
A BILL FOR AN ACT

RELATING TO COMMON ELEMENTS MAINTENANCE FEE AND RENT PILOT
PROJECT.

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

1 SECTION 1. (a) There is established within the department
2 of accounting and general services a pilot project to be known
3 as the common elements maintenance fee and rent pilot project,
4 which shall apply to office space leased to state departments at
5 the building known as the Princess Victoria Kamamalu Building,
6 located on land identified as TMK (1) 2-1-017-010-0000. The
7 department of accounting and general services shall provide
8 general and administrative oversight of the pilot project. The
9 pilot project shall terminate on June 30, 2021.

10 (b) For the pilot project, notwithstanding any other law
11 to the contrary, the department of accounting and general
12 services shall implement transfer pricing as set forth in this
13 Act when determining and assessing common elements maintenance
14 fees and rent for office space leased to state departments at
15 the Princess Victoria Kamamalu Building.



1 (c) In determining the rent amount applicable to a
2 department leasing office space at the Princess Victoria
3 Kamamalu Building, the department of accounting and general
4 services shall consider the following factors, among other
5 things:

6 (1) The number of employees of the respective department
7 that work at the Princess Victoria Kamamalu Building
8 in office space leased by that department;

9 (2) The amount of square feet of office space allotted per
10 departmental employee; provided that for those
11 employees for which the allotment of office or work
12 space is established by collective bargaining
13 agreement, the allotment amount established by the
14 collective bargaining agreement shall be used; and

15 (3) The cost per square foot for the leased office space
16 as established by the department of accounting and
17 general services.

18 (d) In determining the proportionate share of repair and
19 maintenance costs to be allotted as common elements maintenance
20 fees to a state department leasing office space at the Princess
21 Victoria Kamamalu Building, the department of accounting and



1 general services shall consider the following factors, among
2 other things:

3 (1) The number of employees of the respective department
4 that work at the Princess Victoria Kamamalu Building
5 in office space leased by that department; and

6 (2) The amount of square feet of office space allotted per
7 departmental employee; provided that for those
8 employees for which the allotment of office or work
9 space is established by collective bargaining
10 agreement, the allotment amount established by the
11 collective bargaining agreement shall be used.

12 (e) The department of accounting and general services
13 shall collect annual common elements maintenance fees and rent
14 from state departments at the Princess Victoria Kamamalu
15 Building and shall deposit the moneys into the common elements
16 maintenance fee and rent revolving fund established under
17 subsection (f).

18 (f) There is established a common elements maintenance fee
19 and rent revolving fund. All proceeds collected by the
20 department of accounting and general services through the
21 assessment of common elements maintenance fees and rent



1 established by this Act shall be deposited into the revolving
2 fund. Moneys in the revolving fund shall be expended by the
3 department of accounting and general services for costs
4 associated with operating and maintaining the Princess Victoria
5 Kamamalu Building; provided that the moneys collected from
6 common elements maintenance fees shall be kept in a separate
7 account in the revolving fund and expended for necessary
8 expenses incurred for repair and maintenance of the common
9 elements of the Princess Victoria Kamamalu Building.

10 (g) The department of accounting and general services
11 shall submit an annual report of its findings and
12 recommendations, including any proposed legislation, to the
13 legislature; provided that the first annual report shall be
14 submitted no later than twenty days prior to the convening of
15 the regular session of 2018 and subsequent annual reports shall
16 be submitted no later than twenty days prior to the convening of
17 each subsequent regular session, until and including the regular
18 session of 2021.

19 Annual reports shall include:

20 (1) An evaluation of the pilot project, including any
21 necessary changes to the pilot project;



- 1 (2) The common elements maintenance fees and rent amounts
2 established by the department of accounting and
3 general services pursuant to this Act;
- 4 (3) The number of employees located on premises per state
5 department leasing office space at the Princess
6 Victoria Kamamalu Building;
- 7 (4) The amount of common elements maintenance fees and
8 rent collected, deposited into and expended from the
9 common elements maintenance fee and rent revolving
10 fund, including a detailed listing of all
11 expenditures; and
- 12 (5) Any other information deemed relevant by the
13 department of accounting and general services.
- 14 (h) As used in this Act:
- 15 "Common elements" means and includes:
- 16 (1) The parcel of land, identified as TMK (1) 2-1-017-010-
17 000, upon which the Princess Victoria Kamamalu
18 Building is situated;
- 19 (2) The foundations, columns, girders, beams, supports,
20 main walls, roofs, halls, corridors, lobbies, stairs,



- 1 stairways, fire escapes, and entrances and exits of
2 the Princess Victoria Kamamalu Building;
- 3 (3) The basements, flat roofs, yards, gardens,
4 recreational facilities, parking areas, and storage
5 spaces of the Princess Victoria Kamamalu Building;
- 6 (4) The premises for the use of janitors and other persons
7 employed for the operation of the Princess Victoria
8 Kamamalu Building;
- 9 (5) Central and appurtenant installations at the Princess
10 Victoria Kamamalu Building for services such as power,
11 light, gas, hot and cold water, heating,
12 refrigeration, air conditioning, and incinerators;
- 13 (6) The elevators, escalators, tanks, pumps, motors, fans,
14 compressors, ducts, and in general all apparatus and
15 installations existing for common use at the Princess
16 Victoria Kamamalu Building;
- 17 (7) Facilities as may be designated as common elements by
18 the department of accounting and general services; and
- 19 (8) All other parts of the Princess Victoria Kamamalu
20 Building property necessary or convenient to its



1 existence, maintenance, and safety, or normally in
2 common use.

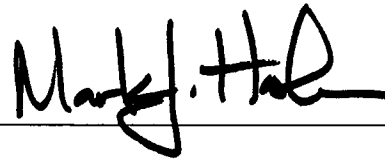
3 "Common elements maintenance fee" means the fee assessed by
4 the department of accounting and general services and paid by
5 state departments leasing office space at the Princess Victoria
6 Kamamalu Building to cover the costs of repair and maintenance
7 of the common elements of the Princess Victoria Kamamalu
8 Building.

9 SECTION 2. The department of accounting and general
10 services may adopt rules in accordance with chapter 91, Hawaii
11 Revised Statutes, for the purposes of this Act.

12 SECTION 3. This Act shall take effect upon its approval,
13 and shall be repealed on June 30, 2021.

14

INTRODUCED BY:



JAN 20 2017



H.B. NO. 374

Report Title:

Common Elements Maintenance Fee and Rent Pilot Project; Princess Victoria Kamamalu Building

Description:

Establishes the Common Elements Maintenance Fee and Rent Pilot Project in conjunction with the Princess Victoria Kamamalu Building.

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

