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WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TOURISM
AND GOVERNMENT OPERATIONS
ON
SENATE BILL NO. 583

February 11, 2025
1:03 p.m.
Room 229 and Videoconference

RELATING TO NAMING RIGHTS

The Department of Budget and Finance (B&F) offers the following comments on Senate Bill No. 583, which authorizes the naming rights of any State-owned facility to be sold or leased to any public or private entity.

B&F has serious concerns that payments for naming rights for improvements financed by tax-exempt bonds will be considered private business use under the Internal Revenue Code. Federal tax law imposes restrictions on the private use of the proceeds of tax-exempt bonds and on the capital improvement projects (CIP) financed with such proceeds. Tax-exempt bonds have been used to finance CIPs throughout the State. Failure to comply with federal rules on the private use of bond proceeds and bond-financed property could jeopardize the tax-exempt status of the bonds, resulting in significant adverse consequences to bondholders or forcing the State to incur costly measures to remediate the tax law violations.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DBEDT DIRECTOR

DANE K. WICKER
DBEDT DEPUTY DIRECTOR

BRENNON T. MORIOKA
CHAIR, STADIUM AUTHORITY

CHRIS J. SADAYASU
INTERIM STADIUM MANAGER



An Agency of the State of Hawaii

Statement of
CHRIS J. SADAYASU
Interim Stadium Manager
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
and
SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Tuesday, February 11, 2025
1:03PM
State Capitol, Conference Room 229

In consideration of
S.B. 583
RELATING TO NAMING RIGHTS.

Chairs DeCoite and McKelvey, Vice Chairs Wakai and Gabbard and members of the Committees.

The Stadium Authority supports Senate Bill 583, which allows the naming rights of any state-owned facility to be sold or leased to any public or private entity. The ability to sell naming rights to the new aloha stadium will provide the Stadium Authority and/or Aloha Halawa District Partners, the entity the Stadium Authority intends to contract to operate and maintain the new aloha stadium another revenue source to manage and operate the stadium. While it is my understanding the Stadium Authority currently has the authority to sell or lease the naming rights to its stadium pursuant to HRS Section 109-2 Subsection (4), this bill specifically states such ability for all state-owned facilities.

Furthermore, this bill requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special

fund of the state agency that owns the facility. HRS Section 109-3.5 established the stadium development special fund in which such revenues will be deposited. However, the Stadium Authority pursuant to HRS Section 109-2 Subsection (5), intends to allow Aloha Halawa District Partners the authority to collect all naming rights revenue and to utilize the collected funds to operate and maintain the new stadium pursuant to a stadium development and operations agreement.

Thank you for the opportunity to testify.



TESTIMONY OF
DANIEL NĀHO'OPI'I
Interim President & Ceo
Hawai'i Tourism Authority
before the
**SENATE COMMITTEES ON ECONOMIC DEVELOPMENT & TOURISM
AND
GOVERNMENT OPERATIONS**

Tuesday, February 11, 2025
1:03 p.m.
State Capitol, Room 229

In consideration of
SB 583
RELATING TO NAMING RIGHTS

Aloha Chairs DeCoite and McKelvey and Vice Chairs Wakai and Gabbard, and members of the Committees,

The Hawai'i Tourism Authority (HTA) supports SB583, which allows the naming rights of any state-owned facility to be sold or leased to any public or private entity. It also requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special fund of the state agency that owns the facility or into the general fund if no appropriate special fund exists.

Our testimony will focus on the Hawai'i Convention Center, which HTA manages. Over the quarter century that the Hawai'i Convention Center has been operating, it has hosted high-profile international convenings, national and local conferences and conventions, beloved festivals and events, athletic events attracting participants locally and from abroad, and served as an essential hub for the state's response to emergencies.

This measure opens additional possibilities for funding to address the convention center's repair and maintenance needs into the future.

Mahalo for the opportunity to share our support of SB583.

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Helping to keep Hawai'i
clean, green, beautiful,
livable and sustainable
since 1912



February 10th, 2025

RE: The Outdoor Circle COMPLETE OPPOSITION to SB583 related to “Naming Rights”

Dear Senators,

The Outdoor Circle stands with the overwhelming majority of Hawai'i residents in total opposition to Senate Bill 583. Whether in the form of “sponsorships” or “naming rights” or the like, it is imperative that we reject any efforts to weaken these historic laws which safeguard our culture, history, facilities and landscapes from over-commercialization.

This bill threatens Hawai'i's century-old protections against over-commercialization and would fundamentally alter the character of our shared spaces. Hawai'i has upheld some of the strongest anti-billboard and offsite advertising laws in the country. SB 583 undermines these protections by allowing corporate branding to permeate our landscapes, effectively prioritizing private financial interests over the public good.

We must not allow our parks, roads, buildings, and landmarks to be sold to the highest bidder. Naming rights are not just a neutral form of sponsorship; they are, in essence, a form of advertisement—one that forces every resident and visitor to consume a corporate message every time they interact with a public space.

If any name is needed for a facility, it should be one that reflects and honors Hawai'i's unique environment, not a corporation's. This might be honoring luminaries in Hawai'i's history, those who have contributed greatly to the welfare of the state, native plants, animals or location names, etc. **A corporation or outside individual buying “naming rights” is a betrayal of our values as a state that protects our assets, including those of the actual names of our public assets to reflect our values, history, and sense of place.**

Public facilities such as Aloha Stadium, Akaka Falls, Le'ahi State Monument, and Daniel K. Inouye International Airport reflect Hawai'i's rich heritage. Imagine the irreversible damage of renaming them with corporate sponsorships, reducing them to mere marketing tools rather than symbols of our shared identity. This would be a betrayal of our values as a state that has fought to keep its landscapes free from over-commercialization for more than a century.

We currently see that Hawaii names its public facilities and places now with in a way that honors our history, its peoples and environment, such as Blaisdell Center, Queen Kaahumanu Highway, Prince Jonah Kuhio Kalaniana'ole Freeway, Le'ahi State Monument, Makapu'u Lighthouse Trail, Akaka Falls, Aloha Stadium, Daniel K Inouye Honolulu International Airport, Ellison Onizuka Kona International Airport, Queen Liliuokalani Gardens, Banyan Tree Drive in Hilo, Princess Ruth Building, and all others that are currently named for locations, history, people and culture of Hawaii. *Now imagine any of those with a “naming right” of a corporation in front of it or replacing it, essentially branding our publicly-held assets with an implicit State endorsement and cheapening the value of the asset immeasurably.*

Beyond public opinion, SB 583 raises serious legal and financial concerns. What mechanisms would be in place to regulate and reclaim naming rights once sold? Would the

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state be forced to honor contracts indefinitely, even if public opposition grows? If controversial or inappropriate entities purchase naming rights, how would the government prevent reputational harm? Once these names are sold, they may be difficult—if not impossible—to take back without costly legal battles. With recent court decisions, how would certain groups not be allowed to “buy” these names that may currently not be envisioned?

Notably, our views are overwhelmingly shared by the public, as seen in public comments on SB3197 from the last legislative session on the same topic. However, this SB583 is much worse because it encompasses ALL state properties and facilities.

The sentiment of the public was also seen in the editorial in the Star Advertiser last legislative session on naming rights and SB3197, noting that the public is absolutely against any weakening of our anti-billboard and offsite advertising laws. Letters to the Editor and subsequent mention in the newspaper of record of unanimous opposition to a weakening of our laws followed. Even the straw poll of the “Big Q” asking the question on this on January 29, 2024 had 586 votes, or 83% of those who actually called the paper answered with “No—No billboard ban exemption.” This is also seen in the unanimous personal testimony to the Hawai‘i Senate of individuals who opposed this bill in prior testimony in the last committee this bill was heard in this month a year ago in 2024, with at least 88 individuals counted testifying against this bill, and no one person in favor of this bill advancing.

It is with this rich history and collective understanding of laws that have so benefitted Hawai‘i’s residents and visitors that we must once again remind all of us what is at stake with this seemingly innocuous proposed legislation of SB 583. It is dismaying and disappointing to see that we must still fight to preserve our unique environment and culture to be free of intrusive billboards, advertising and logos of corporations that would seek to divert our collective public minds and views from those of our beautiful state to views of corporate messages that would inevitably come with “naming rights.”

Hawai‘i has knowingly rejected for over a century money that might come from these sorts of visual intrusions, understanding that the potential tradeoff of cheapening and degrading our public good in the collective visual space is a very poor bargain. We understand, and courts have found, that our residents and visitors greatly value a Hawai‘i free of this unfettered type of visual pollution and over-commercialization of our islands, and that it is in our economic best interest to protect our laws regarding this. We know the benefits to our well-being, including, ultimately our financial well-being, by NOT having billboards, “naming rights,” off-site advertisements and logos. Visitors come to see the splendor of islands free of over-commercialization intruding into the visual plane. Our value and our coffers are increased, not decreased, by our strict anti-billboard and signage laws.

Senate Bill 583 poses a major existential and practical threat to Hawai‘i’s environmental heritage by seeking to weaken our signage laws. This proposed legislation not only undermines the hard-won victories made over the course of over a century of many protective laws and supporting lawsuits, but would also set a dangerous precedent for future weakening and exemptions of our laws.

The Outdoor Circle has been at the forefront of preserving Hawai‘i’s beauty since 1912. We led the fight to eliminate billboards in the Territory of Hawai‘i, and in 1926, we even purchased and shut down the last operating billboard company in the islands. Our strict signage laws are a model for the nation and the world, preserving the natural beauty that makes Hawai‘i special. This is not just about aesthetics—it is about protecting our identity, our economy, and our well-being. Visitors come to Hawai‘i for its unparalleled landscapes, not to see corporate advertisements imposed on public spaces. Maintaining these protections is essential to preserving our unique sense of place.

SB 583 poses an existential threat to Hawai‘i’s environmental and cultural heritage. It would set a dangerous precedent, inviting future attempts to commercialize public spaces even

further. If this bill passes, what comes next? Will we see corporate branding on beaches, parks, and schools? If we allow our public assets to be sold off piece by piece, we risk losing the very essence of what makes Hawai'i unique.

At its core, this bill is not about funding public spaces—it is about allowing corporate interests to profit from assets that belong to the people of Hawai'i. The Outdoor Circle urges you to stand with the overwhelming majority of Hawai'i's residents and reject SB 583. Let us protect our landscapes, uphold our legacy, and ensure that our public spaces remain actual assets held in trust for the people of Hawai'i.

In conclusion, The Outdoor Circle urges you to stand with the people of Hawai'i and reject SB 583. Let us uphold the legacy of generations of Hawai'i's residents and lawmakers to protect what is unique, and robustly uphold our state's ban on billboards, offsite advertising and branded logos on buildings under the guise of "sponsorship" or "naming rights" for whatever reasons proffered. Stand with the overwhelming majority of Hawai'i residents to ensure that Hawai'i remains a beacon of environmental stewardship, free from over-commercialization, preserving our scenic and natural beauty. Together, we can protect our precious landscapes and preserve the unique character of our islands for future generations by never, ever considering weakening of these laws as proposed in SB 583.

Thank you for your unwavering dedication to serving our community and your thoughtful consideration of this matter in firmly rejecting SB 583.



Winston Welch
Executive Director
The Outdoor Circle

SB-583

Submitted on: 2/10/2025 10:45:40 AM

Testimony for EDT on 2/11/2025 1:03:00 PM

Submitted By	Organization	Testifier Position	Testify
Whitney Bosel	Individual	Oppose	Written Testimony Only

Comments:

Not everything should be up for sale. Not everything should be allowed to be commodified. Taking away the neutrality of our state and glorifying private companies and allowing corporations to buy their way into the public consciousness is an affront to the idea of state owned land, that is facilities owned by the PUBLIC, which the state merely acts as a trustee of, in essence debasing it as something to be snatched away from the people and sold to the highest bidder. The people have overwhelmingly rejected bills such as this over and over, and yet our legislators don't seem to be hearing us. I understand the appeal of easy cash, but this is a pernicious trend toward privatization of the common good, of allowing advertising to assault us all everywhere, inescapably grasping for our dwindling attention, that should not stand. I ask you to reject this bill.