The fund shall be used by the board to assist in, and  
2 provide incentives for, the production of eligible Hawaii  
3 projects that are in compliance with criteria and standards  
4 established by the board in accordance with rules adopted by the  
5 board pursuant to chapter 91. In particular, the board shall  
6 adopt rules to provide for the implementation of the following  
7 programs:

8 (1) A grant program. The board shall adopt rules pursuant  
9 to chapter 91 to provide conditions and qualifications  
10 for grants. Applications for grants shall be made to  
11 the board and shall contain such information as the  
12 board shall require by rules adopted pursuant to  
13 chapter 91. At a minimum, the applicant shall agree  
14 to the following conditions:

15 (A) The grant shall be used exclusively for eligible  
16 Hawaii projects;

17 (B) The applicant shall have applied for or received  
18 all applicable licenses and permits;

19 (C) The applicant shall comply with applicable  
20 federal and state laws prohibiting discrimination  
21 against any person on the basis of race, color,



- 1 national origin, religion, creed, sex, age, or
- 2 physical handicap;
- 3 (D) The applicant shall comply with other
- 4 requirements as the board may prescribe;
- 5 (E) All activities undertaken with funds received
- 6 shall comply with all applicable federal, state,
- 7 and county statutes and ordinances;
- 8 (F) The applicant shall indemnify and save harmless
- 9 the State of Hawaii and its officers, agents, and
- 10 employees from and against any and all claims
- 11 arising out of or resulting from activities
- 12 carried out or projects undertaken with funds
- 13 provided hereunder, and procure sufficient
- 14 insurance to provide this indemnification if
- 15 requested to do so by the department;
- 16 (G) The applicant shall make available to the board
- 17 all records the applicant may have relating to
- 18 the project, to allow the board to monitor the
- 19 applicant's compliance with the purpose of this
- 20 chapter; and
- 21 (H) The applicant, to the satisfaction of the board,
- 22 shall establish that sufficient funds are



1           available for the completion of the project for  
2           the purpose for which the grant is awarded;  
3           and

4           (2) A venture capital program. The board shall adopt  
5           rules pursuant to chapter 91 to provide conditions and  
6           qualifications for venture capital investments in  
7           eligible Hawaii projects. The program may include a  
8           written agreement between the borrower and the board,  
9           as the representative of the State, that as  
10          consideration for the venture capital investment made  
11          under this part, the borrower shall share any  
12          royalties, licenses, titles, rights, or any other  
13          monetary benefits that may accrue to the borrower  
14          pursuant to terms and conditions established by the  
15          board by rule pursuant to chapter 91. Venture capital  
16          investments may be made on such terms and conditions  
17          as the board shall determine to be reasonable,  
18          appropriate, and consistent with the purposes and  
19          objectives of this part.

20          **§201B-D Inspection of premises and records.** The board  
21          shall have the right to inspect, at reasonable hours, the plant,  
22          physical facilities, equipment, premises, books, and records of



1 any applicant in connection with the processing of a grant to  
2 the applicant."

3 SECTION 18. Part IX of chapter 201, Hawaii Revised  
4 Statutes, is repealed.

5 PART VII

6 SECTION 19. The purpose of this part is to conform various  
7 sections of the Hawaii Revised Statutes to the amendments made  
8 under more than one of the previous parts.

9 SECTION 20. Section 26-18, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "**§26-18 Department of business, economic development, and**  
12 **tourism.** [~~(a)~~] The department of business, economic  
13 development, and tourism shall be headed by a single executive  
14 to be known as the director of business, economic development,  
15 and tourism.

16 The department shall undertake statewide business and  
17 economic development activities, undertake energy development  
18 and management, provide economic research and analysis, plan for  
19 the use of Hawaii's ocean resources, and encourage the  
20 development and promotion of industry and international commerce  
21 through programs established by law.



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

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

15        SECTION 21. Section 201-2, Hawaii Revised Statutes, is  
16 amended to read as follows:

17        "**§201-2 General objective, functions, and duties of**  
18 **department.** It shall be the objective of the department of  
19 business, economic development, and tourism to make broad policy  
20 determinations with respect to economic development in the State  
21 and to stimulate through research and demonstration projects  
22 those industrial and economic development efforts that offer the



1 most immediate promise of expanding the economy of the State.  
2 The department shall endeavor to gain an understanding of those  
3 functions and activities of other governmental agencies and of  
4 private agencies that relate to the field of economic  
5 development. [~~It shall,~~] The department, at all times, shall  
6 encourage initiative and creative thinking in harmony with the  
7 objectives of the department.

8       The department of business, economic development, and  
9 tourism shall have sole jurisdiction over the land use  
10 commission under chapter 205, state planning under chapter 225M,  
11 and the Hawaii State Planning Act under chapter 226. Due to the  
12 inherently interdependent functions of development, planning,  
13 and land use, these functions shall not be transferred by  
14 executive order, directive, or memorandum, to any other  
15 department, nor shall these functions be subject to review or  
16 approval by any other department."

17       SECTION 22. Section 201-3, Hawaii Revised Statutes, is  
18 amended to read as follows:

19       "**§201-3 Specific research and promotional functions of the**  
20 **department.** Without prejudice to its general functions and  
21 duties the department of business, economic development, and  
22 tourism shall have specific functions in the following areas:





- 1           (1) Industrial development. The department shall  
2           determine through technical and economic surveys the  
3           profit potential of new or expanded industrial  
4           undertakings; develop through research projects and  
5           other means new and improved industrial products and  
6           processes; promote studies and surveys to determine  
7           consumer preference as to design and quality and to  
8           determine the best methods of packaging, transporting,  
9           and marketing the State's industrial products;  
10          disseminate information to assist the present  
11          industries of the State, to attract new industries to  
12          the State, and to encourage capital investment in  
13          present and new industries in the State; assist  
14          associations of producers and distributors of  
15          industrial products to introduce these products to  
16          consumers; and make grants or contracts as may be  
17          necessary or advisable to accomplish the foregoing;
- 18          (2) Land development. The department shall encourage the  
19          most productive use of all land in the State in  
20          accordance with a general plan developed by the  
21          department; encourage the improvement of land tenure  
22          practices on leased private lands; promote an



1 informational program directed to landowners,  
2 producers of agricultural and industrial commodities,  
3 and the general public regarding the most efficient  
4 and most productive use of the lands in the State; and  
5 make grants or contracts as may be necessary or  
6 advisable to accomplish the foregoing;

7 (3) Credit development. The department shall conduct a  
8 continuing study of agricultural and industrial credit  
9 needs; encourage the development of additional private  
10 and public credit sources for agricultural and  
11 industrial enterprises; promote an informational  
12 program to acquaint financial institutions with  
13 agricultural and industrial credit needs and the  
14 potential for agricultural and industrial expansion,  
15 and inform producers of agricultural and industrial  
16 products as to the manner in which to qualify for  
17 loans; and make grants or contracts as may be  
18 necessary or advisable to accomplish the foregoing;  
19 and

20 (4) Promotion. The department shall disseminate  
21 information developed for or by the department  
22 pertaining to economic development to assist present



1 industry in the State, attract new industry and  
2 investments to the State, and assist new and emerging  
3 industry with good growth potential or prospects in  
4 jobs, exports, and new products. The industrial and  
5 economic promotional activities of the department may  
6 include the use of literature, advertising,  
7 demonstrations, displays, market testing, lectures,  
8 travel, motion picture and slide films, and other  
9 promotional and publicity devices as may be  
10 appropriate;

11 (5) Tourism research and statistics. The department shall  
12 maintain a program of research and statistics for the  
13 purpose of:

- 14 (A) Measuring and analyzing tourism trends;
- 15 (B) Providing information and research to assist in  
16 the development and implementation of state  
17 tourism policy;
- 18 (C) Encouraging and arranging for the conduct of  
19 tourism research and information development  
20 through voluntary means or through contractual  
21 services with qualified agencies, firms, or  
22 persons; and



- 1 (D) Providing tourism information to policy makers,  
2 the public, and the visitor industry. This  
3 includes:
- 4 (i) Collecting and publishing visitor-related  
5 data including visitor arrivals, visitor  
6 characteristics and expenditures;
- 7 (ii) Collecting and publishing hotel-related  
8 statistics including the number of units  
9 available, occupancy rates, and room rates;
- 10 (iii) Collecting and publishing airline-related  
11 data including seat capacity and number of  
12 flights;
- 13 (iv) Collecting information and conducting  
14 analyses of the economic, social, and  
15 physical impacts of tourism on the State;
- 16 (v) Conducting periodic studies of the impact of  
17 ongoing marketing programs of the Hawaii  
18 tourism authority on Hawaii's tourism  
19 industry, employment in Hawaii, state taxes,  
20 and the State's lesser known and  
21 underutilized destinations; and



1           (vi) Cooperate with the Hawaii tourism authority  
2                   and provide it with the above information in  
3                   a timely manner;

4           and

5           (6) Self-sufficiency standard. The department shall  
6                   establish and update biennially a self-sufficiency  
7                   standard that shall incorporate existing methods of  
8                   calculation, and shall reflect, at a minimum, costs  
9                   relating to housing, food, child care, transportation,  
10                  health care, clothing and household expenses, federal  
11                  and state tax obligations, family size, children's  
12                  ages, geography, and the number of household wage  
13                  earners. The department shall report to the  
14                  legislature concerning the self-sufficiency standard  
15                  no later than twenty days prior to the convening of  
16                  the regular session of 2009, and every odd-numbered  
17                  year thereafter. The recommendations shall address,  
18                  among other things, the utilization of any federal  
19                  funding that may be available for the purposes of  
20                  establishing and updating the self-sufficiency  
21                  standard.



1       ~~[The department shall be the central agency to coordinate~~  
2 ~~film permit activities in the State]."~~

3                                   PART VIII

4       SECTION 23.   The purpose of this part is to provide for the  
5 transition of various state agencies and programs that are  
6 transferred under parts II, III, IV, V, and VI of this Act.

7       SECTION 24.   (a) All rights, powers, functions, and duties  
8 of the agencies, divisions, or programs transferred under parts  
9 II, III, IV, V, and VI, are transferred to the successor  
10 agencies as provided under those parts.

11       (b) All officers and employees whose functions are  
12 transferred by this Act shall be transferred with their  
13 functions and shall continue to perform their regular duties  
14 upon their transfer, subject to the state personnel laws and  
15 this Act; except that an officer or employee whose position is  
16 no longer authorized under the General Appropriations Act of  
17 2009 shall not be transferred.

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

1 (d) If a position held by an officer or employee having  
2 tenure is no longer authorized under the General Appropriations  
3 Act of 2009, the movement of an officer or employee to another  
4 position shall be subject to the appropriate collective  
5 bargaining agreement.

6 SECTION 25. (a) All officers and employees whose  
7 functions are transferred by part VI of this Act shall be  
8 employed by the Hawaii tourism authority without regard to  
9 chapters 76 and 78.

10 (b) No officer or employee of the State whose functions  
11 are transferred by part VI of this Act, and who is employed by  
12 the Hawaii tourism authority pursuant to this section, shall  
13 suffer any loss of salary, prior service credit, vacation, sick  
14 leave, or other employee benefit or privilege as a consequence  
15 of this Act.

16 (c) Any officer or employee having tenure whose office or  
17 position is abolished by part VI of this Act shall not thereby  
18 be separated from public employment, but shall remain in the  
19 employment of the State with the same pay and classification and  
20 shall be transferred to some other office or position for which  
21 the officer or employee is eligible under the personnel laws of



1 the State as determined by the head of the department of the  
2 governor.

3 SECTION 26. All rules, policies, procedures, guidelines,  
4 and other material adopted or developed by an agency, division,  
5 or program transferred under parts I, II, III, IV, V, and VI,  
6 shall be transferred to the successor agency and shall remain in  
7 full force and effect until amended or repealed by the successor  
8 agency.

9 SECTION 27. All records, equipment, machines, files,  
10 supplies, contracts, books, papers, documents, maps, and other  
11 personal property heretofore made, used, or acquired or held by  
12 an agency, division, or program transferred under parts I, II,  
13 III, IV, V, and VI, shall be transferred to the successor  
14 agency.

15 SECTION 28. (a) Unless specifically required by this Act,  
16 this Act shall not affect the membership or term of any  
17 appointed member of a board or other policy-making or advisory  
18 body transferred under parts I, II, III, IV, V, and VI. Such a  
19 member shall continue to serve on the board or other body for  
20 the member's term without necessity of reappointment.

21 (b) Subsection (a) shall not apply to any change made by  
22 parts I and VI to the ex officio membership of the board of the





1 Aloha tower development corporation and high technology  
2 development corporation.

3 SECTION 29. The legislative reference bureau shall review  
4 this Act for the purpose of making recommendations as to the  
5 appropriate placement of parts or chapters of the Hawaii Revised  
6 Statutes affected by this Act. The legislative reference bureau  
7 shall submit its findings and recommendations, accompanied by  
8 any necessary proposed legislation, to the legislature by  
9 January 1, 2010.

10 SECTION 30. This Act does not affect rights and duties  
11 that matured, penalties that were incurred, and proceedings that  
12 were begun before its effective date.

13 PART IX

14 SECTION 31. In codifying the new sections added by section  
15 17 of this Act, the revisor of statutes shall substitute  
16 appropriate section numbers for the letters used in designating  
17 the new sections in this Act.

18 SECTION 32. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 33. This Act shall take effect on July 1, 2009;  
21 provided that part I shall take effect on July 1, 2010.



H.B. NO. 1260  
H.D. 1  
S.D. 1  
C.D. 1

**Report Title:**

Executive Branch Reorganization

**Description:**

Reorganizes certain executive branch agencies by abolishing or transferring various agencies and programs to correspond with H.B. No. 200, H.D. 1, the general appropriations act of 2009.  
(HB1260 CD1)

HB1260 CD1 HMS 2009-4127

