

CHAPTER 212
FOREIGN-TRADE ZONES

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" **§212-1 "Act of Congress" defined.** As used in this chapter, "Act of Congress" means the act of Congress approved June 18, 1934, entitled, "An act to provide for the establishment, operation, and maintenance of foreign-trade zones in ports of entry of the United States, to expedite and encourage foreign commerce, and for other purposes", and the amendments thereto. [L 1963, c 7, §2; Supp, §98T-2; HRS §212-1]

" **§212-2 "Public corporation" defined.** As used in this chapter, "public corporation" means the State of Hawaii, any political subdivision thereof, and municipality therein, or any public agency of the State. [L 1963, c 7, §3; Supp, §98T-3; HRS §212-2]

" **§212-3 Designation and approval of governor for application.** Any public corporation which is duly designated and approved by the governor may make application to the Foreign-Trade Zones Board of the United States for the purpose of establishing, operating, and maintaining a foreign-trade zone in accordance with the Act of Congress in any port of entry in the State. [L 1963, c 7, §4; Supp, §98T-4; HRS §212-3]

" **§212-4 Grant of authority to governor; rules and regulations.** The governor may do all things necessary and proper to carry into effect the establishing, maintaining, and operating of foreign-trade zones, and make such rules and regulations concerning the operation, maintenance, and policing of the zone as may be necessary to comply with the Act of Congress. All rules and regulations established under this chapter shall be adopted and promulgated pursuant to chapter 91. [L 1963, c 7, §5; Supp, §98T-5; HRS §212-4]

" **§212-5 Setting aside public lands; lease, license, and permits.** Notwithstanding any law to the contrary, the governor may set aside public lands to a public corporation for the purpose of this chapter and the corporation may, by negotiation and without recourse to public auction, lease, rent, or let the lands or any part thereof or any interest therein, including concessions and concession space, by lease, license, or permit on the terms and conditions set by the corporation. [L 1963, c 7, §6; Supp, §98T-6; HRS §212-5]

" **[§212-5.5] Foreign-trade zone; jurisdiction.** Anything to the contrary notwithstanding, the department of business, economic development, and tourism shall have jurisdiction and administrative authority over the area in the vicinity of Piers 1 and 2 currently being used as a foreign-trade zone. This area

is defined as all of parcels 2 and 3-A of the Forrest Avenue subdivision, as shown on the map filed in the bureau of conveyances of the State of Hawaii, as file plan 2335, and lot A-1, as shown on map 2, filed in the office of the assistant registrar of the land court of the State of Hawaii with land court application 1328; provided that all existing easements affecting and appurtenant to the parcels to be deleted from the Kakaako community development district boundaries shall not be affected by this change. [L 2006, c 165, §2]

Note

Further requirements on conveyance of parcels at Piers 1 and 2. L 2006, c 165, §5.

Cross References

Honolulu Harbor, Piers 1 and 2; jurisdiction, see §266-1.5.

" **§212-6 Establishment, operation, and maintenance of zone.** Any public corporation authorized pursuant to this chapter to make an application and whose application is granted pursuant to the terms of the Act of Congress may establish, operate, and maintain the foreign-trade zone:

- (1) Subject to the conditions and restrictions of the Act of Congress;
- (2) Under the rules and regulations, and for the period of time that may be prescribed by the foreign-trade zones board established by the Act of Congress to carry out the provisions of the Act. [L 1963, c 7, §7; Supp, §98T-7; HRS §212-6]

Attorney General Opinions

Application of various state taxes to foreign-trade zone activities. Att. Gen. Op. 64-52.

" **§212-7 Powers; indemnity or assurance to the United States and deposits with United States.** If authorized to establish, operate, and maintain a foreign-trade zone, a public corporation may, in addition to its other powers:

- (1) Provide for such indemnity or assurance to the United States or its agencies as they may request;
- (2) Deposit such sums of money with the United States as the United States or its agencies may request, providing the money is available therefor by direct

appropriation or otherwise. [L 1963, c 7, §8; Supp, §98T-8; HRS §212-7]

" **§212-8 Exemption from taxes.** Notwithstanding any law to the contrary, sales of all products which are categorized as privileged foreign merchandise, nonprivileged foreign merchandise, domestic merchandise, or zone-restricted merchandise, and which are admitted into a foreign-trade zone, as more specifically set forth in the Act of Congress, and any rules and regulations promulgated thereunder, made directly to any common carrier in interstate or foreign commerce, or both, whether ocean-going or air, for consumption out-of-state by the crew or passengers on the shipper's vessels or airplanes, or for use out-of-state by the vessels or airplanes, shall be exempt from those taxes imposed under chapters 237, 238, 243, 244D, and 245. [L 1967, c 143, §1; HRS §212-8; am L 1985, c 16, §1; am L 1995, c 81, §1]

" **§212-9 Special fund.** There is established in the state treasury a fund to be known as the foreign-trade zones special fund. All fees or other moneys collected under this chapter shall be deposited in this fund. All moneys in the fund are hereby appropriated for the purposes of and shall be expended by the public corporation for the operation, capital improvement, and maintenance of the zone. [L 1971, c 93, §2; am L 1995, c 81, §2]

" **§212-10 Personnel.** Permanent employees currently not in civil service and who are employed by the State to operate and maintain the foreign trade zone in the department of business, economic development, and tourism shall be converted to permanent civil service status within the meaning of chapter 76 without the necessity of examination and shall be accorded all the rights, benefits, and privileges attributable thereto. Such rights and privileges shall include seniority, prior service credit, vacation and sick leave credits, and other benefits and privileges accorded employees with civil service status. Employees so converted shall not suffer a reduction in their pay rate. [L 1971, c 195, §1; am L 1987, c 336, §7; am L 1990, c 293, §8; am L 2000, c 253, §150]