
A BILL FOR AN ACT

RELATING TO STATE GOVERNMENT.

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

PART I

SECTION 1. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new subpart to part VII to be appropriately designated and to read as follows:

"SUBPART . PACIFIC INTERNATIONAL SPACE CENTER FOR
EXPLORATION SYSTEMS.

§304A- Definitions. As used in this subpart:

"Board" means the board of directors of the Pacific international space center for exploration systems.

"Space center" means the Pacific international space center for exploration systems.

§304A- Pacific international space center for exploration systems. (a) There is established the Pacific international space center for exploration systems, to be placed within the University of Hawaii at Hilo for administrative purposes only.



(b) The space center may employ, subject to chapter 76, technical experts and officers, agents, and employees, permanent and temporary, as required. The space center may also employ officers, agents, and employees, prescribe their duties and qualifications, and fix their salaries, without regard to chapter 76, when in the determination of the board, the services to be performed by those employed are unique and essential to the execution of the functions of the space center.

§304A- Pacific international space center for exploration systems; board of directors; establishment; duties.

(a) There is established the board of directors of the Pacific international space center for exploration systems, consisting of nine members, to include:

- (1) The director of business, economic development, and tourism, or the director's designee;
- (2) The president of the University of Hawaii, or the president's designee;
- (3) The chancellor of the University of Hawaii at Hilo, or the chancellor's designee; and



1 (4) Six members from government, industry, and academia,
2 both national and international, with appropriate
3 professional interests and backgrounds;
4 provided that of the members appointed under paragraph (4), two
5 members shall be appointed by the governor from a list of
6 nominees submitted by the president of the senate, two members
7 shall be appointed by the governor from a list of nominees
8 submitted by the speaker of the house of representatives, and
9 two members shall be appointed by the governor; provided further
10 that the members appointed pursuant to paragraph (4) shall be
11 subject to section 26-34.

12 The board shall select a chairperson from among its
13 members.

14 (b) Five members shall constitute a quorum, whose
15 affirmative vote shall be necessary for all actions by the space
16 center. The members of the board shall serve without
17 compensation, but shall be entitled to reimbursement for
18 necessary expenses, including travel expenses, incurred in the
19 performance of their duties.



1 (c) The board shall appoint an executive director to the
2 space center who shall be exempt from chapter 76. The board
3 shall set the salary and duties of the executive director.

4 **§304A- General powers.** (a) The board may:

5 (1) Sue and be sued;

6 (2) Adopt a seal and alter the seal at pleasure;

7 (3) Make and execute contracts and other instruments
8 necessary or convenient to the exercise of its powers;
9 and

10 (4) Adopt bylaws and rules, which shall be exempt from
11 chapter 91, for its organization and internal
12 management, and to carry into effect its purposes,
13 powers, and programs.

14 (b) In addition to other powers conferred upon it, the
15 board may do all things necessary and convenient to carry out
16 the powers expressly provided in this subpart.

17 **§304A- Powers and duties of the Pacific international**
18 **space center for exploration systems executive director.** In
19 addition to any other powers and duties provided in this
20 subpart, the executive director shall:



- 1 (1) Oversee, supervise, and direct the planning,
2 evaluation, and coordination of space-related
3 activities, and identify and promote opportunities for
4 expanding and diversifying aerospace-related
5 industries in the State pertaining to the space
6 center;
- 7 (2) Establish partnerships with corporate, government, and
8 University of Hawaii entities that can promote and
9 enhance the State's aerospace industry; and where
10 possible, help to generate additional revenue for the
11 University of Hawaii and create classes and other
12 educational opportunities for students;
- 13 (3) Work with local universities and community colleges to
14 facilitate internships for students with the space
15 center and associated companies;
- 16 (4) Continue to work with the University of Hawaii on
17 course development, teaching, workforce development,
18 and outreach;
- 19 (5) Promote innovative educational and workforce
20 development programs that will enhance public



- 1 awareness of the space center and enable residents to
2 pursue employment in Hawaii's aerospace industry;
- 3 (6) Act as the public representative of the space center;
- 4 (7) Monitor national and global trends in the aerospace
5 industry and promote global awareness of the space
6 center;
- 7 (8) Pursue projects in the aerospace sector that can be
8 leveraged for improvements to the State's broadband
9 and alternative energy capabilities;
- 10 (9) Serve as a clearinghouse for information on the space
11 center and associated activities;
- 12 (10) Target existing businesses that can provide products
13 or services of importance to the space center and its
14 projects to support the expansion of these businesses
15 in Hawaii;
- 16 (11) Increase contacts and maintain liaison with the
17 National Aeronautics and Space Administration, related
18 aerospace organizations, and other federal agencies
19 and facilities;
- 20 (12) Maintain and expand liaisons with local business and
21 citizen groups;



(13) Adopt, amend, and repeal rules pursuant to chapter 91 necessary to carry out this subpart;

(14) Contract for services as may be necessary for the purposes of this subpart;

(15) Oversee and manage the unmanned aircraft systems program; and

(16) Do all other things necessary or proper to carry out the purposes of this subpart.

§304A- Pacific international space center for exploration systems special fund. (a) There is established in the state treasury the Pacific international space center for exploration systems special fund, into which shall be deposited:

(1) Revenues, moneys, and fees from services, rentals, publications, royalties, and patents generated under this subpart;

(2) Gifts, donations, and grants received by the space center; and

(3) Proceeds from revenue bonds issued by the director of finance.

(b) Moneys in the fund shall be used by the space center for the operation, maintenance, and management of its projects,



1 facilities, services, and publications and for the design and
2 construction of new facilities and the renovation of or addition
3 to existing facilities.

4 (c) All moneys remaining in the Pacific international
5 space center for exploration systems special fund at the close
6 of each fiscal year that are deemed, by the director of finance,
7 to be in excess of the moneys necessary to carry out the
8 purposes of this section in the next fiscal year shall lapse to
9 the credit of the state general fund."

10 SECTION 2. Chapter 201, part V, Hawaii Revised Statutes,
11 is repealed.

12 SECTION 3. On July 1, 2021, any remaining unencumbered
13 balance in the Pacific international space center for
14 exploration systems special fund established by section
15 201-80.2, Hawaii Revised Statutes, and repealed by section 2 of
16 this Act shall lapse to the Pacific international space center
17 for exploration systems special fund established under section 1
18 of this Act.

19 PART II

20 SECTION 4. (a) The Challenger center Hawaii program shall
21 be transferred from the office of aerospace development and



1 placed within the department of education for administrative
2 purposes.

3 (b) All appropriations, records, equipment, machines,
4 files, supplies, contracts, books, papers, documents, maps, and
5 other personal property heretofore made, used, acquired, or held
6 by the office of aerospace development for the Challenger center
7 Hawaii program shall be transferred to the department of
8 education with the functions to which they relate.

9 (c) All rights, powers, functions, and duties of the
10 office of aerospace development as they relate to the Challenger
11 center Hawaii program are transferred to the department of
12 education.

13 All employees who occupy civil service positions and whose
14 functions are transferred to the department of education by this
15 Act shall retain their civil service status, whether permanent
16 or temporary. Employees shall be transferred without loss of
17 salary, seniority (except as prescribed by applicable collective
18 bargaining agreements), retention points, prior service credit,
19 any vacation and sick leave credits previously earned, and other
20 rights, benefits, and privileges, in accordance with state
21 personnel laws and this Act; provided that the employees possess



1 the minimum qualifications and public employment requirements
2 for the class or position to which transferred or appointed, as
3 applicable; provided further that subsequent changes in status
4 may be made pursuant to applicable civil service and
5 compensation laws.

6 Any employee who, prior to this Act, is exempt from civil
7 service and is transferred as a consequence of this Act may
8 retain the employee's exempt status, but shall not be appointed
9 to a civil service position as a consequence of this Act. An
10 exempt employee who is transferred by this Act shall not suffer
11 any loss of prior service credit, vacation or sick leave credits
12 previously earned, or other employee benefits or privileges as a
13 consequence of this Act; provided that the employees possess
14 legal and public employment requirements for the position to
15 which transferred or appointed, as applicable; provided further
16 that subsequent changes in status may be made pursuant to
17 applicable employment and compensation laws. The superintendent
18 of the department of education may prescribe the duties and
19 qualifications of these employees and fix their salaries without
20 regard to chapter 76, Hawaii Revised Statutes.



1 SECTION 5. On July 1, 2021, the budget of the office of
2 aerospace development that is specifically allocated to the
3 Challenger center Hawaii program shall be transferred to the
4 department of education.

5 PART III

6 SECTION 6. Section 87A-42, Hawaii Revised Statutes, is
7 amended by amending subsection (d) to read as follows:

8 "(d) In any fiscal year subsequent to the 2017-2018 fiscal
9 year in which a county public employer's contributions into the
10 fund are less than the amount of the annual required
11 contribution, the amount that represents the excess of the
12 annual required contribution over the county public employer's
13 contributions shall be deposited into the fund from a portion of
14 all transient accommodations tax revenues collected by the
15 department of taxation under section [~~237D-6.5(b)(4).~~]
16 237D-6.5(b)(3). The director of finance shall deduct the amount
17 necessary to meet the county public employer's annual required
18 contribution from the revenues derived under section [~~237D-~~
19 ~~6.5(b)(4)] 237D-6.5(3) and transfer the amount to the board for
20 deposit into the appropriate account of the separate trust
21 fund."~~



SECTION 7. Section 171-19, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is created in the department a special fund to be designated as the "special land and development fund". Subject to the Hawaiian Homes Commission Act of 1920, as amended, and section 5(f) of the Admission Act of 1959, all proceeds of sale of public lands, including interest on deferred payments; all moneys collected under section 171-58 for mineral and water rights; all rents from leases, licenses, and permits derived from public lands; all moneys collected from lessees of public lands within industrial parks; all fees, fines, and other administrative charges collected under this chapter and chapter 183C; a portion of the highway fuel tax collected under chapter 243; all moneys collected by the department for the commercial use of public trails and trail accesses under the jurisdiction of the department; transient accommodations tax revenues collected pursuant to section [~~237D-6.5(b)(5);~~] 237D-6.5(b)(4); and private contributions for the management, maintenance, and development of trails and accesses shall be set apart in the fund and shall be used only as authorized by the legislature for the following purposes:



- 1 (1) To reimburse the general fund of the State for
2 advances made that are required to be reimbursed from
3 the proceeds derived from sales, leases, licenses, or
4 permits of public lands;
- 5 (2) For the planning, development, management, operations,
6 or maintenance of all lands and improvements under the
7 control and management of the board pursuant to title
8 12, including but not limited to permanent or
9 temporary staff positions who may be appointed without
10 regard to chapter 76; provided that transient
11 accommodations tax revenues allocated to the fund
12 shall be expended as provided in section [~~237D-~~
13 ~~6.5(b)(5)+~~] 237D-6.5(b)(4);
- 14 (3) To repurchase any land, including improvements, in the
15 exercise by the board of any right of repurchase
16 specifically reserved in any patent, deed, lease, or
17 other documents or as provided by law;
- 18 (4) For the payment of all appraisal fees; provided that
19 all fees reimbursed to the board shall be deposited in
20 the fund;



- 1 (5) For the payment of publication notices as required
2 under this chapter; provided that all or a portion of
3 the expenditures may be charged to the purchaser or
4 lessee of public lands or any interest therein under
5 rules adopted by the board;
- 6 (6) For the management, maintenance, and development of
7 trails and trail accesses under the jurisdiction of
8 the department;
- 9 (7) For the payment to private land developers who have
10 contracted with the board for development of public
11 lands under section 171-60;
- 12 (8) For the payment of debt service on revenue bonds
13 issued by the department, and the establishment of
14 debt service and other reserves deemed necessary by
15 the board;
- 16 (9) To reimburse the general fund for debt service on
17 general obligation bonds issued to finance
18 departmental projects, where the bonds are designated
19 to be reimbursed from the special land and development
20 fund;



1 (10) For the protection, planning, management, and
2 regulation of water resources under chapter 174C; and

3 (11) For other purposes of this chapter."

4 SECTION 8. Section 201B-2, Hawaii Revised Statutes, is
5 amended by amending subsection (c) to read as follows:

6 "(c) Members shall be appointed by the governor for terms
7 of four years; provided that membership on the board shall not
8 exceed eight consecutive years; provided further that no member
9 shall ~~[hold office until the member's successor is appointed and~~
10 ~~qualified.]~~ continue as a holdover member beyond the beginning
11 of the next regular legislative session, following the
12 expiration of the member's term."

13 SECTION 9. Section 201B-3, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) Except as otherwise limited by this chapter, the
16 authority may:

- 17 (1) Sue and be sued;
18 (2) Have a seal and alter the same at pleasure;
19 (3) Through its president and chief executive officer,
20 make and execute contracts and all other instruments
21 necessary or convenient for the exercise of its powers



1 and functions under this chapter; provided that the
2 authority may enter into contracts and agreements for
3 a period of up to five years, subject to the
4 availability of funds; and provided further that the
5 authority may enter into agreements for the use of the
6 convention center facility for a period of up to ten
7 years;

8 (4) Make and alter bylaws for its organization and
9 internal management;

10 (5) Unless otherwise provided in this chapter, adopt rules
11 in accordance with chapter 91 with respect to its
12 projects, operations, properties, and facilities;

13 (6) Through its president and chief executive officer,
14 represent the authority in communications with the
15 governor and the legislature;

16 (7) Through its president and chief executive officer,
17 provide for the appointment of officers, agents, a
18 sports coordinator, and employees, subject to the
19 approval of the board, prescribing their duties and
20 qualifications, and fixing their salaries, without
21 regard to chapters 76 and 78, if there is no



1 anticipated revenue shortfall in the tourism special
2 fund and funds have been appropriated by the
3 legislature and allotted as provided by law;

4 (8) Through its president and chief executive officer,
5 purchase supplies, equipment, or furniture;

6 (9) Through its president and chief executive officer,
7 allocate the space or spaces that are to be occupied
8 by the authority and appropriate staff;

9 (10) Through its president and chief executive officer,
10 engage the services of qualified persons to implement
11 the State's tourism marketing plan or portions thereof
12 as determined by the authority;

13 (11) Through its president and chief executive officer,
14 engage the services of consultants on a contractual
15 basis for rendering professional and technical
16 assistance and advice;

17 (12) Procure insurance against any loss in connection with
18 its property and other assets and operations in
19 amounts and from insurers as it deems desirable;



(13) Contract for or accept revenues, compensation, proceeds, and gifts or grants in any form from any public agency or any other source;

~~[-(14) Develop, coordinate, and implement state policies and directions for tourism and related activities taking into account the economic, social, and physical impacts of tourism on the State, Hawaii's natural environment, and areas frequented by visitors,~~

~~-(15)]~~ (14) Have a permanent, strong focus on Hawaii brand management;

~~[-(16)]~~ (15) Conduct market development-related research as necessary;

~~[-(17) Coordinate all agencies and advise the private sector in the development of tourism-related activities and resources,~~

~~-(18) Work to eliminate or reduce barriers to travel to provide a positive and competitive business environment, including coordinating with the department of transportation on issues affecting airlines and air route development,~~



1 ~~(19)]~~ (16) Market and promote sports-related activities and
2 events;

3 ~~[(20) Coordinate the development of new products with the~~
4 ~~counties and other persons in the public sector and~~
5 ~~private sector, including the development of sports,~~
6 ~~culture, health and wellness, education, technology,~~
7 ~~agriculture, and nature tourism;~~

8 ~~(21)]~~ (17) Establish a public information and educational
9 program to inform the public of tourism and tourism-
10 related problems;

11 ~~[(22) Encourage the development of tourism educational,~~
12 ~~training, and career counseling programs;~~

13 ~~(23) Establish a program to monitor, investigate, and~~
14 ~~respond to complaints about problems resulting~~
15 ~~directly or indirectly from the tourism industry and~~
16 ~~taking appropriate action as necessary;~~

17 ~~(24)]~~ (18) Develop and implement emergency measures to
18 respond to any adverse effects on the tourism
19 industry, pursuant to section 201B-9;

20 ~~[(25)]~~ (19) Set and collect rents, fees, charges, or other
21 payments for the lease, use, occupancy, or disposition



1 of the convention center facility without regard to
2 chapter 91;

3 ~~[(+26+)]~~ (20) Notwithstanding chapter 171, acquire, lease as
4 lessee or lessor, own, rent, hold, and dispose of the
5 convention center facility in the exercise of its
6 powers and the performance of its duties under this
7 chapter; and

8 ~~[(+27+)]~~ (21) 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, a convention center
12 facility."

13 SECTION 10. Section 201B-7, Hawaii Revised Statutes, is
14 amended to read as follows:

15 **"§201B-7 Tourism-related activities.** (a) The authority
16 may enter into contracts and agreements that include the
17 following:

- 18 (1) Tourism promotion, marketing, and development;
19 (2) Market development-related research;
20 (3) Product development and diversification issues focused
21 on visitors;



1 (4) Promotion, development, and coordination of sports-
2 related activities and events;

3 (5) Promotion of Hawaii, through a coordinated statewide
4 effort, as a place to do business, including high
5 technology business, and as a business destination;

6 ~~[(6) Reduction of barriers to travel;~~

7 ~~(7)]~~ (6) Marketing, management, use, operation, or
8 maintenance of the convention center facility,
9 including the purchase or sale of goods or services,
10 logo items, concessions, sponsorships, and license
11 agreements, or any use of the convention center
12 facility as a commercial enterprise; provided that
13 effective January 1, 2020, and thereafter, contracts
14 issued pursuant to this paragraph for the marketing of
15 all uses of the convention center facility may be
16 issued separately from the management, use, operation,
17 or maintenance of the facility;

18 ~~[(8)]~~ (7) Tourism research and statistics to:

19 (A) Measure and analyze tourism trends;



1 (B) Provide information and research to assist in the
2 development and implementation of state tourism
3 policy; and

4 (C) Provide tourism information on:

5 (i) Visitor arrivals, visitor characteristics,
6 and expenditures;

7 (ii) The number of transient accommodation units
8 available, occupancy rates, and room rates;

9 (iii) Airline-related data including seat capacity
10 and number of flights;

11 (iv) The economic, social, and physical impacts
12 of tourism on the State; and

13 (v) The effects of the marketing programs of the
14 authority on the measures of effectiveness
15 developed pursuant to section 201B-6(b);

16 [~~and~~]

17 (8) Collaborate, in conjunction with the authority's
18 contractors, with the State foundation on culture and
19 the arts as a resource to assist the authority in its
20 efforts to ensure cultural sensitivity in its visitor
21 industry marketing; and



1 (9) Any and all other activities necessary to carry out
2 the intent of this chapter;
3 provided that the authority shall periodically submit a report
4 of the contracts and agreements entered into by the authority to
5 the governor, the speaker of the house of representatives, and
6 the president of the senate.

7 (b) The authority shall be responsible for:

8 (1) Creating a vision and developing a long-range
9 strategic plan for tourism in Hawaii;

10 (2) Promoting, marketing, and developing the tourism
11 industry in the State; and

12 (3) Arranging for the conduct of research through
13 contractual services with the University of Hawaii or
14 any agency or other qualified persons concerning
15 social, economic, and environmental aspects of tourism
16 development in the State[+]

17 ~~(4) Providing technical or other assistance to agencies~~
18 ~~and private industry upon request;~~

19 ~~(5) Perpetuating the uniqueness of the native Hawaiian~~
20 ~~culture and community, and their importance to the~~
21 ~~quality of the visitor experience, by ensuring that:~~



1 ~~(A) The Hawaiian culture is accurately portrayed by~~
2 ~~Hawaii's visitor industry;~~

3 ~~(B) Hawaiian language is supported and normalized as~~
4 ~~both an official language of the State as well as~~
5 ~~the foundation of the host culture that draws~~
6 ~~visitors to Hawaii;~~

7 ~~(C) Hawaiian cultural practitioners and cultural~~
8 ~~sites that give value to Hawaii's heritage are~~
9 ~~supported, nurtured, and engaged in sustaining~~
10 ~~the visitor industry; and~~

11 ~~(D) A native Hawaiian cultural education and training~~
12 ~~program is provided for the visitor industry~~
13 ~~workforce having direct contact with visitors;~~
14 ~~and~~

15 ~~(6) Reviewing annually the expenditure of public funds by~~
16 ~~any visitor industry organization that contracts with~~
17 ~~the authority to perform tourism promotion, marketing,~~
18 ~~and development and making recommendations necessary~~
19 ~~to ensure the effective use of the funds for the~~
20 ~~development of tourism.~~



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

~~(d) Where public disclosure of information gathered or developed by the authority may place a business at a competitive disadvantage or may impair or frustrate the authority's ability to either compete as a visitor destination or obtain or utilize information for a legitimate government function, the authority may withhold from public disclosure competitively sensitive information including:~~

~~(1) Completed survey forms and questionnaire forms;~~

~~(2) Coding sheets; and~~

~~(3) Database records of the information]."~~

SECTION 11. Section 201B-8, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) There is established the convention center enterprise special fund, into which shall be deposited:

(1) A portion of the revenues from the transient accommodations tax, as provided by section 237D-6.5;



1 (2) All revenues or moneys derived from the operations of
2 the convention center to include all revenues from the
3 food and beverage service, all revenues from the
4 parking facilities or from any concession, and all
5 revenues from the sale of souvenirs, logo items, or
6 any other items offered for purchase at the convention
7 center;

8 (3) Private contributions, interest, compensation, gross
9 or net revenues, proceeds, or other moneys derived
10 from any source or for any purpose arising from the
11 use of the convention center facility; and

12 (4) Appropriations by the legislature, including any
13 transfers from the tourism special fund established
14 under section 201B-11 for marketing the facility
15 pursuant to section ~~[201B-7(a)-(7)-]~~ 201B-7(a)(6).

16 (b) Moneys in the convention center enterprise special
17 fund shall be used by the authority for the payment of expenses
18 arising from any and all use, operation, maintenance,
19 alteration, improvement, or any unforeseen or unplanned repairs
20 of the convention center, including without limitation the food
21 and beverage service and parking service provided at the



1 convention center facility, the sale of souvenirs, logo items,
2 or other items, for any future major repair, maintenance, and
3 improvement of the convention center facility as a commercial
4 enterprise or as a world class facility for conventions,
5 entertainment, or public events, and for marketing the facility
6 pursuant to section ~~[201B-7(a)(7).]~~ 201B-7(a)(6)."

7 SECTION 12. Section 201B-10, Hawaii Revised Statutes, is
8 amended by amending subsections (a) and (b) to read as follows:

9 "(a) There is established outside the state treasury a
10 tourism emergency special fund to be administered by the board[
11 ~~into which shall be deposited the revenues prescribed by section~~
12 ~~237D-6.5(b)]~~. All investment earnings from moneys in the
13 special fund shall be credited to the tourism special fund
14 established pursuant to section 201B-11.

15 (b) Moneys in the special fund shall be used exclusively
16 to provide for the development and implementation of emergency
17 measures that directly relate to safety and security initiatives
18 necessary to respond to any tourism emergency pursuant to
19 section 201B-9, including providing emergency assistance to
20 tourists during the tourism emergency."



SECTION 13. Section 201B-11, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) There is established in the state treasury the tourism special fund, into which shall be deposited:

~~[(1) A portion of the revenues from any transient accommodations tax, as provided by section 237D-6.5,~~
and

~~+(2)]~~ (1) Appropriations by the legislature to the tourism special fund; and

~~[(3)]~~ (2) Gifts, grants, and other funds accepted by the authority."

2. By amending subsection (c) to read:

"(c) Moneys in the tourism special fund shall be used by the authority for the purposes of this chapter, provided that ~~[(+)~~

~~+(1) Not]~~ not more than 3.5 per cent of this amount shall be used for administrative expenses, including:

(1) All governance and employment expenses;

(2) Organization-wide costs; and



1 (3) \$15,000 for a protocol fund to be expended at the
2 discretion of the president and chief executive
3 officer[-

4 ~~(2) At least \$1,000,000 shall be made available to support~~
5 ~~efforts to manage, improve, and protect Hawaii's~~
6 ~~natural environment and areas frequented by~~
7 ~~visitors]."~~

8 SECTION 14. Section 201B-13, Hawaii Revised Statutes, is
9 repealed:

10 ~~["§201B-13 Assistance by state and county agencies,~~
11 ~~advisory group. (a) Any state or county agency may render~~
12 ~~services upon request of the authority.~~

13 ~~(b) The authority may establish an advisory group that may~~
14 ~~meet monthly or as the authority deems necessary, which may~~
15 ~~include the director of business, economic development, and~~
16 ~~tourism, director of transportation, chairperson of the board of~~
17 ~~land and natural resources, and executive director of the state~~
18 ~~foundation on culture and the arts to advise the authority on~~
19 ~~matters relating to their respective departments or agency in~~
20 ~~the preparation and execution of suggested:~~



- ~~(1) Measures to respond to tourism emergencies pursuant to section 201B-9;~~
- ~~(2) Programs for the management, improvement, and protection of Hawaii's natural environment and other areas frequented by visitors;~~
- ~~(3) Measures to address issues affecting airlines, air routes, and barriers to travel to Hawaii; and~~
- ~~(4) Programs to perpetuate the cultures of Hawaii and engage local communities to sustain and preserve the native Hawaiian culture.] "~~

SECTION 15. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Except for the revenues collected pursuant to section 237D-2(e), revenues collected under this chapter shall be distributed in the following priority, with the excess revenues to be deposited into the general fund:

- (1) \$1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the



1 issuance of the bonds, the proceeds of which were used
2 to acquire the conservation easement and other real
3 property interests in Turtle Bay, Oahu, for the
4 protection, preservation, and enhancement of natural
5 resources important to the State, until the bonds are
6 fully amortized;

7 (2) \$16,500,000 shall be allocated to the convention
8 center enterprise special fund established under
9 section 201B-8;

10 ~~[(3) \$79,000,000 shall be allocated to the tourism special~~
11 ~~fund established under section 201B-11, provided that:~~

12 ~~(A) Beginning on July 1, 2012, and ending on June 30,~~
13 ~~2015, \$2,000,000 shall be expended from the~~
14 ~~tourism special fund for development and~~
15 ~~implementation of initiatives to take advantage~~
16 ~~of expanded visa programs and increased travel~~
17 ~~opportunities for international visitors to~~
18 ~~Hawaii;~~

19 ~~(B) Of the \$79,000,000 allocated:~~



1 ~~(i) \$1,000,000 shall be allocated for the~~
2 ~~operation of a Hawaiian center and the~~
3 ~~museum of Hawaiian music and dance, and~~
4 ~~(ii) 0.5 per cent of the \$79,000,000 shall be~~
5 ~~transferred to a sub account in the tourism~~
6 ~~special fund to provide funding for a safety~~
7 ~~and security budget, in accordance with the~~
8 ~~Hawaii tourism strategic plan 2005-2015, and~~

9 ~~(C) Of the revenues remaining in the tourism special~~
10 ~~fund after revenues have been deposited as~~
11 ~~provided in this paragraph and except for any sum~~
12 ~~authorized by the legislature for expenditure~~
13 ~~from revenues subject to this paragraph,~~
14 ~~beginning July 1, 2007, funds shall be deposited~~
15 ~~into the tourism emergency special fund,~~
16 ~~established in section 201B-10, in a manner~~
17 ~~sufficient to maintain a fund balance of~~
18 ~~\$5,000,000 in the tourism emergency special fund,~~

19 ~~(4)]~~ (3) \$103,000,000 shall be allocated as follows:

20 Kauai county shall receive 14.5 per cent, Hawaii
21 county shall receive 18.6 per cent, city and county of



1 Honolulu shall receive 44.1 per cent, and Maui county
2 shall receive 22.8 per cent; provided that commencing
3 with fiscal year 2018-2019, a sum that represents the
4 difference between a county public employer's annual
5 required contribution for the separate trust fund
6 established under section 87A-42 and the amount of the
7 county public employer's contributions into that trust
8 fund shall be retained by the state director of
9 finance and deposited to the credit of the county
10 public employer's annual required contribution into
11 that trust fund in each fiscal year, as provided in
12 section 87A-42, if the respective county fails to
13 remit the total amount of the county's required annual
14 contributions, as required under section 87A-43; and
15 ~~[(+5)]~~ (4) \$3,000,000 shall be allocated to the special land
16 and development fund established under section 171-19;
17 provided that the allocation shall be expended in
18 accordance with the Hawaii tourism authority strategic
19 plan for:



1 (A) The protection, preservation, maintenance, and
2 enhancement of natural resources, including
3 beaches, important to the visitor industry;

4 (B) Planning, construction, and repair of facilities;
5 and

6 (C) Operation and maintenance costs of public lands,
7 including beaches, connected with enhancing the
8 visitor experience.

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 PART IV

17 SECTION 16. Chapter 202, Hawaii Revised Statutes, is
18 amending by adding a new section to be appropriately designated
19 and to read as follows:

20 **"§202- Conflicts of interest, state and local boards.**

21 (a) The state and local boards shall develop written conflict



1 of interest policies pursuant to title 29 USC section 3111,
2 title 29 USC section 3122, and chapter 84.

3 (b) A member of the state or local boards shall not:

4 (1) Vote on a matter under consideration by the board:

5 (A) Regarding the provision of services by the

6 member, or by an entity the board member

7 represents; or

8 (B) That would provide direct financial benefit to

9 the member or the member's immediate family; or

10 (2) Engage in any other activity that constitutes a
11 conflict of interest as specified in the state plan."

12 SECTION 17. Section 202-3, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **"§202-3 Powers of council. (a) [~~The workforce~~**
15 **~~development council]~~ The governor, or the governor's designee,**
16 **shall appoint and fix the compensation of an executive director,**
17 **who shall be exempt from chapter 76 [~~, and may employ any other~~**
18 **~~personnel as it deems advisable within chapter 76]~~. Staff**
19 **support shall be provided by the department of labor and**
20 **industrial relations.**



1 (b) The council, or on the authorization of the council,
2 any subcommittee or panel thereof, may, for the purpose of
3 carrying out its functions and duties, hold such hearings and
4 sit and act at such times and places as the council may deem
5 advisable.

6 (c) The council may negotiate and enter into contracts
7 with public agencies or private organizations to carry out its
8 studies and to prepare reports that the council determines to be
9 necessary to the fulfillment of its duties.

10 (d) The council may secure through the governor's office,
11 any information from any executive department, agency, or
12 independent instrumentality of the State it deems necessary to
13 carry out its functions.

14 (e) The council may convene such public conferences and
15 forums as it deems useful to keep the public informed of
16 workforce development needs, developments, and initiatives.

17 (f) The council [~~may administer funds allocated for its~~
18 ~~work and~~] may accept, disburse, and allocate funds which may
19 become available from other governmental and private sources;
20 provided that all the funds shall be disbursed or allocated in



1 compliance with the objectives set forth herein, and applicable
2 laws."

3 SECTION 18. Section 202-5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 **"§202-5 Organizational relationships.** The workforce
6 development council is placed within the department of labor and
7 industrial relations [~~for administrative purposes~~] and shall act
8 in an advisory capacity to the governor."

9 SECTION 19. All rules, policies, procedures, guidelines,
10 and other material adopted or developed by the workforce
11 development council to implement provisions of the Hawaii
12 Revised Statutes that are reenacted or made applicable to the
13 workforce development council by this Act shall remain in full
14 force and effect until amended or repealed by the department of
15 labor and industrial relations pursuant to chapter 91, Hawaii
16 Revised Statutes. In the interim, every reference to the
17 workforce development council in those rules, policies,
18 procedures, guidelines, and other material is amended to refer
19 to the department of labor and industrial relations.

20 SECTION 20. All deeds, leases, contracts, loans,
21 agreements, permits, or other documents executed or entered into



1 by or on behalf of the workforce development council, pursuant
2 to the provisions of the Hawaii Revised Statutes, that are
3 reenacted or made applicable to the workforce development
4 council by this Act shall remain in full force and effect.
5 Effective July 1, 2021, every reference to the workforce
6 development council or the executive director of the workforce
7 development council in those deeds, leases, contracts, loans,
8 agreements, permits, or other documents shall be construed as a
9 reference to the department of labor and industrial relations.

10 PART V

11 SECTION 21. Section 269-3, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "§269-3 Employment of professional staff; assistants. (a)
14 The [~~chairperson of the~~] public utilities commission may appoint
15 and employ professional staff and other assistants for the
16 public utilities commission as [~~the chairperson finds~~] found
17 necessary for the performance of the commission's functions and
18 define their powers and duties. Notwithstanding section
19 26-35(a)(4) to the contrary and subject to applicable personnel
20 laws, the employment, appointment, applicable salary schedules,
21 promotion, transfer, demotion, discharge, and job descriptions



1 of all officers and employees of or under the jurisdiction of
2 the commission shall be determined by the [~~chairperson~~]
3 commission and [~~may~~] shall be delegated to the executive officer
4 appointed and employed pursuant to subsection [~~(b)~~] (c);
5 provided that determinations concerning personnel matters made
6 by the [~~chairperson~~] commission or the executive officer, as
7 delegated by the chairperson, may be reviewed by the director of
8 commerce and consumer affairs for completeness and for
9 compliance and conformance with applicable administrative
10 processes and procedures of the department of commerce and
11 consumer affairs. The executive officer shall ensure that each
12 commissioner is provided sufficient access to staff resources as
13 is necessary in fulfilling the professional and decision-making
14 responsibilities of the commission. The [~~chairperson~~]
15 commission may appoint and, at pleasure, dismiss a chief
16 administrator and attorneys as may be necessary, and who shall
17 be exempt from chapter 76. The [~~chairperson~~] commission may
18 also appoint other staff, including a fiscal officer and a
19 personnel officer, with or without regard to chapter 76.
20 (b) The executive officer of the commission shall appoint
21 an administrative assistant, a research assistant, and legal



1 counsel to assist each of the members of the public utilities
2 commission. Staff appointed under this subsection shall report
3 to the commissioner to whom they are assigned and,
4 notwithstanding any law to the contrary, the executive officer
5 shall not dismiss or re-assign any assigned staff member without
6 prior written approval of the affected commissioner.

7 [~~(b)~~] (c) The chairperson of the commission shall appoint,
8 employ, and dismiss, at pleasure, an executive officer who shall
9 be responsible for managing the operations of the commission.

10 The responsibilities of the executive officer shall include
11 oversight of all divisions, offices and branches of the
12 commission, management and recruitment of personnel, budget
13 planning and implementation, strategic planning and
14 implementation, procurement and contract administration, and
15 implementation of administrative programs and projects. The
16 executive officer shall be exempt from chapter 76.

17 [~~(e)~~] (d) Notwithstanding section 91-13, the commission
18 may consult with its officers, assistants, and employees
19 appointed under authority of this section in any contested case
20 or agency hearing concerning any issue of facts. Neither the
21 commission nor any of its assistants shall in such proceeding



1 consult with any other person or party except upon notice and an
2 opportunity for all parties to participate, save to the extent
3 required for the disposition of ex parte matters authorized by
4 law."

5 PART VI

6 SECTION 22. Section 9-3, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§9-3 Duties. The foundation shall:

- 9 (1) Assist in coordinating the plans, programs, and
10 activities of individuals, associations, corporations,
11 and agencies concerned with the preservation and
12 furtherance of culture and the arts and history and
13 the humanities;
- 14 (2) Establish written standards and criteria by which
15 grant contracts shall be evaluated;
- 16 (3) Appraise the availability, adequacy, and accessibility
17 of culture and the arts and history and the humanities
18 to all persons throughout the State and devise
19 programs whereby culture and the arts and history and
20 the humanities can be brought to those who would
21 otherwise not have the opportunity to participate;



- 1 (4) Stimulate, guide, and promote culture and the arts and
2 history and the humanities throughout the State;
- 3 (5) Devise and recommend legislative and administrative
4 action for the preservation and furtherance of culture
5 and the arts and history and the humanities;
- 6 (6) Study the availability of private and governmental
7 grants for the promotion and furtherance of culture
8 and the arts and history and the humanities;
- 9 (7) Through its executive director:
- 10 (A) Administer funds allocated by grant, gift, or
11 bequest to the foundation; accept, hold,
12 disburse, and allocate funds that may become
13 available from other governmental and private
14 sources; provided that all those funds shall be
15 disbursed or allocated in compliance with any
16 specific designation stated by the donor and in
17 the absence of any designation, the funds shall
18 be disbursed or allocated for the promotion and
19 furtherance of culture and the arts and history
20 and the humanities; and



1 (B) Accept, hold, disburse, and allocate public funds
2 that are made available to the foundation by the
3 legislature for disbursement or allocation,
4 pursuant to the standards and procedures
5 established in part II, for the promotion and
6 furtherance of culture and the arts and history
7 and the humanities;

8 (8) Submit an annual report with recommendations to the
9 governor and legislature, prior to February 1, of each
10 year. Annual reports shall include the total number
11 and amount of gifts and other grants and income
12 received, payroll disbursements, contracts entered
13 into, and progress and accomplishments made during the
14 year, including the efforts of the Hawaii arts
15 education partners and its progress in implementing
16 the Hawaii arts education strategic plan and the
17 accomplishments of the art in public places and
18 relocatable works of art programs and the state art
19 museum;

20 (9) Convene the Hawaii arts education partners, which is
21 composed of the department of education, the colleges



1 of education and arts and humanities of the University
2 of Hawaii at Manoa, the Hawaii Association of
3 Independent Schools, and the Hawaii Alliance for Art
4 Education, to fully implement the terms of the Hawaii
5 arts education strategic plan;

6 (10) Display student art works in public buildings, sponsor
7 student art displays, promote arts education, and in
8 other ways encourage the development of creative
9 talent among the young people of Hawaii;

10 (11) Perpetuate the uniqueness of the native Hawaiian
11 culture and community, and their importance to the
12 quality of the visitor experience by ensuring that:

13 (A) The Hawaiian culture is accurately portrayed by
14 Hawaii's visitor industry;

15 (B) Hawaiian language is supported by and normalized
16 as both an official language of the State as well
17 as the foundation of the host culture that draws
18 visitors to Hawaii;

19 (C) Hawaiian cultural practitioners and cultural
20 sites that give value to Hawaii's heritage are



1 supported, nurtured, and engaged in sustaining
2 the visitor industry; and

3 (D) A native Hawaiian cultural education and training
4 program is provided for the visitor industry
5 workforce having direct contact with visitors;

6 ~~[(11)]~~ (12) In cooperation with qualified organizations,
7 conduct research, studies, and investigations in the
8 fields of ethnohistory and the humanities:

9 (A) Make, publish, and distribute works documenting
10 the contributions of individual ethnic groups in
11 their relationship to one another and to the
12 whole population of Hawaii;

13 (B) Place ethnohistorical and cultural materials
14 developed by the foundation or received by the
15 foundation as gifts and donations in public
16 archives, libraries, and other suitable
17 institutions accessible to the public; and

18 (C) Maintain a register of the location of such
19 materials;

20 ~~[(12)]~~ (13) Cooperate with and assist the department of land
21 and natural resources and other state agencies in



1 developing and implementing programs relating to
2 historic preservation, research, restoration, and
3 presentation, as well as museum activities;

4 ~~[-(13)-]~~ (14) Establish an individual artist fellowship
5 program to encourage artists to remain and work in
6 Hawaii and to reaffirm the importance of Hawaii's
7 artists and their cultural and economic contributions
8 to the State by:

9 (A) Recognizing and honoring Hawaii's exceptionally
10 talented visual and performing artists for their
11 outstanding work in and commitment to the arts;
12 and

13 (B) Enabling these artists to further their artistic
14 goals;

15 ~~[-(14)-]~~ (15) In consultation with the comptroller and
16 affected agencies and departments, administer the art
17 in public places and relocatable works of art programs
18 established pursuant to section 103-8.5; and

19 ~~[-(15)-]~~ (16) Administer the operations of the state art
20 museum established pursuant to section 9-22."



1 SECTION 23. (a) To effectuate the purpose of this part,
2 three permanent full-time equivalent (3.0 FTE) positions shall
3 be transferred from the Hawaii tourism authority to the state
4 foundation on culture and the arts for the management of the
5 Hawaiian culture duties and responsibilities established
6 pursuant to part VI of this Act. Specifically, the transferred
7 permanent full-time equivalent positions shall be the director
8 of Hawaiian cultural affairs and natural resources and two
9 program specialists.

10 (b) All rights, powers, functions, and duties of the
11 Hawaii tourism authority with respect to the Hawaiian cultural
12 duties and responsibilities under section 201B-7(b)(5), Hawaii
13 Revised Statutes, are transferred to the state foundation on the
14 culture and the arts.

15 (c) All employees who occupy civil service positions and
16 whose functions are transferred to the State foundation on the
17 culture and the arts by this part shall retain their civil
18 service status, whether permanent or temporary. Employees shall
19 be transferred without loss of salary, seniority (except as
20 prescribed by applicable collective bargaining agreements),
21 retention points, prior service credit, any vacation and sick



1 leave credits previously earned, and other rights, benefits, and
2 privileges, in accordance with state personnel laws and this
3 Act; provided that the employees possess the minimum
4 qualifications and public employment requirements for the class
5 or position to which transferred or appointed, as applicable;
6 provided further that subsequent changes in status may be made
7 pursuant to applicable civil service and compensation laws.

8 Any employee who, prior to this Act, is exempt from civil
9 service and is transferred as a consequence of this Act may
10 retain the employee's exempt status but shall not be appointed
11 to a civil service position as a consequence of this Act. An
12 exempt employee who is transferred by this Act shall not suffer
13 any loss of prior service credit, vacation or sick leave credits
14 previously earned, or other employee benefits or privileges as a
15 consequence of this Act; provided that the employees possess
16 legal and public employment requirements for the position to
17 which transferred or appointed, as applicable; provided further
18 that subsequent changes in status may be made pursuant to
19 applicable employment and compensation laws. The comptroller
20 may prescribe the duties and qualifications of these employees



1 and fix their salaries without regard to chapter 76, Hawaii
2 Revised Statutes.

3 (d) All records, equipment, machines, files, supplies,
4 contracts, books, papers, documents, maps, and other personal
5 property heretofore made, used, acquired, or held by the Hawaii
6 tourism authority relating to the functions transferred to the
7 state foundation on the culture and the arts shall be
8 transferred with the functions to which they relate.

9 SECTION 24. There is appropriated out of the general
10 revenues of the State of Hawaii the sum of \$350,000 or so much
11 thereof as may be necessary for fiscal year 2021-2022 and the
12 same sum or so much thereof as may be necessary for fiscal year
13 2022-2023 for the three permanent full-time equivalent (3.0 FTE)
14 interdepartmental transfer positions from the Hawaii tourism
15 authority to the State foundation on culture and the arts for
16 the management of the Hawaiian culture duties and
17 responsibilities transferred to the State foundation on culture
18 and the arts pursuant to section 23 of this Act.

19 The sums appropriated shall be expended by the Department
20 of Accounting and General Services for the purposes of part VI
21 of this Act.



1 SECTION 25. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$3,700,000 or so much
3 thereof as may be necessary for fiscal year 2021-2022 for the
4 management of the Hawaiian culture duties and responsibilities
5 transferred from the Hawaii tourism authority to the State
6 foundation on culture and arts pursuant to part VI of this Act.

7 The sum appropriated shall be expended by the Department of
8 Accounting and General Services for the purposes of part VI of
9 this Act.

10 PART VII

11 SECTION 26. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$4,000,000 or so much
13 thereof as may be necessary for fiscal year 2021-2022 for the
14 Hawaii Tourism Authority's budget for promotion, development,
15 and coordination of sports-related activities and events.

16 The sum appropriated shall be expended by the Department of
17 Accounting and General Services for the purposes of section 23
18 of this Act.

19 PART VIII

20 SECTION 27. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 28. This Act shall take effect on July 1, 2050.



Report Title:

Pacific International Space Center for Exploration Systems; University of Hawaii at Hilo; Unmanned Aircraft Systems Program; Challenger Center Hawaii Program; Hawaii Tourism Authority; Tourism Emergency Special Fund; Tourism Special Fund; Holdover Board Members; Hawaii Workforce Development Council; Public Utilities Commission; Conflict of Interest Policies; State Foundation on Culture and the Arts; Appropriations

Description:

Abolishes the office of aerospace development (OAD), aerospace advisory committee, and the Hawaii unmanned aerial systems test site advisory board. Transfers administration of the Pacific international space center for exploration systems (PISCES) from DBEDT to the University of Hawaii at Hilo. Transfers the administration of the Challenger center Hawaii program (CCHI) from OAD to the department of education (DOE). Transfers appropriations for CCHI from OAD to DOE. Prohibits holdover board members of the Hawaii Tourism Authority (HTA). Specifies that moneys in the tourism emergency special fund are to be used exclusively for emergency measures. Requires that the 3.5 per cent cap on spending from the tourism special fund include all governance and employment expenses as administrative expenses. Repeals the allocation from transient accommodations tax to the tourism and tourism emergency special funds. Repeals HTA authorization to establish an advisory group. Requires the Governor to fix the compensation for the Hawaii Workforce Development Council's (Council) executive director and requires the Department of Labor and Industrial Relations (DLIR) to provide support staff. Clarifies the employment of professional staff by the public utilities commission. Transfers Hawaiian cultural duties and responsibilities to the State Foundation on Culture and the Arts (SFCA) and appropriates funds. Mandates that HTA work with SFCA for its marketing. Makes appropriation for HTA. Effective 7/1/2050. (SD2)

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