

---

---

**A BILL FOR AN ACT**

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS.

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

1           SECTION 1. Section 9-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3           "(a) There is hereby created a state foundation on culture  
4 and the arts, which shall be placed within the department of  
5 ~~[accounting and general services]~~ business, economic  
6 development, and tourism for administrative purposes."

7           SECTION 2. All rights, powers, functions, and duties of  
8 the department of accounting and general services as they relate  
9 to the state foundation on culture and the arts are transferred  
10 to the department of business, economic development, and  
11 tourism.

12           All officers and employees whose functions are transferred  
13 by this Act shall be transferred with their functions and shall  
14 continue to perform their regular duties upon their transfer,  
15 subject to the state personnel laws and this Act.

16           No officer or employee of the State having tenure shall  
17 suffer any loss of salary, seniority, prior service credit,  
18 vacation, sick leave,

1 or other employee benefit or privilege as a consequence of this  
2 Act, and such officer or employee may be transferred or  
3 appointed to a civil service position without the necessity of  
4 examination: provided that the officer or employee possesses the  
5 minimum qualifications for the position to which transferred or  
6 appointed: and provided that subsequent changes in status may be  
7 made pursuant to applicable civil service and compensation laws.

8 An officer or employee of the State who does not have  
9 tenure and who may be transferred or appointed to a civil  
10 service position as a consequence of this Act shall become a  
11 civil service employee without the loss of salary, seniority,  
12 prior service credit, vacation, sick leave, or other employee  
13 benefits or privileges and without the necessity of examination:  
14 provided that such officer or employee possesses the minimum  
15 qualifications for the position to which transferred or  
16 appointed.

17 If an office or position held by an officer or employee  
18 having tenure is abolished, the officer or employee shall not  
19 thereby be separated from public employment, but shall remain in  
20 the employment of the State with the same pay and classification  
21 and shall be transferred to some other office or position for  
22 which the officer or employee is eligible under the personnel

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

3 SECTION 3. All rules, policies, procedures, guidelines,  
4 and other material adopted or developed by the department of  
5 accounting and general services to implement provisions of the  
6 Hawaii Revised Statutes which are reenacted or made applicable  
7 to the department of business, economic development, and tourism  
8 by this Act, shall remain in full force and effect until amended  
9 or repealed by the department of business, economic development,  
10 and tourism, pursuant to chapter 91, Hawaii Revised Statutes. In  
11 the interim, every reference to the department of accounting and  
12 general services or the comptroller of the department of  
13 accounting and general services in those rules, policies,  
14 procedures, guidelines, and other material is amended to refer  
15 to the department of economic development, business, and tourism  
16 or the director of the department of economic development,  
17 business, and tourism as appropriate.

18 SECTION 4. All deeds, leases, contracts, loans,  
19 agreements, permits, or other documents executed or entered into  
20 by or on behalf of the department of accounting and general  
21 services pursuant to the provisions of the Hawaii Revised  
22 Statutes, which are reenacted or made applicable to the

1 department of economic development, business, and tourism by  
2 this Act, shall remain in full force and effect. Effective July  
3 1, 2012, every reference to the department of accounting and  
4 general services or the comptroller of the department of  
5 accounting and general services therein shall be construed as a  
6 reference to the department of economic development, business,  
7 and tourism or the director of the department of economic  
8 development, business, and tourism as appropriate.

9 SECTION 5. All appropriations, records, equipment,  
10 machines, files, supplies, contracts, books, papers, documents,  
11 maps, and other personal property heretofore made, used,  
12 acquired, or held by the department of accounting and general  
13 services relating to the functions transferred to the department  
14 of business, economic development, and tourism shall be  
15 transferred with the functions to which they relate.

16 SECTION 6. It is the intent of this Act not to jeopardize  
17 the receipt of any federal aid nor to impair the obligation of  
18 the State or any agency thereof to the holders of any bond  
19 issued by the State or by any such agency, and to the extent,  
20 and only to the extent, necessary to effectuate this intent, the  
21 governor may modify the strict provisions of this Act, but shall  
22 promptly report any such modification with reasons therefor to

H .B. NO. 2435

1 the legislature at its next session thereafter for review by the  
2 legislature.

3 SECTION 7. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 8. This Act shall take effect on July 1, 2012.

6  
7 INTRODUCED BY: Cabinda Y. Boy  
8 BY REQUEST  
9 JAN 23 2012

# H .B. NO. 2435

**Report Title:**

State Foundation on Culture and the Arts

**Description:**

Administratively places the State Foundation on Culture and the Arts within the Department of Business, Economic Development, and Tourism instead of the Department of Accounting and General Services.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS.

PURPOSE: The purpose of this bill is to have the State Foundation on Culture and the Arts (SFCA) administratively attached to the Department of Business, Economic Development, and Tourism, (DBEDT) instead of the Department of Accounting and General Services, (DAGS).

MEANS: Amend section 9-2(a), Hawaii Revised Statutes.

JUSTIFICATION: It will be proposed in the Administration's budget bill that the general funding of the SFCA be replaced with funding from the Transit Accommodation Tax. This bill places SFCA in DBEDT to align the organizations to match the change in funding for SFCA. Additionally, it is not uncommon for states to have the arts programs attached to the tourism and economic development departments. The arts programs are in essence marketing tools of a state that promotes both tourism as well as relocation of citizens to that state by enhancing the quality of life of the state.

Impact on the Public: May benefit the public through increased grant funding from transit accommodation tax.

Impact on the Department and other Agencies: Puts the cultural agencies with the marketing agency (DBEDT) to allow the Department of Business, Economic Development, and Tourism, direct access to a product organization which they can leverage to bring tourist, businesses, and newcomers to the State. It also allows the Department

of Accounting and General Services to focus on its core mission and activities.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: AGS-881

OTHER AFFECTED  
AGENCIES: Department of Business, Economic  
Development, and Tourism.

EFFECTIVE DATE: July 1, 2012.