
A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

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

1 SECTION 1. Ship repair is a critical industry in our
2 maritime dependent state. Ship repair capability ensures the
3 safe and timely operation of ships and barges supplying the
4 Hawaiian Islands. Without this capability, many ships are
5 required to travel to the mainland for dry docking and repair
6 which in turn reduces revenues for the State. The ship repair
7 industry provides critical industrial services, including repair
8 of engines and generators, welding and metal fabrication,
9 ventilation and air conditioning, and critical servicing of oil
10 product transfer buoys and well-paying industrial and technical
11 job opportunities for the State. However, ship repair
12 companies in Hawaii have a significant cost competitive
13 disadvantage with mainland and foreign ship repair entities due
14 to higher labor and material shipping costs. Sustaining and
15 supporting a strong maritime repair industry is critical to the
16 quality of life and prosperity of the State of Hawaii.



H.B. NO. 2475

1 The Hawaii shipbuilding and repair industry is comprised of
2 establishments that are primarily engaged in operating small
3 shipyards, which are fixed facilities with dry docks and
4 fabrication equipment. Shipyard activities include ship
5 construction, repair, conversion and alteration, the production
6 of prefabricated ships, boats, barge sections, and other
7 specialized services. Hawaii's shipbuilding and repair industry
8 utilizes local manufacturing and other trades outside of the
9 shipyard, providing vital jobs that are economically beneficial
10 to Hawaii.

11 The purpose of this Act is to enhance maritime productivity
12 and workforce development by establishing a maritime industry
13 grant program.

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

17 **"CHAPTER**

18 **MARITIME INDUSTRY GRANT PROGRAM**

19 § -1 **Definitions.** As used in this chapter:

20 "Department" means the department of labor and industrial
21 relations.



1 "Qualified shipyard" means a shipyard facility located in
2 Honolulu Harbor comprised of not more than one thousand two
3 hundred employees.

4 § -2 Maritime industry grant program established. There
5 is established within the department a maritime industry grant
6 program to be developed and administered by the department and
7 under which the department shall award grants to qualified
8 shipyards. The department shall accept applications for grants
9 on forms prescribed and prepared by the department.

10 § -3 Eligibility for grants. (a) The department shall
11 award grants for the maritime industry grant program based on
12 criteria that shall be developed by the department; provided
13 that no grant shall be awarded to a qualified shipyard that has
14 been in operation for less than five years.

15 (b) Projects eligible to receive grants from the maritime
16 industry grant program shall include:

17 (1) Capital improvement projects to foster efficiency,
18 competitive operations, and quality ship construction,
19 repair, and ship reconfiguration by qualified
20 shipyards; and



1 (2) Workforce development and training projects to improve
2 employee skills in the maritime industry.

3 (c) Grants may also be awarded by the department for the
4 purchase of machinery and equipment; provided that the machinery
5 and equipment is used in ship repair, ship construction, or ship
6 reconfiguration.

7 (d) The grant shall not exceed \$ in any year and
8 only one grant shall be awarded to a qualified shipyard in any
9 given year.

10 (e) In reviewing grant applications submitted pursuant to
11 this chapter, the department shall analyze each application to
12 determine the economic viability of the grant request and the
13 benefits that will be realized by the State should the grant be
14 awarded. If the department determines through its analysis that
15 the grant request is not economically viable or will not be
16 beneficial to the State, the grant shall not be awarded.

17 § -4 Reports. The department shall submit a report to
18 the legislature no later than twenty days prior to the convening
19 of each regular session held in an even-numbered year. The
20 report shall include:

21 (1) The total number of grant applications received;



- 1 (2) The total number of grants awarded;
- 2 (3) The projected economic and workforce development
- 3 benefits expected from the awarding of the grant;
- 4 (4) The actual economic and workforce development benefits
- 5 realized from awarding of each grant;
- 6 (5) The total amount of money awarded for each grant; and
- 7 (6) Any other information about the maritime industry
- 8 grant program the department deems necessary.

9 § -5 Rules. The department shall adopt rules, pursuant
 10 to chapter 91, to implement this chapter.

11 § -6 Exemption from chapter 42F. The provisions of
 12 chapter 42F shall not apply to the grants made pursuant to this
 13 chapter, but all grants shall be made only in accordance with
 14 standards and conditions specified in section -3."

15 SECTION 3. There is appropriated out of the general
 16 revenues of the State of Hawaii the sum of \$ or so much
 17 thereof as may be necessary for fiscal year 2016-2017 for the
 18 awarding of grants under the maritime industry grant program
 19 established pursuant to this Act.


20 The sum appropriated shall be expended by the department of
 21 labor and industrial for the purposes of this Act.

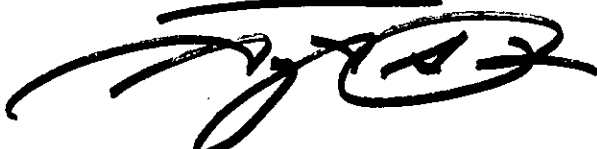
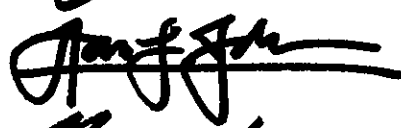
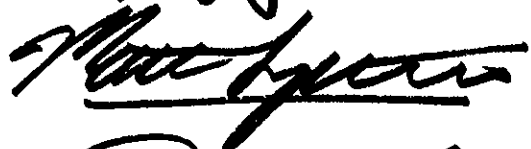
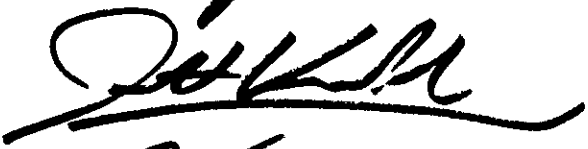

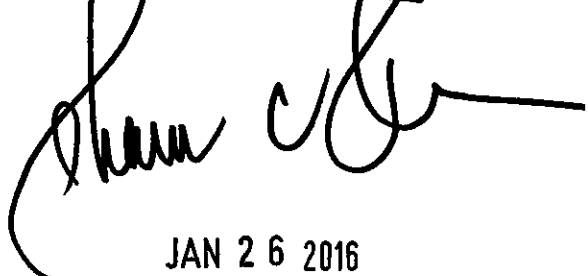


1 SECTION 4. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:



 Jaleelo Omer




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JAN 26 2016

H.B. NO. 2475

Report Title:

Maritime Industry Grant Program; Workforce Development;
Appropriation

Description:

Establishes a maritime industry grant program within the department of labor and industrial relations. Establishes criteria for the awarding of grants. Appropriates funds.

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