JOSH GREEN, M.D. GOVERNOR KE KIA'ÅINA



GOV. MSG. NO. 1258

EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ĀINA

June 3, 2025

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Third State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Nadine Nakamura Speaker, and Members of the House of Representatives Thirty-Third State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on June 3, 2025, the following bill was signed into law:

S.B. NO. 1578, S.D. 2, H.D. 1, C.D. 1 RELATING TO INTERNATIONAL AFFAIRS. ACT 158

Mahalo,

oh Green M.D.

Josh Green, M.D. Governor, State of Hawaiʻi

Approved by the Governor

on\_\_\_\_\_JUN\_\_3\_2025

THE SENATE THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

#### ACT 158 S.B. NO. <sup>1578</sup> <sup>S.D. 2</sup> <sup>H.D. 1</sup> <sup>C.D. 1</sup>

### A BILL FOR AN ACT

RELATING TO INTERNATIONAL AFFAIRS.

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

1 SECTION 1. The legislature finds that the Center for 2 Cultural and Technical Interchange Between East and West Act of 3 1960, Public Law 86-472, authorized the establishment in Hawaii 4 of a center for cultural and technical interchange between East 5 and West, and Act 82, Session Laws of Hawaii 1975 (Act 82), 6 established an educational non-profit public corporation, the 7 Center for Cultural and Technical Interchange Between East and 8 West, Inc., better known and referred to as the "East-West 9 Center", to administer and operate the center. Act 82 specifies 10 the purposes of the East-West Center, which include, among other 11 things, the promotion of better relations and understanding 12 between the United States and the nations of the East through 13 the administration and operation of the East-West Center as an 14 educational institution operating in furtherance of the 15 objectives of Public Law 86-472 and the promotion, among the nations of the East and West, of the use of the East-West Center 16 17 by qualified persons for cooperative study, training, and

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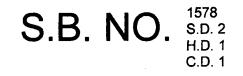
research in matters of East-West significance, thus leading to
better relations and understanding as to such matters.

The legislature further finds that the East-West Center has 3 become a pivotal institution in fostering understanding and 4 cooperation between the United States and the nations of Asia 5 and the Pacific. Hawaii's unique geographical location and 6 multicultural heritage make it an ideal location for promoting 7 international relations, particularly within the Asia-Pacific 8 9 region. For over six decades, the East-West Center has significantly contributed to the State's role as a bridge 10 between the East and West, enhancing the State's position in 11 12 international affairs.

13 The legislature further finds that the East-West center's programs in research, education, and exchange have directly 14 benefited the State's economy, culture, and diplomatic 15 16 relations. While the federal government has provided 17 significant funding to the East-West center, this federal 18 support has fluctuated over the years. The legislature 19 recognizes that the center would benefit from regular, 20 predictable state resources to support the development of 21 programs and initiatives that align with the State's strategic

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goals in international relations, education, and economic
development.

The legislature finds that the East-West center has served 3 4 and continues to serve a public purpose of promoting better 5 relations and understanding between the United States and the 6 nations of the East and that granting authorization to the 7 East-West center to receive appropriations of state funds exempt 8 from the requirements of chapter 42F, Hawaii Revised Statutes, 9 complies with the public purpose requirement of article VII, 10 section 4, of the Hawaii State Constitution.

11 The legislature further finds that strong sister-state, sister-school, and similar relationships benefit the State's 12 13 businesses and economy, improve access to flights and 14 transportation, expand high school and college student 15 educational exchanges, broaden access to Pacific culture and 16 arts, preserve the State's relationships to the places of origin 17 of its immigrant communities, and spur sub-national government 18 collaborations to address common priorities, including the 19 eradication of invasive species, promotion of economic 20 development, advancement of clean energy, and preservation of 21 peace between nations. Further, it is appropriate for the State

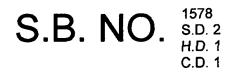
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1 to explore and take advantage of additional ways that Hawaii can 2 benefit from international partnerships, including generating 3 revenue abroad similar to many other jurisdictions. For example, 4 hosting facilities abroad for local farmers and retailers to more 5 easily sell Hawaii products in key markets, or investing in projects that generate a return, could create revenue to support 6 7 Hawaii programs and services without additional expense to local 8 taxpayers.

9 The legislature also finds that international relations 10 across the Pacific have been rapidly changing. Additionally, 11 previous generations of the State's key community, business, and 12 government leaders who have carefully fostered and maintained 13 these important relationships are retiring or passing on. In 14 order for residents to continue to benefit from the State's 15 international ties, and for Hawaii to take advantage of 16 international business and revenue opportunities abroad, as so 17 many other jurisdictions currently do, it is critical that the 18 State adjust its engagement strategy, ensure continuity with its sister-state communities and partners, and plan for the future. 19 20 Therefore, the legislature finds that in celebration of the 21 fiftieth anniversary of the establishment of the East-West

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1	center, t	he State must update its international engagement strategy
2	and reaff	irm its commitment to building and maintaining the
3	internati	onal partnerships that have benefitted the State over
4	the years	so they can continue to benefit local residents for
5	generatio	ns to come.
6	Ассо	rdingly, the purpose of this Act is to:
7	(1)	Establish the official designation of the East-West
8		center as the center for cultural and technical
9		interchange between East and West, Inc., and exempt
10		state fund appropriations to the East-West center from
11		chapter 42F, Hawaii Revised Statutes;
12	(2)	Rename the Hawaii sister-state committee as the Hawaii
13		sister-state and international partnerships commission
14		and amends its functions and membership;
15	(3)	Require the office of international affairs to provide
16		support to the Hawaii sister-state and international
17		partnerships commission;
18	(4)	Expand the department of business, economic
19		development, and tourism's authority to establish
20		out-of-state offices to include out-of-state
21		facilities to support sister-state or province

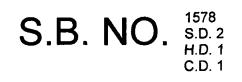
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1	partnerships and other partnerships that promote and
2	enrich the people, cultures, environments, and
3	economies of the State and its international partners,
4	generate revenue for the State, and buy property; and
5	(5) Appropriate funds.
6	SECTION 2. Chapter 201, Hawaii Revised Statutes, is
7	amended by adding a new section to part I to be appropriately
8	designated and to read as follows:
9	" <u>§201-</u> East-West center. (a) The official designation
10	of the East-West center shall be the center for cultural and
11	technical interchange between East and West, Inc.
12	(b) The qualifying standards and conditions related to the
13	receipt of funds under chapter 42F shall not apply to funds
14	received by the East-West center, or center for cultural and
15	technical interchange between East and West, Inc.; provided that
16	if the center for cultural and technical interchange between
17	East and West, Inc. contracts with a recipient or provider, then
18	the qualifying standards, conditions, and other provisions of
19	chapter 42F shall apply to the recipient or provider and the
20	contract.

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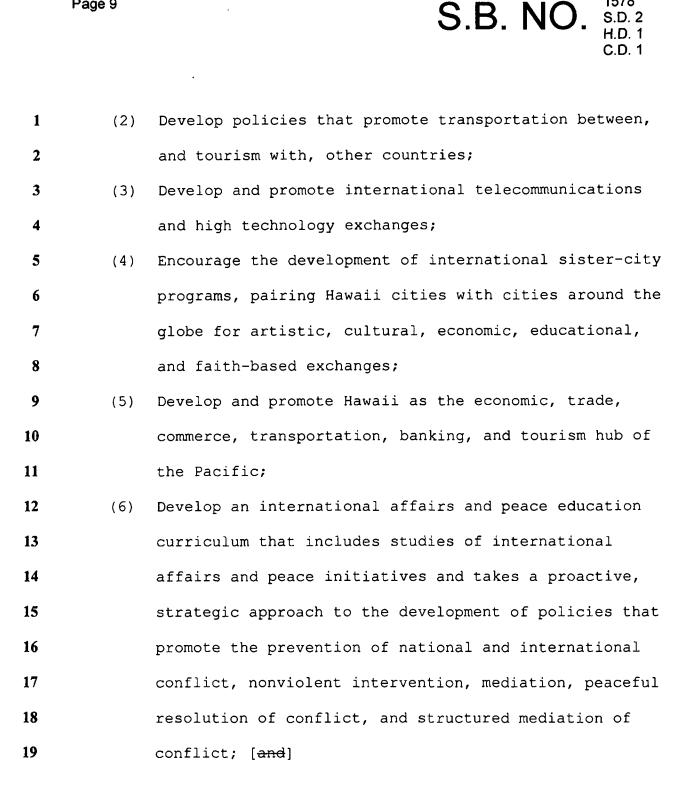


1	<u>(c)</u>	To receive state funds, the center for cultural and
2	technical	interchange between East and West, Inc., shall:
3	(1)	Be licensed or accredited, in accordance with federal,
4		state, or county statutes, rules, or ordinances, to
5		conduct the activities or provide the services for
6		which state funds are appropriated;
7	(2)	Comply with all applicable federal and state laws
8		prohibiting discrimination against any person on the
9		basis of race, color, national origin, religion,
10		creed, sex, age, sexual orientation, or disability;
11	(3)	Agree not to use the funds for entertainment or
12		lobbying activities in the State;
13	(4)	Be incorporated under the laws of the State;
14	(5)	Have bylaws or policies that describe the manner in
15		which the activities or services for which funds are
16		appropriated shall be conducted or provided;
17	(6)	Have been determined and designated to be a tax-exempt
18		organization by the Internal Revenue Service; and
19	(7)	Have a governing board whose members shall have no
20		material conflict of interest and serve without
21		compensation.



1	(d) The comptroller and state auditor may examine the use
2	of funds appropriated to the center for cultural and technical
3	interchange between East and West, Inc.
4	(e) The allocation of state support shall neither impinge
5	on the autonomy of the center for cultural and technical
6	interchange between East and West, Inc., nor imply state control
7	over its programs or policies, except as provided in this
8	section.
9	(f) The center for cultural and technical interchange
10	between East and West, Inc., shall submit a report to the
11	legislature no later than twenty days prior to the convening of
12	each regular session, which shall include an explanation of the
13	facility maintenance and other functions accomplished by state
14	fund expenditures in the previous fiscal year."
15	SECTION 3. Section 201-17, Hawaii Revised Statutes, is
16	amended by amending subsection (b) to read as follows:
17	"(b) The office shall:
18	(1) Develop policies that promote and strengthen relations
19	with other countries in the areas of international
20	business, economy, culture, and the arts;

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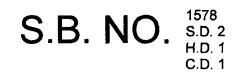


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1	(7)	Provide for exchanges of individuals between Hawaii
2		and other nations to develop international and
3		<pre>peace-based initiatives[+]; and</pre>
4	(8)	Provide support to the Hawaii sister-state and
5		international partnerships commission."
6	SECI	MON 4. Section 201-81, Hawaii Revised Statutes, is
7	amended t	to read as follows:
8	"§20	1-81 Establishment of out-of-state offices; purposes.
9	The depar	tment of business, economic development, and tourism
10	may estab	olish and operate offices and facilities in out-of-state
11	locations	, including foreign nations, to effectuate the
12	following	purposes:
13	(1)	Develop programs to reach targeted companies or
14		industries in the respective area and surrounding
15		regions;
16	(2)	Monitor out-of-state government policies and
17		regulations that have an impact on business, markets,
18		sales, tourism, and related activities;
19	(3)	Host government and business officials at conferences,
20		meetings and social occasions, or other events on

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1		matters pertaining to business opportunities and
2		attraction of investments for the State;
3	(4)	Develop and conduct advertising efforts, promotional
4		events, media coverage, and educational programs
5		regarding commerce in the State; [and]
6	(5)	Conduct related operations as needed, [ <del>such as</del> ]
7		including hiring or contracting for consultants[+];
8	(6)	Support sister-state or province relationships, as
9		defined in section 229-1, and other partnerships that
10		promote and enrich the people, cultures, environments,
11		and economies of the State and its international
12		partners; and
13	(7)	Generate revenue for the State."
14	SECT	ION 5. Section 201-82, Hawaii Revised Statutes, is
15	amended to	o read as follows:
16	"§20:	1-82 Powers of the department. The department,
17	subject to	o the approval of the director of budget and finance,
18	shall have	e the following general powers to operate out-of-state
19	offices <u>ar</u>	nd facilities established:
20	(1)	To enter into contracts, leases, or cooperative
21		agreements, or perform other transactions with any



1		person, firm, partnership, association, company,
2		corporation, or foreign nation, as may be necessary in
3		the conduct of its business and on [such] any terms as
4		the department may deem appropriate, using competitive
5		procurement practices, to the extent practicable, in
6		accordance with rules adopted by the policy board;
7	(2)	To establish operational bank accounts in out-of-state
8		locations, including foreign denomination accounts, as
9		may be necessary in the conduct of its business,
10		notwithstanding the provisions of chapter 38;
11	(3)	To receive by gifts, grants, devises, bequests, or
12		otherwise from private sources or a foreign nation,
13		any property, real, personal, or mixed, intangible or
14		tangible, absolutely or in trust, to be used and
15		disposed of, either the principal or the income
16		therefrom, in accordance with the conditions under
17		which it was received;
18	(4)	To buy, sell, lease, rent, hold, maintain, use, and
19		operate any property, real, personal, or mixed,

tangible or intangible, in accordance with the

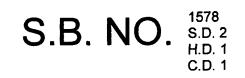
21 conditions under which it was received;

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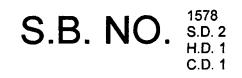
1	(5)	To hire such personnel as may be necessary in the
2		conduct of its business and on [such] any terms as the
3		department may deem appropriate; and
4	(6)	To do any or all other acts reasonably necessary to
5		carry out the objects and purposes of this part,
6		provided that the department shall not obligate any
7		funds of the State not appropriated to the
8		department."
9	SECT	ION 6. Section 229-1, Hawaii Revised Statutes, is
10	amended t	o read as follows:
11	"[+]	<b>§229-1[}]</b> [ <b>Definition.</b> ] <b>Definitions.</b> For the purposes
12	of this c	hapter, unless the context otherwise requires[ $_{ au}$
13	<del>"sister-s</del>	tate]:
14	"Com	mission" means the Hawaii sister-state and
15	internati	onal partnerships commission established under section
16	229-2.	
17	"Sis	ter-state or province [ <del>relationship"</del> ] <u>partnership"</u>
	means a [-	relationship] partnership between the State of Hawaii
18		
18 19	-	tate or province or similar governmental or political



1	SECTION 7. Section 229-2, Hawaii Revised Statutes, is
2	amended to read as follows:
3	"[ <del>[</del> ]§229-2[ <del>]</del> ] Hawaii sister-state [ <del>committee</del> ] <u>and</u>
4	international partnerships commission. [{(a)} There shall be
5	established the Hawaii sister-state committee, to be placed
6	within-the-department of business, economic development, and
7	tourism for administrative purposes only, consisting of five
8	members appointed by the governor as provided in section 26-34.
9	The purpose of the committee shall be to advise the
10	governor and the legislature on matters relating to sister-state
11	or province relations and relations, in general, between the
12	State and the states or provinces of foreign countries.
13	{(b)}The governor-shall appoint five members, one-member
14	from each of five lists of nominees submitted respectively by
15	the following:
16	(1) Speaker of the house of representatives;
17	(2) President of the senate;
18	(3) Native-Hawaiian cultural organization;
19	(4) East-West-Center; and
20	(5) Hawaii State Association of Counties.



1	A chair and vice chair of the committee shall be appointed
2	by the committee members from among themselves. Members shall
3	serve without compensation but shall be reimbursed for expenses,
4	including travel expenses, necessary for the performance of
5	their duties.]
6	(a) There is established within the department of
7	business, economic development, and tourism, for administrative
8	purposes only, the Hawaii sister-state and international
9	partnerships commission.
10	(b) The commission shall support the governor,
11	legislature, and office of international affairs in building and
12	maintaining strategic long-term sister-state or province
13	partnerships that promote and enrich the people, cultures,
14	environments, and economies of the State and its international
15	partners.
16	(c) The commission shall consist of the following members:
17	(1) Three members appointed by the governor, with the
18	advice and consent of the senate; provided that two of
19	the three members appointed by the governor shall be
20	from a list of at least three nominees submitted
21	respectively by the:



1	-	(A) Office of Hawaiian affairs; and
2	-	(B) Center for cultural and technical interchange
3		between East and West, Inc.;
4	(2)	One member appointed by the president of the senate;
5	(3)	One member appointed by the speaker of the house of
6	į	representatives; and
7	(4)	The chairs of the respective senate and house
8	9	committees with jurisdiction over international
9	ġ	affairs or intergovernmental affairs, who shall serve
10	š	as ex-officio, non-voting members of the commission.
11	(d) [	The commission shall elect from among its members a
12	chairperson	n and vice chairperson.
13	<u>(e)</u>	Members of the commission shall serve without
14	compensatio	on but shall be reimbursed for expenses, including
15	travel expe	enses, necessary for the performance of their duties."
16	SECTIO	ON 8. Section 229-3, Hawaii Revised Statutes, is
17	amended to	read as follows:
18	"[ <del>[</del> ]§2	229-3[] Initiating sister-state relationships. The
19	[ <del>Hawaii sic</del>	ster-state committee] commission shall evaluate and
20	develop rec	commendations for the initiation of all sister-state
21	or province	e [ <del>relationships</del> ] <u>partnerships</u> and forward its

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1	recommendation to the legislature. The legislature, if it so
2	chooses, shall implement the recommendation to initiate a
3	sister-state or province [ <del>relationship</del> ] <u>partnership</u> by either
4	adopting a concurrent resolution or by enacting session law to
5	that effect."
6	SECTION 9. Section 229-4, Hawaii Revised Statutes, is
7	amended to read as follows:
8	"[ <b>{]§229-4[}] Maintaining sister-state relationships</b> . The
9	[Hawaii sister-state committee] commission shall periodically
10	evaluate established sister-state [relationships] or province
11	partnerships and forward its recommendations on maintaining
12	sister-state [ <del>relationships</del> ] <u>or province partnerships</u> to the
13	governor and to the legislature."
14	SECTION 10. Section 229-5, Hawaii Revised Statutes, is
15	amended to read as follows:
16	"[ <b>{]§229-5[}] Dissolving sister-state relationships.</b> The
17	[Hawaii sister-state committee] commission may make a
18	recommendation to terminate a sister-state [ <del>relationship</del> ] <u>or</u>
19	province partnership it deems to be defunct, moribund, or not
20	beneficial and forward its recommendation to the legislature.
21	The legislature, if it so chooses, shall implement the

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recommendation to terminate a sister-state [relationship] or 1 2 province partnership either by adopting a concurrent resolution or by enacting session law to that effect." 3 SECTION 11. There is appropriated out of the general 4 revenues of the State of Hawaii the sum of \$200,000 or so much 5 thereof as may be necessary for fiscal year 2025-2026 and the 6 7 same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the office of international affairs to develop an: 8 9 (1)Updated strategy for the State's international 10 engagement in the twenty-first century; and 11 (2) Analysis of potential investment and revenue 12 generation abroad. 13 The sums appropriated shall be expended by the department of business, economic development, and tourism for the purposes 14 15 of this Act. 16 SECTION 12. There is appropriated out of the general 17 revenues of the State of Hawaii the sum of \$4,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the 18 same sum or so much thereof as may be necessary for fiscal year 19 2026-2027 for the center for cultural and technical interchange 20 21 between East and West, Inc. to assist in the development and

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maintenance of the State's international relationships,
programs, and partnerships.
The sums appropriated shall be expended by the university
of Hawaii for the purposes of this Act.
SECTION 13. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.
SECTION 14. This Act shall take effect on July 1, 2025.



#### **S.B. NO.** <sup>1578</sup> S.D. 2 H.D. 1 C.D. 1

APPROVED this 3rd day of June , 2025

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GOVERNOR OF THE STATE OF HAWAI'I

#### THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.

President of the Senate

Junon-

Clerk of the Senate

#### THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the

House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session

of 2025.

Madrie K. Malim

Nadine K. Nakamura Speaker House of Representatives

With Theat

Brian L. Takeshita Chief Clerk House of Representatives