

STAND. COM. REP. NO.

415

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 333
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred S.B. No. 333, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION,"

begs leave to report as follows:

The purpose and intent of this measure is to support restoration and preservation of important heritage assets by:

- (1) Requiring one percent of all state fund appropriations designated for the construction and renovation of state buildings to be deposited into the Hawaii Historic Preservation Special Fund;
- (2) Adding the costs related to site modifications, display, and interpretive work necessary to enhance the visitor experience for the Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place to the uses of the fund; and
- (3) Requiring annual reports to the Governor and Legislature.

Your Committee received testimony in support of this measure from the Department of Accounting and General Services, Department of Land and Natural Resources, Iolani Palace, Bishop Museum, and Historic Hawai'i Foundation. Your Committee received testimony in opposition to this measure from the Department of Transportation and the American Institute of Architects Hawaii State Council.

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Your Committee finds that the expansion of the existing Hawaii Historic Preservation Special Fund to include restoration and preservation of Bernice Pauahi Bishop Museum, Iolani Palace, and Washington Place recognizes Hawaii's indigenous history. Hawaii's uniquely complex artistic and cultural legacy from the monarchy period is enshrined in these three historic sites. Your Committee further finds that while not exclusive to these places, this legacy represents the adoption of Western visual forms to serve as emblems of an independent nation on equal status with colonial powers of that time. This 19th century trend, which occurred throughout the world, witnessed the creation of national museums, monuments, palaces, and stately residences that represented a formal, public expression of the character of a nation.

Your Committee has heard the concerns regarding the impact that the designation of an additional one percent of the costs of construction or renovation of state buildings will have on these projects, as well as the specific concerns of the Department of Transportation regarding the issue of revenue diversion. Your Committee understands that the anticipated revenue from this additional one percent allocation would be in the range of \$4,000,000 to \$5,000,000 annually.

In addition, your Committee has discussed a proposal to exempt the allowable projects in this measure from chapter 6E, Hawaii Revised Statutes, which requires a review by the Department of Land and Natural Resources. While your Committee understands the rationale to proceed expeditiously with projects that may have a limited impact on the particular facility, your Committee feels it would be more appropriate for the Department of Land and Natural Resources and its State Historic Preservation Division to work with these historic site facilities to determine the best means of retaining the Department's oversight while ensuring a timely review process.

Your Committee believes that state support of Hawaii's artistic and cultural heritage, and especially the indigenous culture, is in everyone's best interest and that resolution of the above concerns will require further discussion.

Your Committee has amended this measure accordingly, by:



- (1) Clarifying that when Hawaii Historic Preservation Special Fund monies are used for the ordinary maintenance or repair of any feature, that the ordinary maintenance or repair does not involve a change in design, material, or outer appearance or change in those characteristics that qualified the historic property for entry onto the Hawaii Register of Historic Places; and
- (2) Inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 333, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 333, S.D. 2, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Technology,

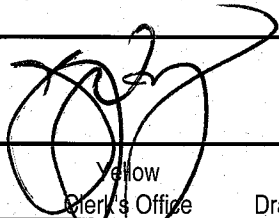


CAROL FUKUNAGA, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* SB333 SD1	Committee Referral: EDT, WAM	Date: 2/19/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama		✓		
SLOM, Sam			✓	
TOTAL	3	1	1	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes