
A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

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

1 SECTION 1. The legislature finds that ship repair and boat
2 construction are critical industries in Hawaii. Ship repair
3 capability ensures the safe and timely operation of ships and
4 barges supplying the Hawaiian islands. Without this capability,
5 many ships are required to travel to the mainland for dry
6 docking and repair, which in turn reduces revenues for the
7 State. The legislature further finds that the ship repair
8 industry provides critical industrial services, including repair
9 of engines and generators, welding and metal fabrication,
10 ventilation and air conditioning, and critical servicing of oil
11 product transfer buoys, and well-paying industrial and technical
12 job opportunities for Hawaii's residents. The legislature
13 additionally finds that ship repair companies in Hawaii have a
14 significant competitive cost disadvantage compared to mainland
15 and foreign ship repair entities due to higher labor and
16 material shipping costs. The legislature also finds that
17 sustaining and supporting a strong maritime repair industry are



MARITIME INDUSTRY GRANT PROGRAM

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

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

"Qualified shipyard" means a shipyard facility engaged in shipyard activities located in Honolulu comprised of not more than one thousand employees.

§ -2 **Maritime industry grant program; established.**

There is established within the department a maritime industry grant program to be developed and administered by the department and under which the department shall award grants to qualified shipyards or training providers for eligible projects. The department shall prescribe and produce forms and procedures necessary for grant applications.

§ -3 **Eligibility for grants.** (a) The department shall

award grants for the maritime industry grant program only to qualified shipyards or training providers that:

- (1) Have applied for or received all applicable licenses or permits;
- (2) Comply with all applicable federal, state, and local laws, rules, ordinances, and policies, including



1 federal and state laws prohibiting discrimination
2 against any person on the basis of race, color,
3 national origin, religion, creed, sex, age, sexual
4 orientation, or disability;

5 (3) Agree not to use state funds for entertainment or
6 lobbying purposes;

7 (4) Allow the department, legislative committees and their
8 staff, and the auditor full access to the shipyard's
9 records, files, and other related documents and
10 information for the purposes of monitoring, measuring
11 the effectiveness of, and ensuring the proper
12 expenditure of the grant; and

13 (5) Are incorporated under the laws of the State;
14 provided that no grant shall be awarded to a qualified shipyard
15 that has been in operation for less than ten years.

16 (b) Projects eligible to receive grants from the maritime
17 industry grant program may include workforce development and
18 training projects to improve employee skills related to the
19 maritime industry.



1 (c) A grant shall not exceed \$ in any calendar
2 year, and a qualified shipyard or training provider shall be
3 awarded only one grant in any given calendar year.

4 § -4 **Biennial report.** The department shall submit a
5 report to the legislature no later than twenty days prior to the
6 convening of each regular session held in an even-numbered year.
7 The report shall include:

- 8 (1) The total number of grant applications received;
9 (2) The total number of grants awarded;
10 (3) The total amount of money awarded for each grant; and
11 (4) Any other information about the maritime industry
12 grant program that the department deems necessary.

13 § -5 **Rules.** The department may adopt rules pursuant to
14 chapter 91 to implement this chapter.

15 § -6 **Exemptions.** Grants made pursuant to this chapter
16 shall be exempt from chapters 42F, 103D, and 103F. All grants
17 shall be made in accordance with standards and conditions
18 specified in section -3.

19 § -7 **Appropriations; administrative expenditures.**
20 Moneys appropriated for the maritime industry grant program may
21 be used to pay for the cost of administering, operating, and



1 marketing the grant program, as determined by the director of
2 labor and industrial relations."

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2017-2018 and
6 the same sum or so much thereof as may be necessary for fiscal
7 year 2018-2019 for the maritime industry grant program
8 established pursuant to this Act.

9 The sums appropriated shall be expended by the department
10 of labor and industrial relations for the purposes of this Act.

11 SECTION 4. This Act shall take effect on January 7, 2059.

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Report Title:

Workforce Development; Maritime Industry Grant Program;
Appropriation

Description:

Establishes the maritime industry grant program. Appropriates moneys to fund the grant program. Takes effect 1/7/2059. (SD1)

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