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# A BILL FOR AN ACT

RELATING TO THE SPORTS AND ENTERTAINMENT AUTHORITY.

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

1           SECTION 1. The legislature finds that Hawaii's unique  
2 geographic location, as a middle point between the Asia Pacific  
3 region and the mainland United States of America, can be an  
4 asset. With its natural landscape and different climates and  
5 elevations, Hawaii is a prime location for ocean sports,  
6 including surfing and sailing, and training. Hawaii is also a  
7 centralized venue for attracting concerts, international rugby,  
8 soccer, football, and other similar events. Hawaii's climate  
9 can provide an ideal respite for mainland events seeking  
10 alternatives to the cold weather, and Hawaii's location is a  
11 bridge to connect Asia, the Pacific, and the mainland United  
12 States.

13           The legislature also finds that Hawaii has the potential to  
14 establish itself as a premier destination for entertainment and  
15 sporting events, as well as to provide an ideal location for  
16 training facilities for youth, amateur, and professional  
17 athletes across many sports. Each venue and event must be



1 properly evaluated to ensure that it is economically viable for  
2 the State and all participants. The legislature believes that  
3 Hawaii can build upon the success of past events, such as the  
4 Ironman Championship, the Honolulu Marathon, the NFL Pro Bowl,  
5 and the Sony Open, to develop the types of events that draw  
6 visitors and local residents and provide revenues to the State,  
7 as well as community enhancements through sponsorships and  
8 donations.

9 The legislature further finds that the State also needs to  
10 develop a comprehensive plan to ensure that it can sustain these  
11 successful events and not lose them to other destinations.  
12 These plans must include the construction or rehabilitation of  
13 first-class facilities throughout the State, including the  
14 neighbor islands. In a 2014 National Association of Sports  
15 Commissions study, it was estimated that national sports  
16 industry visitor spending totaled \$8,900,000,000 with  
17 approximately 25,600,000 sports industry visitors. According to  
18 the department of business, economic development, and tourism,  
19 Hawaii only logged 105,839 arrivals for a sporting event, out of  
20 8,100,000 visitor arrivals to the State in 2014.



1           The purpose of this Act is to establish a sports and  
2 entertainment authority in the State to undertake and expand on  
3 the objectives and responsibilities of the stadium authority,  
4 established under chapter 109, Hawaii Revised Statutes. It is  
5 the legislature's intent that the sports and entertainment  
6 authority will coordinate and develop a thriving entertainment  
7 and sports industry in the State, including maintaining  
8 oversight of the Aloha stadium and promoting, attracting, and  
9 engaging Hawaii as an entertainment and sports training and  
10 event destination for local, national, and international events,  
11 as well as developing state-of-the-art facilities for the  
12 benefit of professional, amateur, and youth athletes. Through  
13 these efforts, the sports and entertainment authority shall also  
14 endeavor to provide opportunities for our residents and  
15 nonresidents to observe and participate in a variety of amateur  
16 and professional sporting and other entertainment events,  
17 provide for the development of local and non-local athletic  
18 talent, promote Hawaii as an attractive training and event  
19 destination, and encourage active lifestyles and improve the  
20 health of our keiki and adults.



1           Furthermore, in order to ensure that ongoing projects,  
 2 institutional knowledge, and expertise of the stadium authority  
 3 is not lost during the transition, current stadium authority  
 4 members may be appointed to the new sports and entertainment  
 5 authority.

6           This Act also:

7           (1) Establishes a special fund to receive fees and other  
 8 moneys for administration, operation, maintenance,  
 9 promotion, and management of the stadium and  
 10 entertainment and sports development in the State;

11          (2) Transfers powers and duties and funds from the stadium  
 12 authority to the sports and entertainment authority;  
 13 and

14          (3) Repeals the stadium authority, stadium special fund,  
 15 and Kapolei recreational sports complex special fund.

16          SECTION 2. The Hawaii Revised Statutes is amended by  
 17 adding a new chapter to be appropriately designated and to read  
 18 as follows:

19   "CHAPTER  
 20   SPORTS AND ENTERTAINMENT AUTHORITY



1       §   -1 **Definitions.** As used in this chapter, unless the  
2 context clearly otherwise requires:

3           "Authority" means the sports and entertainment authority.

4           "Board" means the board of directors of the sports and  
5 entertainment authority established in section       -2, and any  
6 successor thereto.

7           "Department" means the department of accounting and general  
8 services.

9       §   -2 **Sports and entertainment authority; establishment;  
10 board; president and chief executive officer.** (a) There is  
11 established the sports and entertainment authority, which shall  
12 be a body corporate and a public instrumentality of the State,  
13 for the purpose of implementing this chapter. The authority  
14 shall be placed within the department for administrative  
15 purposes only.

16           (b) The authority shall be headed by a policy-making board  
17 of directors that shall consist of eleven appointed members;  
18 provided that:

19           (1) The members shall be appointed by the governor as  
20               provided in section 26-34, except as otherwise  
21               provided by law;



1           (2) One member shall be appointed by the governor from a  
2           list of three names submitted by the president of the  
3           senate, and one member shall be appointed by the  
4           governor from a list of three names submitted by the  
5           speaker of the house of representatives; provided that  
6           if fewer than three names are submitted for each  
7           appointment, the governor may disregard the list; and  
8           (3) The membership shall include at least one  
9           representative from the county of Hawaii, the county  
10          of Kauai, or the county of Maui; and the remaining  
11          members shall be appointed at-large; provided that the  
12          at-large membership shall include at least one  
13          representative from the tourism industry and one  
14          representative from the University of Hawaii at Manoa.  
15          (c) The term of each member shall be four years; provided  
16          that, of the members initially appointed, four members shall  
17          serve for four years, four members shall serve for three years,  
18          and the remaining three members shall serve for two years;  
19          provided further that members initially appointed may include  
20          members of the stadium authority who held office on June 30,  
21          2016.

1           Vacancies shall be filled for the remainder of any  
2 unexpired term in the same manner as original appointments.

3           Notwithstanding any law to the contrary, members shall  
4 serve no more than two consecutive four-year terms; provided  
5 that the members who are initially appointed to terms of three  
6 years or less pursuant to this subsection may be reappointed to  
7 one ensuing consecutive four-year term. Each member shall hold  
8 office until the member's successor is appointed and qualified.  
9 Section 26-34 shall be applicable insofar as it relates to the  
10 number of terms and consecutive number of years a member may  
11 serve on the board.

12           (d) The members of the board shall elect a chairperson  
13 from among the members.

14           (e) Six members shall constitute a quorum and a minimum of  
15 six affirmative votes shall be necessary for all actions by the  
16 authority. The members shall serve without compensation, but  
17 shall be reimbursed for expenses, including traveling expenses,  
18 necessary for the performance of their duties.

19           (f) The board shall appoint one person to serve as  
20 president and chief executive officer, exempt from chapters 76  
21 and 88, who shall oversee the authority staff. The board shall



1 set the president and chief executive officer's salary, duties,  
2 responsibilities, holidays, vacations, leaves, hours of work,  
3 and working conditions. The board may grant other benefits as  
4 it deems necessary.

5 § -3 Powers and duties. (a) Except as otherwise  
6 limited by this chapter, the authority may:

- 7 (1) Sue and be sued;
- 8 (2) Have a seal and alter the same at pleasure;
- 9 (3) Adopt and amend bylaws for its organization and  
10 internal management;
- 11 (4) Adopt, amend, and repeal rules in accordance with  
12 chapter 91 to effectuate the purposes of this chapter;  
13 provided that no later than January 1, 2017, the  
14 authority shall adopt interim rules, which shall be  
15 exempt from chapter 91, to effectuate the purposes of  
16 this chapter; provided further that the interim rules  
17 shall remain in effect until July 1, 2019, or until  
18 rules are adopted pursuant to chapter 91;
- 19 (5) Plan, promote, and market all state sports facilities,  
20 including the stadium and its related facilities;





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- 1           (6) Procure insurance against any loss in connection with  
2           its property and other assets and operations in  
3           amounts and from insurers as it deems desirable;
- 4           (7) Contract for or accept revenues, compensation,  
5           proceeds, and gifts or grants in any form from any  
6           public agency or any other source;
- 7           (8) Develop, coordinate, and implement state policies and  
8           directions for sports and entertainment-related  
9           activities, taking into account the economic, social,  
10          and physical impacts of tourism on the State, Hawaii's  
11          natural environment, and areas frequented by the  
12          sports industry and other related activities;
- 13          (9) Conduct market development-related research as  
14          necessary;
- 15          (10) Coordinate all agencies and advise the private sector  
16          in the development of entertainment and sports-related  
17          activities and resources;
- 18          (11) Market and promote entertainment and sports-related  
19          activities and events;



- 1       (12) Set and collect rents, fees, charges, or other  
2             payments for the lease, use, occupancy, or disposition  
3             of the Aloha stadium without regard to chapter 91;
- 4       (13) Notwithstanding chapter 171, acquire, lease as lessee  
5             or lessor, own, rent, hold, and dispose of the stadium  
6             in the exercise of its powers and the performance of  
7             its duties under this chapter;
- 8       (14) Acquire, by purchase, lease, or otherwise, and  
9             develop, construct, operate, own, manage, repair,  
10            reconstruct, enlarge, or otherwise effectuate, either  
11            directly or through developers, stadium and other  
12            sports venue and entertainment facilities; and
- 13       (15) Through the president and chief executive officer:
  - 14            (A) Make and execute contracts and other instruments  
15                necessary or convenient to exercise the  
16                authority's powers under this chapter, including  
17                entering into contracts under chapter 102 or  
18                chapter 103D for the management of a state sports  
19                complex in a manner that is beneficial to the  
20                State. These contracts may contain revenue



- 1 sharing incentives based on increased usage of  
2 the complex;
- 3 (B) Appoint and prescribe the duties and  
4 qualifications of a sports coordinator, stadium  
5 manager, and a deputy manager subject to the  
6 approval of the board; provided that there is no  
7 anticipated revenue shortfall in the sports and  
8 entertainment authority special fund and funds  
9 have been appropriated by the legislature and  
10 allotted as provided by law;
- 11 (C) Represent the authority in communications with  
12 governor and the legislature;
- 13 (D) Purchase supplies, equipment, and furniture;
- 14 (E) Allocate the space or spaces that are to be  
15 occupied by the authority and appropriate staff;
- 16 (F) Engage the services of qualified persons to  
17 implement the State's sports industry plan or  
18 portions thereof as determined by the board; and
- 19 (G) Engage the services of consultants on a  
20 contractual basis for rendering professional and  
21 technical assistance and advice.



1           §   -4 Sports coordinator, stadium manager, and deputy  
2 manager; hiring of employees. (a) The sports coordinator,  
3 stadium manager, and deputy manager shall be exempt from the  
4 requirements of chapters 76 and 89. The sports coordinator and  
5 stadium manager shall each be paid a salary not to exceed  
6 eighty-seven per cent of the salary of the director of human  
7 resources development. The deputy manager shall be paid a  
8 salary not to exceed eighty-five per cent of the stadium  
9 manager's salary.

10           (b) The sports coordinator and stadium manager may,  
11 subject to the approval of the board, appoint, suspend, and  
12 discharge a secretary who shall be exempt from the requirements  
13 of chapters 76 and 89, and other employees and assistants as may  
14 be necessary for the proper conduct of the business of the  
15 authority. Except for persons hired on contract or otherwise as  
16 provided in this chapter and except for the sports coordinator,  
17 stadium manager, deputy manager, and secretary, all  
18 appointments, suspensions, or discharges shall be made in  
19 conformity with the applicable provisions of chapter 76.

20           §   -5 Exemption of the sports and entertainment authority  
21 from administrative supervision of boards and commissions.



1 Notwithstanding any law to the contrary, the authority shall be  
2 exempt from section 26-35 with the exception of section 26-35(a)  
3 (3), (7), and (8) and subsection (b).

4 § -6 Sports and entertainment-related activities. (a)

5 The authority may enter into contracts and agreements that  
6 include the following:

- 7 (1) Sports and entertainment promotion, marketing, and  
8 development;
- 9 (2) Sports market and entertainment development-related  
10 research;
- 11 (3) Product development and diversification issues focused  
12 on sports and entertainment;
- 13 (4) Promotion of Hawaii, through a coordinated statewide  
14 effort, as a place to host all types of sporting and  
15 entertainment events and other related activities;
- 16 (5) Reduction of barriers to travel, accommodations, and  
17 access to sports and entertainment facilities  
18 statewide;
- 19 (6) Sports and entertainment industry research and  
20 statistics to:



- 1 (A) Measure and analyze sports and entertainment
- 2 industry trends;
- 3 (B) Provide information and research to assist in the
- 4 development and implementation of the State's
- 5 sports industry policy; and
- 6 (C) Provide sports and entertainment industry
- 7 information on:
  - 8 (i) Sports and entertainment industry visitor
  - 9 arrivals, characteristics, and expenditures;
  - 10 (ii) The economic, social, and physical impacts
  - 11 of the sports and entertainment industry on
  - 12 the State; and
  - 13 (iii) The effects of sports and entertainment
  - 14 marketing programs of the authority on the
  - 15 measures of effectiveness developed by the
  - 16 authority; and
- 17 (7) Any and all other activities necessary to carry out
- 18 the intent of this chapter;
- 19 provided that the authority shall periodically submit a report
- 20 of the contracts and agreements entered into by the authority to



1 the governor, the speaker of the house of representatives, and  
2 the president of the senate.

3 (b) The authority shall be responsible for:

4 (1) Creating a vision and developing a long-range  
5 strategic plan for the sports and entertainment  
6 industries in Hawaii;

7 (2) Promoting, marketing, and developing the sports and  
8 entertainment industries in the State;

9 (3) Providing technical or other assistance to agencies  
10 and private industry upon request; and

11 (4) Reviewing annually the expenditures of public funds by  
12 any sports or entertainment industry organization that  
13 contracts with the authority to perform sports  
14 promotion, marketing, and development and making  
15 recommendations necessary to ensure the effective use  
16 of the funds for the development of the State's sports  
17 and entertainment industries.

18 (c) The authority may delegate to staff the responsibility  
19 for soliciting, awarding, and executing contracts and for  
20 monitoring and facilitating any and all functions developed in  
21 accordance with this section.



1           (d) Where public disclosure of information gathered or  
2 developed by the authority may place a business at a competitive  
3 disadvantage or may impair or frustrate the authority's ability  
4 to either compete as a sports or entertainment destination or  
5 obtain or utilize information for a legitimate government  
6 function, the authority may withhold from public disclosure  
7 competitively sensitive information.

8           § -7 **Security personnel, powers.** The person employed as  
9 the chief security officer by the authority shall have all of  
10 the powers of police officers, including the power of arrest;  
11 provided that these powers shall remain in force and in effect  
12 only while the person is in the actual performance of the  
13 person's duties at the stadium or other state sports complex  
14 administered by the authority.

15           § -8 **Enforcement; penalty.** (a) Any law enforcement  
16 officer who has police powers to arrest offenders and issue  
17 citations, including any police officer of the counties, shall  
18 have the authority to enforce any rule adopted pursuant to  
19 section -3(4).

20           (b) Any person violating any rule of the authority  
21 regulating conduct on the stadium or other state sports complex





1 premises shall be guilty of a petty misdemeanor punishable by a  
2 fine not exceeding \$1,000, or imprisonment not exceeding thirty  
3 days, or both.

4 (c) Any person violating any rule of the authority  
5 regulating parking or traffic on the stadium or other state  
6 sports complex premises shall have committed a traffic  
7 infraction, the adjudication of which shall be subject to the  
8 provisions of chapter 291D.

9 § -9 Lost and found money or property at the Aloha  
10 stadium. All money or property found at the Aloha stadium shall  
11 be reported or delivered by the finder to the stadium  
12 information room, and when so delivered shall be held by the  
13 stadium for forty-five days or until claimed by a person who  
14 establishes title or right of custody of the money or property  
15 to the satisfaction of the stadium manager, whichever is  
16 shorter. If title or right of custody is established, the money  
17 or property shall be delivered to the claimant by the manager or  
18 the manager's agent. If after forty-five days no claimant  
19 establishes a right to the money or property, the money or  
20 property may be claimed by the person who delivered it to the  
21 stadium information room; provided that if the person who



1 delivered it to the stadium information room fails to claim the  
2 money or property within thirty days after being notified by the  
3 manager, the manager shall deposit the money into the state  
4 treasury to the credit of the sports and entertainment special  
5 fund or shall dispose of the property by public auction. The  
6 manager shall give public notice, giving details as to time and  
7 place of the auction and giving notice to all persons interested  
8 in claiming the property that unless claims are made by persons  
9 who can provide satisfactory proof of ownership before a  
10 specified date, the property will be sold at public auction to  
11 the highest bidder; provided that if the manager considers the  
12 highest bid to be insufficient, the manager shall have the right  
13 to decline the sale to the highest bidder and may reoffer the  
14 property at a subsequent public auction. On the day and at the  
15 place specified in the notice, all property for which no  
16 satisfactory proof of ownership is made shall be sold by auction  
17 by or under the direction of the manager.

18       If any property that is of a perishable nature or that is  
19 unreasonably expensive to keep or safeguard remains unclaimed at  
20 the stadium, the manager may sell that property at public  
21 auction, at a time and after notice that is reasonable under the



1 circumstances. If the manager determines that any property  
2 delivered to the manager pursuant to this section has no  
3 apparent commercial value, the manager at any time thereafter  
4 may destroy or otherwise dispose of the property.

5 The manager shall deposit into the sports and entertainment  
6 special fund all moneys received from the sale, destruction, or  
7 disposition of any property. No action or proceeding shall be  
8 brought or maintained against the State or any officer thereof  
9 on account of the sale, destruction, or disposition of the  
10 property. The purchaser of property at any sale conducted by  
11 the manager pursuant to this section shall receive title to the  
12 property purchased and shall take possession of the property  
13 free from any and all claims of the owner, prior owners, and any  
14 person claiming title.

15 For purposes of this section, notice by regular mail to the  
16 last known address of the person who delivered the money or  
17 property to the stadium lost and found shall be deemed  
18 sufficient.

19 § -10 Sports and entertainment authority special fund.

20 (a) There is established the sports and entertainment authority  
21 special fund, into which shall be deposited:



- 1           (1) A portion of the revenues from the transient
- 2                   accommodations tax, as provided by section 237D-6.5;
- 3           (2) Appropriations by the legislature to the sports and
- 4                   entertainment authority special fund;
- 5           (3) Gifts, grants, and other funds accepted by the
- 6                   authority;
- 7           (4) All interest and revenues or receipts derived by the
- 8                   authority from any project or project agreements; and
- 9           (5) All funds received pursuant to a management contract
- 10                   under section       -3 or collected by the authority
- 11                   from the operations of a state sports complex shall be
- 12                   deposited subject to contracts entered into pursuant
- 13                   to section       -3.
- 14           (b) Moneys in the sports and entertainment authority
- 15 special fund may be:
- 16           (1) Placed in interest-bearing accounts; provided that the
- 17                   depository in which the money is deposited furnishes
- 18                   security as provided in section 38-3; or
- 19           (2) Otherwise invested by the authority until such time as
- 20                   the money may be needed; provided that the authority



1           shall limit investments to those listed in section 36-  
2           21.

3 All interest accruing from the investment of these moneys shall  
4 be credited to the sports and entertainment authority special  
5 fund.

6           (c) Moneys in the sports and entertainment authority  
7 special fund shall be used by the authority for the purposes of  
8 this chapter; provided that:

9           (1) Not more than five per cent of the amount shall be  
10           used for administrative expenses, including \$15,000  
11           for a protocol fund to be expended at the discretion  
12           of the president and chief executive officer; and

13           (2) Two-thirds of the amount shall be used:

14           (A) To finance all or a portion of the cost of any  
15           capital improvement project for the stadium,  
16           state sports complex, and related facilities; and

17           (B) To pay the expenses of the operation,  
18           maintenance, promotion, and management of the  
19           stadium, state sports complex, and related  
20           facilities;



1 provided that all services required for the stadium,  
2 state sports complex, and related facilities shall be  
3 performed by persons hired on contract or otherwise,  
4 without regard for chapter 76; provided further that  
5 the authority shall report to the legislature all  
6 receipts and expenditures of the sports and  
7 entertainment special fund account twenty days prior  
8 to the convening of each regular session.

9 § -11 Exemption of authority from Hawaii public

10 procurement code. The authority shall not be subject to chapter  
11 103D and any and all other requirements of law for competitive  
12 bidding for project agreements, construction contracts, lease  
13 and sublease agreements, or other contracts unless a project  
14 agreement with respect to a project otherwise shall require.

15 § -12 Authority special account. The authority may set

16 up a special account into which shall be deposited all receipts  
17 collected by the authority from the sale of admission tickets  
18 for events held at the stadium or any authority managed venue,  
19 including any money deposited with the authority by users to  
20 assure the payment of charges for the use of the stadium. Money  
21 in the account shall be kept in a depository as defined in



1 section 38-1. Disbursements from the account shall be made in  
2 accordance with procedures adopted by the authority and approved  
3 by the director of finance.

4 § -13 Authority; private attorneys. (a) The board may  
5 appoint or retain by contract one or more attorneys who are  
6 independent of the attorney general to provide legal services  
7 for the board solely in cases of contract negotiations in which  
8 the attorney general lacks sufficient expertise; provided that  
9 the private attorneys shall consult and work in conjunction with  
10 the designated deputy attorney general assigned to the  
11 authority.

12 (b) The board may fix the compensation of private  
13 attorneys appointed or retained pursuant to this section.  
14 Attorneys appointed or retained by contract shall be exempt from  
15 chapters 76, 78, and 88."

16 SECTION 3. Section 28-8.3, Hawaii Revised Statutes, is  
17 amended as follows:

18 1. By amending subsection (a) to read as follows:

19 "(a) No department of the State other than the attorney  
20 general may employ or retain any attorney, by contract or  
21 otherwise, for the purpose of representing the State or the



1 department in any litigation, rendering legal counsel to the  
2 department, or drafting legal documents for the department;  
3 provided that the foregoing provision shall not apply to the  
4 employment or retention of attorneys:

5 (1) By the public utilities commission, the labor and  
6 industrial relations appeals board, and the Hawaii  
7 labor relations board;

8 (2) By any court or judicial or legislative office of the  
9 State; provided that if the attorney general is  
10 requested to provide representation to a court or  
11 judicial office by the chief justice or the chief  
12 justice's designee, or to a legislative office by the  
13 speaker of the house of representatives and the  
14 president of the senate jointly, and the attorney  
15 general declines to provide such representation on the  
16 grounds of conflict of interest, the attorney general  
17 shall retain an attorney for the court, judicial, or  
18 legislative office, subject to approval by the court,  
19 judicial, or legislative office;

20 (3) By the legislative reference bureau;





- 1           (4) By any compilation commission that may be constituted
- 2                   from time to time;
- 3           (5) By the real estate commission for any action involving
- 4                   the real estate recovery fund;
- 5           (6) By the contractors license board for any action
- 6                   involving the contractors recovery fund;
- 7           (7) By the office of Hawaiian affairs;
- 8           (8) By the department of commerce and consumer affairs for
- 9                   the enforcement of violations of chapters 480 and
- 10                   485A;
- 11           (9) As grand jury counsel;
- 12           (10) By the Hawaii health systems corporation, or its
- 13                   regional system boards, or any of their facilities;
- 14           (11) By the auditor;
- 15           (12) By the office of ombudsman;
- 16           (13) By the insurance division;
- 17           (14) By the University of Hawaii;
- 18           (15) By the Kahoolawe island reserve commission;
- 19           (16) By the division of consumer advocacy;
- 20           (17) By the office of elections;
- 21           (18) By the campaign spending commission;



- 1       (19) By the Hawaii tourism authority, as provided in  
2            section 201B-2.5;
- 3       (20) By the division of financial institutions for any  
4            action involving the mortgage loan recovery fund;
- 5       (21) By the office of information practices; [øø]
- 6       (22) By the sports and entertainment authority; or
- 7       ~~[(22)]~~ (23) By a department, if the attorney general, for  
8            reasons deemed by the attorney general to be good and  
9            sufficient, declines to employ or retain an attorney  
10           for a department; provided that the governor waives  
11           the provision of this section."

12       2. By amending subsection (c) to read as follows:

13       "(c) Every attorney employed by any department on a full-  
14       time basis, except an attorney employed by the public utilities  
15       commission, the labor and industrial relations appeals board,  
16       the Hawaii labor relations board, the office of Hawaiian  
17       affairs, the Hawaii health systems corporation or its regional  
18       system boards, the department of commerce and consumer affairs  
19       in prosecution of consumer complaints, insurance division, the  
20       division of consumer advocacy, the University of Hawaii, the  
21       Hawaii tourism authority as provided in section 201B-2.5, the



1 office of information practices, sports and entertainment  
2 authority, or as grand jury counsel, shall be a deputy attorney  
3 general."

4 SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) Each special fund, except the:

- 7 (1) Special out-of-school time instructional program fund  
8 under section 302A-1310;
- 9 (2) School cafeteria special funds of the department of  
10 education;
- 11 (3) Special funds of the University of Hawaii;
- 12 (4) State educational facilities improvement special fund;
- 13 (5) Special funds established by section 206E-6;
- 14 (6) Aloha Tower fund created by section 206J-17;
- 15 (7) Funds of the employees' retirement system created by  
16 section 88-109;
- 17 (8) Hawaii hurricane relief fund established under chapter  
18 431P;
- 19 (9) Convention center enterprise special fund established  
20 under section 201B-8;



- 1       (10) Hawaii health systems corporation special funds and  
2           the subaccounts of its regional system boards;
- 3       (11) Tourism special fund established under section 201B-  
4           11;
- 5       (12) Universal service fund established under section 269-  
6           42;
- 7       (13) Emergency and budget reserve fund under section 328L-  
8           3;
- 9       (14) Public schools special fees and charges fund under  
10           section 302A-1130;
- 11       (15) Sport fish special fund under section 187A-9.5;
- 12       [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 13       [+] (17) [+] Center for nursing special fund under section 304A-  
14           2163;
- 15       [+] (18) [+] Passenger facility charge special fund established  
16           by section 261-5.5;
- 17       [+] (19) [+] Court interpreting services revolving fund under  
18           section 607-1.5;
- 19       [+] (20) [+] Trauma system special fund under section 321-22.5;
- 20       [+] (21) [+] Hawaii cancer research special fund;
- 21       [+] (22) [+] Community health centers special fund;



1    [+] (23) [+]   Emergency medical services special fund;

2    [+] (24) [+]   Rental motor vehicle customer facility charge

3                   special fund established under section 261-5.6;

4    [+] (25) [+]   Shared services technology special fund under

5                   section 27-43;

6    [+] (26) [+]   Nursing facility sustainability program special fund

7                   established pursuant to Act 156, Session Laws of

8                   Hawaii 2012;

9    [+] (27) [+]   Automated victim information and notification system

10                  special fund established under section 353-136;

11   [+] (28) [+]   Hospital sustainability program special fund under

12                  Act 217, Session Laws of Hawaii 2012, as amended;

13                  [and]

14   [+] (29) [+]   Civil monetary penalty special fund under section

15                  321-30.2[7]; and

16       (30) Sports and entertainment authority special fund

17       established under section           -10,

18 shall be responsible for its pro rata share of the

19 administrative expenses incurred by the department responsible

20 for the operations supported by the special fund concerned."



1 SECTION 5. Section 237D-6.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) Revenues collected under this chapter shall be  
4 distributed in the following priority, with the excess revenues  
5 to be deposited into the general fund:

6 (1) \$1,500,000 shall be allocated to the Turtle Bay  
7 conservation easement special fund beginning July 1,  
8 2015, for the reimbursement to the state general fund  
9 of debt service on reimbursable general obligation  
10 bonds, including ongoing expenses related to the  
11 issuance of the bonds, the proceeds of which were used  
12 to acquire the conservation easement and other real  
13 property interests in Turtle Bay, Oahu, for the  
14 protection, preservation, and enhancement of natural  
15 resources important to the State, until the bonds are  
16 fully amortized;

17 (2) \$26,500,000 shall be allocated to the convention  
18 center enterprise special fund established under  
19 section 201B-8;

20 (3) \$82,000,000 shall be allocated to the tourism special  
21 fund established under section 201B-11; provided that:



- 1           (A) Beginning on July 1, 2012, and ending on June 30,  
2                         \$2,000,000 shall be expended from the  
3                         tourism special fund for development and  
4                         implementation of initiatives to take advantage  
5                         of expanded visa programs and increased travel  
6                         opportunities for international visitors to  
7                         Hawaii;
- 8           (B) Of the \$82,000,000 allocated:
- 9                         (i) \$1,000,000 shall be allocated for the  
10                         operation of a Hawaiian center and the  
11                         museum of Hawaiian music and dance at the  
12                         Hawaii convention center; and
- 13                         (ii) 0.5 per cent of the \$82,000,000 shall be  
14                         transferred to a sub-account in the tourism  
15                         special fund to provide funding for a safety  
16                         and security budget, in accordance with the  
17                         Hawaii tourism strategic plan 2005-2015; and
- 18           (C) Of the revenues remaining in the tourism special  
19                         fund after revenues have been deposited as  
20                         provided in this paragraph and except for any sum  
21                         authorized by the legislature for expenditure



1 from revenues subject to this paragraph,  
2 beginning July 1, 2007, funds shall be deposited  
3 into the tourism emergency special fund,  
4 established in section 201B-10, in a manner  
5 sufficient to maintain a fund balance of  
6 \$5,000,000 in the tourism emergency special fund;  
7 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000  
8 for fiscal year 2015-2016, and \$93,000,000 for each  
9 fiscal year thereafter shall be allocated as follows:  
10 Kauai county shall receive 14.5 per cent, Hawaii  
11 county shall receive 18.6 per cent, city and county of  
12 Honolulu shall receive 44.1 per cent, and Maui county  
13 shall receive 22.8 per cent; provided that commencing  
14 with fiscal year 2018-2019, a sum that represents the  
15 difference between a county public employer's annual  
16 required contribution for the separate trust fund  
17 established under section 87A-42 and the amount of the  
18 county public employer's contributions into that trust  
19 fund shall be retained by the state director of  
20 finance and deposited to the credit of the county  
21 public employer's annual required contribution into





1 that trust fund in each fiscal year, as provided in  
2 section 87A-42, if the respective county fails to  
3 remit the total amount of the county's required annual  
4 contributions, as required under section 87A-43; [and]

5 (5) \$3,000,000 shall be allocated to the special land and  
6 development fund established under section 171-19;  
7 provided that the allocation shall be expended in  
8 accordance with the Hawaii tourism authority strategic  
9 plan for:

10 (A) The protection, preservation, maintenance, and  
11 enhancement of natural resources, including  
12 beaches, important to the visitor industry;

13 (B) Planning, construction, and repair of facilities;  
14 and

15 (C) Operation and maintenance costs of public lands,  
16 including beaches, connected with enhancing the  
17 visitor experience[-]; and

18 (6) \$10,000,000 shall be allocated to the sports and  
19 entertainment authority special fund established under  
20 section -10 for:



- 1           (A) The administrative and operational cost of the  
2           sports and entertainment authority;
- 3           (B) The expenses of the operation, maintenance,  
4           promotion, and management of the stadium and  
5           related facilities; and
- 6           (C) The payment of debt service on debt obligations,  
7           the proceeds of which were used to redevelop the  
8           stadium and other related facilities.

9           All transient accommodations taxes shall be paid into the  
10          state treasury each month within ten days after collection and  
11          shall be kept by the state director of finance in special  
12          accounts for distribution as provided in this subsection.

13          As used in this subsection, "fiscal year" means the twelve-  
14          month period beginning on July 1 of a calendar year and ending  
15          on June 30 of the following calendar year."

16          SECTION 6. Chapter 109, Hawaii Revised Statutes, is  
17          repealed.

18          SECTION 7. All rights, powers, functions, and duties of  
19          the stadium authority are transferred to the sports and  
20          entertainment authority.



1 All officers and employees whose functions are transferred  
2 by this Act shall be transferred with their functions and shall  
3 continue to perform their regular duties upon their transfer,  
4 subject to the state personnel laws and this Act.

5 No officer or employee of the State having tenure shall  
6 suffer any loss of salary, seniority, prior service credit,  
7 vacation, sick leave, or other employee benefit or privilege as  
8 a consequence of this Act, and such officer or employee may be  
9 transferred or appointed to a civil service position without the  
10 necessity of examination; provided that the officer or employee  
11 possesses the minimum qualifications for the position to which  
12 transferred or appointed; and provided that subsequent changes  
13 in status may be made pursuant to applicable civil service and  
14 compensation laws.

15 An officer or employee of the State who does not have  
16 tenure and who may be transferred or appointed to a civil  
17 service position as a consequence of this Act shall become a  
18 civil service employee without the loss of salary, seniority,  
19 prior service credit, vacation, sick leave, or other employee  
20 benefits or privileges and without the necessity of examination;  
21 provided that such officer or employee possesses the minimum



1 qualifications for the position to which transferred or  
2 appointed.

3       If an office or position held by an officer or employee  
4 having tenure is abolished, the officer or employee shall not  
5 thereby be separated from public employment, but shall remain in  
6 the employment of the State with the same pay and classification  
7 and shall be transferred to some other office or position for  
8 which the officer or employee is eligible under the personnel  
9 laws of the State as determined by the head of the department or  
10 the governor.

11       SECTION 8. All appropriations, records, equipment,  
12 machines, files, supplies, contracts, books, papers, documents,  
13 maps, and other personal property heretofore made, used,  
14 acquired, or held by the stadium authority relating to the  
15 functions transferred to the sports and entertainment authority  
16 shall be transferred with the functions to which they relate.

17       SECTION 9. Any unexpended and unencumbered balance  
18 remaining in the stadium special fund, stadium special account,  
19 and Kapolei recreational sports complex special fund as of the  
20 effective date of this Act shall be deposited into the sports  
21 and entertainment authority special fund.



1 SECTION 10. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$ or so much  
3 thereof as may be necessary for fiscal year 2016-2017 for the  
4 purposes of this Act.

5 The sum appropriated shall be expended by the sports and  
6 entertainment authority for the purposes of this Act.

7 SECTION 11. This Act does not affect rights and duties  
8 that matured, penalties that were incurred, and proceedings that  
9 were begun before its effective date.

10 SECTION 12. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 13. This Act shall take effect on July 1, 2016.

13

INTRODUCED BY  \_\_\_\_\_

JAN 22 2016



# H.B. NO. 1847

**Report Title:**

Sports and Entertainment Authority; Appropriation

**Description:**

Establishes the sports and entertainment authority to coordinate and develop a thriving entertainment and sports industry in the State, including oversight of the stadium and attracting local, national and international events, as well as developing state-of-the-art facilities for the benefit of professional, amateur and youth athletes. Establishes the sports and entertainment authority special fund. Repeals the stadium authority and transfers jurisdiction over stadiums and related facilities and the Kapolei recreational sports complex to the sports and entertainment authority. Makes an appropriation.

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

