

Session Laws Of Hawaii
Passed By The
First State Legislature
Second Special Session
1959

ACT 1

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ACT 1

An Act Providing for the Reorganization of the Executive and Administrative Offices, Departments and Instrumentalities of the State Government, and Making an Appropriation Therefor.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Purpose. The constitution of the state of Hawaii (Article IV, Section 6) requires the allocation by law of all executive and administrative offices, departments and instrumentalities of the state government “. . . . among and within not more than twenty principal departments in such manner as to group the same according to major purposes so far as practicable.” It is the purpose of this Act to accomplish that allocation within an integrated and comprehensive plan of organization for the exercise of state functions and to provide for the orderly transfer of functions, personnel, records and equipment from existing agencies to newly created agencies, but not to form divisions, bureaus or other subdivisions within any department or office.

Furthermore, this Act provides for the participation of the executive and the legislature in implementing the reorganization hereby directed. The governor is to prepare supplemental legislative bills as may be necessary to accomplish the specific steps of reorganization within the general framework established by this Act and to formally establish the various divisions, bureaus, and agencies within the various departments created herein. The legislature is then to consider and act upon such bills during succeeding legislative sessions in 1960 and 1961 and initiate such other legislation as it may deem desirable. Such procedure is provided in the realization that reorganization of the government of Hawaii is a joint responsibility of the executive and the legislative branches.

SECTION 2. Title. This Act may be cited as the Hawaii State Government Reorganization Act of 1959.

SECTION 3. Structure of government. Under the supervision of the governor, all executive and administrative offices, departments and instrumentalities of the state government and their respective functions, powers and duties shall be allocated among and within the following principal departments which are hereby established:

1. Department of planning and research (Section 10)
2. Department of personnel services (Section 11)
3. Department of accounting and general services (Section 12)
4. Department of the attorney general (Section 13)
5. Department of budget and review (Section 14)
6. Department of treasury and regulation (Section 15)
7. Department of taxation (Section 16)
8. University of Hawaii (Section 17)
9. Department of education (Section 18)
10. Department of health (Section 19)
11. Department of social services (Section 20)
12. Department of land and natural resources (Section 21)
13. Department of agriculture and conservation (Section 22)
14. Department of Hawaiian home lands (Section 24)
15. Department of economic development (Section 25)
16. Department of transportation (Section 26)

17. Department of labor and industrial relations (Section 27)
18. Department of defense (Section 28)

SECTION 4. Selection and terms of single executives as heads of departments. Except as otherwise provided by the constitution of the state of Hawaii or by this Act, each principal department shall be headed by a single executive, who shall be nominated and, by and with the advice and consent of the senate, appointed by the governor, for a term to expire at the end of the term for which the governor was elected. A vacancy occurring during a term shall be filled for the unexpired balance of the term, subject to the provisions of Article IV, Section 6 of the constitution of the state of Hawaii. The governor may, by and with the consent of the senate, remove such single executive.

SECTION 5. Selection and terms of members of boards and commissions. The members of each board and commission established by law shall be nominated and, by and with the advice and consent of the senate, appointed by the governor. Unless otherwise provided by this act or by law hereafter enacted, the terms of such members shall be for four years; provided, that the governor may reduce the terms of those initially appointed so as to provide, as nearly as can be, for the expiration of an equal number of terms at intervals of one year for each board and commission. Each term shall commence on January 1 and expire on December 31. After the effective date of this Act, no person shall be appointed consecutively to more than two terms as a member of the same board or commission; provided, that membership on any board or commission shall not exceed eight consecutive years.

A vacancy occurring in the membership of any board or commission during a term shall be filled for the unexpired term thereof, subject to the provisions of Article IV, Section 6 of the constitution of the state of Hawaii.

The governor may remove or suspend for cause any member of any board or commission after due notice and public hearing.

Except as otherwise provided by this Act, the provisions of this section shall apply to every board and commission established by this Act, or existing or established after the effective date of this Act. The term of each member of any board or commission existing on the effective date of this Act shall terminate on December 31, 1959. All new appointments to such board or commission shall thereafter be made in accordance with the provisions of this section.

The provisions of this section shall not apply to ex officio members of boards and commissions or to the board of trustees of the employees' retirement system or to the several county police and liquor commissions.

SECTION 6. Administrative supervision of boards and commissions. Whenever any board or commission is established or placed within or transferred to a principal department for administrative purposes or subject to the administrative control or supervision of the head of the department, the following provisions shall apply except as otherwise specifically provided by this Act:

- (a) The head of the department shall represent the board or commission in communications with the governor and with the legislature.
- (b) The financial requirements from state funds of the board or

commission shall be submitted through the head of the department and included in the budget for the department.

(c) All rules and regulations adopted by the board or commission shall be subject to the approval of the head of the department.

(d) The employment, appointment, promotion, transfer, demotion, discharge and job descriptions of all officers and employees of or under the jurisdiction of the board or commission shall be determined by the board or commission subject to the approval of the head of the department and to applicable personnel laws.

(e) All purchases of supplies, equipment or furniture by the board or commission shall be subject to the approval of the head of the department.

(f) The head of the department shall have the power to allocate the space or spaces available to the department and which are to be occupied by the board or commission.

(g) Any quasi-judicial functions of the board or commission shall not be subject to the approval, review or control of the head of the department.

(h) Except as set forth hereinabove, the head of the department shall not have the power to supervise or control the board or commission in the exercise of its functions, duties and powers.

SECTION 7. Powers and duties of heads of departments. Except as otherwise provided by this Act, every power and duty conferred by law and required to be performed by any officer, board, department, bureau, commission, administrative agency, or instrumentality of the state existing immediately prior to the effective date of this Act shall hereafter be exercised and performed by the head of the respective department established by this Act, whether the head of the department be a single executive, board or commission.

Except as otherwise provided by this Act, the head of a department may assign any function vested in his department to any subordinate officer or employee as he deems desirable. With the approval of the governor, the head of a department may establish or abolish within his department any division or other administrative unit to achieve economy and efficiency and in accord with sound administrative principles and practices and procedures set forth in section 1 of this Act.

The head of each department may prescribe regulations for the administration of his department, for the conduct of its employees, for the performance of its business, and for the custody, use and preservation of records, equipment and other property pertaining thereto; provided, that such regulations shall not be inconsistent with the requirements of chapters 3, 4 and 7 of the Revised Laws of Hawaii 1955, as amended, or rules promulgated by the governor or other laws of the state of Hawaii.

For the purposes of section 3-20 (o) of the Revised Laws of Hawaii 1955, as amended, the phrase "department head appointed under or in the manner provided in the first paragraph of section 80 of the Organic Act" shall be construed to include a single executive who is a head of a principal department and the executive officer of a board or commission which is the head of a principal department established by this Act.

SECTION 8. Department staffs. Except as otherwise provided by this Act and with the approval of the governor, the head of a department

may establish or abolish any subordinate office or position, transfer officers and employees between positions, appoint and remove any subordinate, and change the duties, titles and compensation of offices and positions as is deemed necessary by the head of the department for the efficient functioning of the department, subject to the limitations of available appropriations and of the provisions of chapters 3 and 4 of the Revised Laws of Hawaii 1955, as amended.

All officers and employees within a department shall be under the supervision, direction and control of the head of the department, except as otherwise provided by this Act.

SECTION 9. Office of the lieutenant governor. Except as otherwise provided by law, the lieutenant governor is designated the secretary of state for inter-governmental relations and shall perform the duties and functions heretofore exercised by the secretary of Hawaii. Such duties and functions shall include, but not be limited to, supervision of elections, recordation of all legislative and gubernatorial acts, certification of state documents and maintenance of an official file of rules and regulations promulgated by state departments, as provided in chapter 7 of the Revised Laws of Hawaii 1955, as amended.

SECTION 10. Department of planning and research. The department of planning and research shall be headed by a single executive to be known as the director of planning.

The department shall plan for the optimum use of the human and natural resources of the state. It shall plan for the development of the economy of the state and, as instructed by the governor, shall present such plans to the governor and to the legislature. In its planning and as a service to other departments of the state, the department shall collate factual data relating to the people, resources, needs and development of the state. The department shall prescribe a standardized statistical reporting system.

The functions and authority heretofore exercised by the planning office created by Act 150, Session Laws of Hawaii 1957 (except the tourism development function transferred to the department of economic development), the Hawaii development council and the research functions of the economic planning and coordination authority as heretofore constituted are hereby transferred to the department of planning and research established by this Act.

SECTION 11. Department of personnel services. The department of personnel services shall be headed by a single executive to be known as the director of personnel services.

The director shall be a person who (a) has had, during the nine years next preceding his appointment, experience in business or public administration, five of which must have been in public personnel management, (b) has graduated from a recognized college or university with specialization in public administration, political science, economics, business administration, or a related field, and (c) is in sympathy with the principles of the merit system.

The director shall have the authority to prescribe rules and regulations as heretofore exercised by the civil service commission.

The department shall administer the state personnel program, including personnel development and training, and such central personnel

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services as recruitment, examination, position classification and pay administration for all departments.

There shall be within the department of personnel services a commission to be known as the civil service commission which shall sit as an appellate body on matters within the jurisdiction of the department of personnel services. The commission shall consist of seven members, one from each county and three at large. At least one member of the commission shall be selected from among persons employed in private industry in skilled or unskilled laboring positions as distinguished from executive or professional positions. The functions, duties and powers of the commission with respect to appeals shall be as heretofore provided by law for the civil service commission and for the loyalty board existing immediately prior to the effective date of this Act.

The functions and authority heretofore exercised by the department of civil service and loyalty board as heretofore constituted are hereby transferred to the department of personnel services established by this Act.

Nothing contained in this section shall be construed as in any manner affecting the civil service laws applicable to the several counties which shall remain the same as if this Act had not been enacted.

SECTION 12. Department of accounting and general services. The department of accounting and general services shall be headed by a single executive to be known as the comptroller.

The department shall pre-audit and conduct after-the-fact audits of the financial accounts of all state departments to determine the legality of expenditures and the accuracy of accounts; report to the governor and to each regular session of the legislature as to the finances of each department of the state; manage the inventory, equipment, surplus property, insurance and centralized purchasing programs of the state; manage the preservation and disposal of all records of the state; undertake the program of centralized engineering services, including operation and maintenance of public buildings, for departments of the state; undertake the functions of the territorial or state surveyor; perform the function of data processing; and establish, analyze and enforce accounting and internal control systems.

The Kamehameha day celebration commission is hereby placed within the department of accounting and general services for administrative purposes. The functions, duties and powers, subject to the administrative control of the comptroller, and the composition of the commission shall be as heretofore provided by law.

The functions and authority heretofore exercised by the comptroller, board of commissioners of public archives, the archivist, the disposal committee, and the insurance management, surplus property management and central purchasing functions of the bureau of the budget and the non-highway functions of the department of public works as heretofore constituted are hereby transferred to the department of accounting and general services established by this Act.

SECTION 13. Department of the attorney general. The department of the attorney general shall be headed by a single executive to be known as the attorney general.

The department shall administer and render state legal services, in-

cluding furnishing of written legal opinions to the governor, legislature and such state departments and officers as the governor may direct; represent the state in all civil actions in which the state is a party; approve as to legality and form all documents relating to the acquisition of any land or interest in lands by the state; and, unless otherwise provided by law, prosecute cases involving violations of state laws and cases involving agreements, uniform laws or other matters which are enforceable in the courts of the state. The attorney general shall be charged with such other duties and have such authority as heretofore provided by common law or statute.

There shall be within the department of the attorney general a commission to be known as the commission to promote uniform legislation which shall sit in an advisory capacity to the attorney general and to the legislature on matters relating to the promotion of uniform legislation. The composition of the commission shall be as heretofore provided for the commission to promote uniform legislation existing immediately prior to the effective date of this Act.

The commission on subversive activities is hereby placed within the department of the attorney general for administrative purposes. The functions, duties and powers, subject to the administrative control of the attorney general, and the composition of the commission shall be as heretofore provided by law; provided, that the reports of the commission shall be transmitted through the attorney general who may append his remarks thereto.

The functions and authority heretofore exercised by the attorney general, high sheriff and the commission to promote uniform legislation as heretofore constituted are hereby transferred to the department of the attorney general established by this Act.

SECTION 14. Department of budget and review. The department of budget and review shall be headed by a single executive to be known as the director of the budget.

The department shall undertake the preparation and execution of the executive budget of the state government; conduct a systematic and continuous review of the finances, organization and methods of each department of the state to assist each department in achieving the most effective expenditure of all public funds and to determine that such expenditures are in accordance with the budget laws and controls in force; have custody of state funds and be responsible for the safekeeping, management, investment and disbursement thereof; and administer state debts.

The functions and authority heretofore exercised by the bureau of the budget (except for insurance management, surplus property management and central purchasing transferred to the department of accounting and general services) and the commission on children and youth, and the funds custody, cash management, debt management and administering of veterans loan functions of the treasurer as heretofore constituted are hereby transferred to the department of budget and review established by this Act.

There shall be within the department of budget and review a commission to be known as the commission on children and youth which shall sit in an advisory capacity to the director of the budget and the

legislature on matters set forth in section 334-2 of the Revised Laws of Hawaii 1955, as amended. The composition of the commission shall be as heretofore provided for the commission on children and youth existing immediately prior to the effective date of this Act.

The employees' retirement system as constituted by chapter 6 of the Revised Laws of Hawaii 1955, as amended, is hereby placed within the department of budget and review for administrative purposes. The functions, duties and powers, subject to the administrative control of the director of the budget, and the composition of the board of trustees of the employees' retirement system shall be as heretofore provided by law.

SECTION 15. Department of treasury and regulation. The department of treasury and regulation shall be headed by a single executive to be known as the treasurer.

The department shall protect the interests of consumers, depositors and investors throughout the state. It shall set standards and enforce all laws, rules and regulations governing the licensing and operation of, and register and supervise the conduct of trades, businesses and professions, including banks, insurance companies, brokerage firms and other financial institutions.

The board of examiners of abstract makers, board of accountants, board of barbers, beauty culture board, boxing commission, board of chiropractic examiners, collection agencies advisory board, contractors license board, board of dental examiners, board of registration for professional engineers, architects and surveyors, board of massage, board of medical examiners, board of examiners in naturopathy, board for the licensing of nurses, board of dispensing opticians, board of examiners in optometry, board of osteopathic examiners, board of pharmacy, board of photography, board of private detectives and investigators, public utilities commission, real estate license commission, board of veterinary examiners, and motor vehicle dealers licensing boards in each of the four counties are hereby placed within the department of treasury and regulation for administrative purposes.

The real estate license commission shall consist of seven members, at least four of whom shall be licensed real estate brokers who have been engaged in business as licensed real estate brokers or salesmen for three years immediately preceding their appointments. Four members of the commission shall be residents of the city and county of Honolulu, and one shall be a resident of the county of Hawaii, one shall be a resident of the county of Maui, and one shall be a resident of the county of Kauai. So much of section 170-3 of the Revised Laws of Hawaii 1955, as amended, as may be inconsistent with the provisions of this paragraph is hereby amended to conform herewith.

The board for the licensing of nurses shall consist of five members, who shall all be licensed registered nurses of the state. Three members of the board shall be residents of the city and county of Honolulu, and two shall be residents of counties other than the city and county of Honolulu. So much of section 67-3 of the Revised Laws of Hawaii 1955, as amended, as may be inconsistent with the provisions of this paragraph is hereby amended to conform herewith.

The board of pharmacy shall consist of five members who shall all

be graduates of a school or college of pharmacy and shall have been licensed as pharmacists and actively engaged in the practice of pharmacy in the state for at least five years prior to their appointment. Three members of the board shall be residents of the city and county of Honolulu, and two shall be residents of counties other than the city and county of Honolulu. So much of section 71-2 of the Revised Laws of Hawaii 1955, as amended, as may be inconsistent with the provisions of this paragraph is hereby amended to conform herewith.

Except as otherwise provided by this Act, the functions, duties and powers, subject to the administrative control of the treasurer, and the composition of each board and commission shall be as heretofore provided by law.

The treasurer may appoint a hearings officer or officers to hear and decide any case or controversy regarding licenses and the application and enforcement of rules and regulations involving any of the boards or commissions within the department of treasury and regulation. The hearings officer or officers shall have power to hear testimony, find facts, and make conclusions of law and a recommended decision; provided, that such conclusions and decisions shall be subject to review and re-determination by the officer, board or commission which would have heard the case in the first instance in the absence of a hearings officer. Such review shall be upon the facts found by the hearings officer or officers and upon such additional facts as may be heard by the reviewing officer, board or commission. Decisions of the officer, board or commission may in turn be appealed in the manner heretofore provided by law.

The functions and authority heretofore exercised by the treasurer (except funds custody, cash management, debt management and administering of veterans loans transferred to the department of budget and review) as heretofore constituted are hereby transferred to the department of treasury and regulation established by this Act. The treasurer shall also be the insurance commissioner, commissioner of securities and the fire marshal of the state.

SECTION 16. Department of taxation. The department of taxation shall be headed by a single executive to be known as the director of taxation.

The department shall administer and enforce the tax revenue laws of the state and collect all taxes and other payments payable thereunder.

There shall be within the department of taxation a board of review for each taxation division and a tax appeal court. The composition of each board of review and the tax appeal court and its respective functions, duties and powers shall be as heretofore provided by law for the boards of review and tax appeal court existing immediately prior to the effective date of this Act.

The functions and authority heretofore exercised by the office of tax commissioner as heretofore constituted are hereby transferred to the department of taxation established by this Act.

SECTION 17. University of Hawaii. The university of Hawaii shall be headed by an executive board to be known as the board of regents.

The board of regents shall appoint and may remove an executive officer to be known as the president of the university of Hawaii.

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The board shall consist of eleven members, one from each senatorial district and three at large and the president of the university and the superintendent of public instruction as ex officio voting members. No more than six of the members shall be members of the same political party and at least five of the members shall be former students of the university of Hawaii.

The board shall have power, in accordance with the constitution of the state of Hawaii and with law, to formulate policy, and to exercise control over the university through its executive officer, the president of the university.

The university of Hawaii as heretofore constituted as a body corporate is continued as the university of Hawaii established by this Act.

SECTION 18. Department of education. The department of education shall be headed by an executive board to be known as the board of education.

Under policies established by the board, the superintendent shall administer programs of education and public instruction throughout the state, including education at the pre-school, primary and secondary school levels, post high school vocational and adult education, library services, vocational rehabilitation (subject to the proviso hereinafter set forth), health education and instruction (not including dental health treatment transferred to the department of health), and such other programs as may be established by law.

The function of vocational rehabilitation shall be transferred to the department of social services as soon as such transfer may be made without jeopardizing any federal aid.

The functions and authority heretofore exercised by the department of public instruction (except dental health treatment transferred to the department of health), library of Hawaii, Hawaii county library and Maui county library as heretofore constituted are hereby transferred to the department of education established by this Act.

The management contract between the board of supervisors of the county of Kauai and the Kauai public library association entered into under the provisions of section 45-13 of the Revised Laws of Hawaii 1955, as amended, shall be terminated at the earliest time after the effective date of this Act permissible under the terms of such contract and the provisions of this paragraph shall constitute notice of such termination, and the functions and authority heretofore exercised by the Kauai county library as heretofore constituted and the Kauai public library association over the public libraries in the county of Kauai shall thereupon be transferred to the department of education established by this Act.

The management contracts between the trustees of the library of Hawaii and the friends of the library of Hawaii entered into under the provisions of section 45-1 of the Revised Laws of Hawaii 1955, as amended, and between the library of Hawaii and the Hilo library and reading room association entered into under the provisions of section 45-11 of the Revised Laws of Hawaii 1955, as amended, and between the library of Hawaii and the Hilo library and reading room association entered into under the provisions of section 45-11 of the Revised Laws of Hawaii 1955, as amended, shall be terminated at the earliest time

after the effective date of this Act permissible under the terms of such contracts, and the provisions of this paragraph shall constitute notice of such termination.

Upon the termination of such contracts, the state or the counties shall not enter into any library management contracts with any private association; provided, that in providing library services the board of education may enter into contracts approved by the governor for the use of lands, buildings, equipment and facilities owned by any private association.

There shall be within the department of education a commission in each county to be known as the library advisory commission for such county which shall in each case sit in an advisory capacity to the board of education on matters relating to public library services in the respective county. Each commission shall consist of not less than seven and no more than eleven members.

SECTION 19. Department of health. The department of health shall be headed by a single executive to be known as the director of health.

The director of health shall be a person who (a) has been or is eligible to be certified by the American board of preventive medicine and public health, incorporated, or (b) is (1) licensed to practice as a doctor of medicine or osteopathy in the state and has successfully completed at least one year of graduate study leading to a degree in public health, and (2) has had, during the ten years next preceding his appointment, at least six years of practical experience in public health work, including supervision or administration of such work, in communities of not less than 100,000 population, or in the United States public health service as a commissioned medical officer.

There shall be within the department of health a commission to be known as the board of health which shall sit in an advisory capacity to the director of health on matters within the jurisdiction of the department of health. The commission shall consist of nine members, one from each senatorial district and three at large, and the director of social services as an ex officio non-voting member.

The department shall administer programs designed to protect, preserve, care for and improve the physical and mental health of the people of the state. Without limit to the generality of the foregoing, such programs shall include the administration and enforcement of matters and laws of public health of the state, including the program for Waimano home and for the state hospital, but excluding assistance and care for the indigent and the medically indigent.

The functions and authority heretofore exercised by the board of health (excluding assistance and care for the indigent and the medically indigent) and the department of institutions with respect to Waimano home and the state hospital and the dental health treatment function of the department of public instruction as heretofore constituted are hereby transferred to the department of health established by this Act.

The governor shall define and differentiate dental health treatment from dental health instruction and shall provide for the gradual transfer of any personnel within the definition of dental health treatment to the department of health. The provisions of this section shall not be construed to require the transfer from the department of education to the

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department of health of any dental hygienist having a teacher's certificate and employed by the department of public instruction immediately prior to the effective date of this Act.

SECTION 20. Department of social services. The department of social services shall be headed by a single executive to be known as the director of social services.

The director of social services shall be a person who (a) by reason of graduate study or extensive experience is generally recognized as being professionally associated with the field of social services and (b) has had, during the ten years next preceding his appointment, at least four years of practical experience in public social service work, including supervision or administration of such work in communities of not less than 100,000 population.

There shall be within the department of social services a commission to be known as the board of social services which shall sit in an advisory capacity to the director of social services on matters within the jurisdiction of the department of social services. The board shall consist of nine members, one from each senatorial district and three at large, and the director of health as an ex officio non-voting member.

The department shall administer programs designed to improve the social well being and productivity of the people of the state. Without limit to the generality of the foregoing, the department shall concern itself with the problems of human behavior, adjustment and daily living through the administration of programs of family, child and adult welfare, economic assistance (including costs of medical care), rehabilitation toward self-care and support, delinquency prevention and control, treatment and rehabilitation of adult and juvenile offenders, public housing and other related programs as provided by law.

The Hawaii housing authority, as now constituted by chapter 74 of the Revised Laws of Hawaii 1955, as amended, shall be a constituent corporate unit of the department of social services with the director of social services as ex officio chairman and included as an additional commissioner of the housing authority, serving for a term consistent with his appointment. Notwithstanding any other provisions of this Act, but subject to the administrative control of the director of social services, the functions, duties and powers of the housing authority, as heretofore provided by law, shall be vested in the Hawaii housing authority.

The board of paroles and pardons is hereby placed within the department of social services for administrative purposes. The functions, duties and powers, subject to the administrative control of the director of social services, and the composition of the board shall be as heretofore provided by law.

The functions and authority heretofore exercised by the department of public welfare, the department of institutions (except for Waimano home and the state hospital transferred to the department of health), the boards of prison inspectors, the bureau of sight conservation and work with the blind, the council on veterans' affairs, and any other agency with respect to the assistance and care of the indigent and medically indigent as heretofore constituted are hereby transferred to the department of social services established by this Act.

SECTION 21. Department of land and natural resources. The de-

partment of land and natural resources shall be headed by an executive board to be known as the board of land and natural resources.

The board shall appoint and may remove an executive officer to be known as the director of land and natural resources.

The composition of the board shall be as heretofore provided by law for the board of public lands existing immediately prior to the effective date of this Act with the addition of the director of land and natural resources who shall be an ex officio voting member of the board and the chairman of the board of agriculture and conservation and the director of agriculture and conservation who shall be ex officio non-voting members.

The department shall manage and administer the public lands of the state and the water resources and minerals thereon; and manage the state parks, including historical sites.

The fair commission is hereby placed within the department of land and natural resources for administrative purposes. The functions, duties and powers, subject to the administrative control of the board of land and natural resources, and the composition of the commission shall be as heretofore provided by law (except for the function of planning fairs transferred to the department of economic development).

On September 1, 1960, the fair commission shall be abolished and the functions and authority of the commission relating to the Ala Wai golf course shall be transferred to the city and county of Honolulu as provided by section 29 of this Act.

The functions and authority heretofore exercised by the commissioner and board of public lands (including the hydrography division and the bureau of conveyances), the Hawaii water authority, the commission on ground-water resources, the Hawaii land development authority and the commission on historical sites and the function of managing the state parks heretofore exercised by the board of commissioners of agriculture and forestry as heretofore constituted are hereby transferred to the department of land and natural resources established by this Act.

On July 1, 1962, the department of land and natural resources as established by this Act shall be abolished and the functions and authority of the department shall be transferred to the department of agriculture and natural resources, as provided by section 23 of this Act.

SECTION 22. Department of agriculture and conservation. The department of agriculture and conservation shall be headed by an executive board to be known as the board of agriculture and conservation.

The board shall appoint and may remove an executive officer to be known as the director of agriculture and conservation.

The composition of the board shall be as heretofore provided by law for the board of commissioners of agriculture and forestry existing immediately prior to the effective date of this Act with the addition of the director of agriculture and conservation who shall be an ex officio voting member of the board and the chairman of the board of land and natural resources and the director of land and natural resources who shall be ex officio non-voting members.

The department shall promote the conservation, development and utilization of agricultural, forest, fish and game resources of the state; and administer the programs of the state relating to animal husbandry,

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entomology, soil conservation and enforcement of the rules and regulations on the grading and labeling of agricultural products.

The functions and authority heretofore exercised by the board of commissioners of agriculture and forestry (except the establishment of rules and regulations on the grading and labeling of agricultural products transferred to the department of economic development and the management of state parks transferred to the department of land and natural resources) and the Hawaii soil conservation committee as heretofore constituted are hereby transferred to the department of agriculture and conservation established by this Act.

On July 1, 1962, the department of agriculture and conservation as established by this Act shall be abolished and the functions and authority of the department shall be transferred to the department of agriculture and natural resources as provided by Section 23 of this Act.

SECTION 23. Department of agriculture and natural resources. On July 1, 1962, the department of agriculture and natural resources shall be established and the department of land and natural resources and the department of agriculture and conservation as established by this Act shall be abolished.

The department of agriculture and natural resources shall be headed by an executive board to be known as the board of agriculture and natural resources.

The board shall appoint and may remove an executive officer to be known as the director of agriculture and natural resources.

The board shall consist of nine members, one from each senatorial district and three at large, and the director of agriculture and natural resources as an ex officio non-voting member.

The department shall administer the public domain of the state, including land, water, minerals, fish, forestry and game, and programs for the conservation and development of these resources in the public interest.

On July 1, 1962, the functions and authority theretofore exercised by the department of land and natural resources and the department of agriculture and conservation shall be transferred to the department of agriculture and natural resources then established by this Act. The governor shall submit to the legislature twenty days before the regular session in 1961 convenes, such bills as may be necessary to effectuate such transfer and the establishment of subdivisions or bureaus within the department of agriculture and natural resources, and shall include the department in his budget recommendation to the regular session in 1962.

SECTION 24. Department of Hawaiian home lands. The department of Hawaiian home lands shall be headed by an executive board to be known as the Hawaiian homes commission.

The composition of the commission and its functions, duties and powers shall be as heretofore provided by law for the Hawaiian homes commission existing immediately prior to the effective date of this Act.

The commission shall appoint and may remove an executive officer to be known as the director of Hawaiian home lands.

The department shall administer the Hawaiian homes commission act as set forth in the constitution of the state of Hawaii and by law.

The functions and authority heretofore exercised by the Hawaiian homes commission as heretofore constituted are hereby transferred to the department of Hawaiian home lands established by this Act.

SECTION 25. Department of economic development. The department of economic development shall be headed by a single executive to be known as the director of economic development.

The department shall encourage the development and promotion of the products of agriculture, industry and tourism, through the gathering and dissemination of information of use to enterprisers, the offering of expert consultative services, the planning of fairs, the administering of farm and business credit programs and other programs established by law.

There shall be within the department of economic development a commission to be known as the board of economic development which shall sit in an advisory capacity to the director of economic development on matters within the jurisdiction of the department of economic development. The board shall consist of nine members, one from each senatorial district and three at large.

The functions and authority heretofore exercised by the board of commissioners of agriculture and forestry with respect to the establishment of rules and regulations on the grading and labeling of agricultural products, the farm loan board, the economic planning and coordination authority (except the research function transferred to the department of planning and research), the planning office created by Act 150, Session Laws of Hawaii 1957 with respect to tourism development as described in section 4 of Act 150, and the fair commission of Hawaii with respect to the planning of fairs are hereby transferred to the department of economic development established by this Act.

SECTION 26. Department of transportation. The department of transportation shall be headed by a single executive to be known as the director of transportation.

The department shall establish, maintain and operate transportation facilities of the state, including highways, airports, harbors and such other transportation facilities and activities as may be authorized by law.

The Hawaii aeronautics commission is hereby placed within the department of transportation for administrative purposes. The functions, duties and powers, subject to the administrative control of the director of transportation, and the composition of the commission shall be as heretofore provided by law. The director of transportation shall be an ex officio voting member of the commission.

The board of harbor commissioners is hereby placed within the department of transportation for administrative purposes. The functions, duties and powers, subject to the administrative control of the director of transportation, and the composition of the board shall be as heretofore provided by law. The director of transportation shall be an ex officio voting member and chairman of the board.

There shall be within the department of transportation a commission to be known as the highway commission which shall sit in an advisory capacity to the director of transportation with respect to matters within the jurisdiction of the department of transportation relating to highways. The commission shall consist of nine members, one from each senatorial

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district and two at large and the director of transportation as an ex officio voting member.

The functions and authority heretofore exercised by the department of public works with respect to highways are hereby transferred to the department of transportation established by this Act.

On July 1, 1961, the Hawaii aeronautics commission, the board of harbor commissioners and the highway commission shall be abolished and their remaining functions, duties and powers shall be transferred to the department of transportation.

The governor shall submit to the legislature twenty days before the regular session in 1961 convenes, such bills as may be necessary to effectuate such transfer and the establishment of subdivisions or bureaus within the department, together with a budget recommendation.

Upon the abolishment of the Hawaii aeronautics commission, the board of harbor commissioners and the highway commission, there shall be established within the department of transportation a commission to be known as the commission on transportation which shall sit in an advisory capacity to the director of transportation on matters within the jurisdiction of the department of transportation. The commission on transportation shall consist of nine members, one from each senatorial district and three at large.

SECTION 27. Department of labor and industrial relations. The department of labor and industrial relations shall be headed by a single executive to be known as the director of labor and industrial relations.

The department shall administer programs designed to increase the economic security, physical and economic well-being, and productivity of workers, and to achieve good labor-management relations, including the administration of workmen's compensation, employment security, apprenticeship training, wage and hour, and industrial relations laws.

There shall be within the department of labor and industrial relations a committee to be known as the advisory committee on labor and industrial relations which shall sit in an advisory capacity to the director of labor and industrial relations on matters within the jurisdiction of the department of labor and industrial relations. The advisory committee shall consist of an equal number of representatives from labor, from management, and from the public, appointed by the director who shall designate one of the public members as chairman.

The labor and industrial relations appeal board and the industrial accident boards provided for in chapters 88 and 97 of the Revised Laws of Hawaii 1955, as amended, are hereby placed within the department of labor and industrial relations for administrative purposes. The respective functions, duties and powers, subject to the administrative control of the director of labor and industrial relations, and the composition of each board shall be as heretofore provided by law.

There shall be within the department of labor and industrial relations a commission to be known as the Hawaii employment relations board. Such board shall consist of five members. Two of the members shall be representatives from labor, two from management and one from the public. One labor member and one management member shall be from the city and county of Honolulu, and one labor and one management member shall be from outside the city and county of Honolulu. Such

board shall exercise powers and duties in accordance with the Hawaii employment relations act, chapter 90 of the Revised Laws of Hawaii 1955, as amended. The director shall have general administrative supervision over the board, but shall not have the power to supervise or control the board in the exercise of its powers or duties under the Hawaii employment relations act. The board may appoint a hearings officer or officers as required to perform its responsibilities.

The functions of mediation heretofore exercised by the commission of labor and industrial relations existing immediately prior to the effective date of this Act, as provided in section 88-16 of the Revised Laws of Hawaii 1955, as amended, shall be exercised by the governor or his designated agents.

The director may establish within the department of labor and industrial relations a committee to be known as the apprenticeship council which shall sit in an advisory capacity to the director of labor and industrial relations on matters within the jurisdiction of the department of labor and industrial relations relating to apprenticeship programs. The membership and organization of the council shall be determined by the director.

The functions and authority heretofore exercised by the department of labor and industrial relations, Hawaii employment relations board and apprenticeship council as heretofore constituted are hereby transferred to the department of labor and industrial relations established by this Act in accordance with the provisions hereof.

SECTION 28. Department of defense. The department of defense shall be headed by a single executive to be known as the adjutant general. The adjutant general shall also be the director of civil defense.

There shall be a full-time vice director of civil defense who shall be appointed and may be removed by the director.

The department shall be responsible for the defense of the state and its people from mass violence, originating from either human or natural causes.

The devolution of command of the military forces in the absence of the adjutant general shall be within the military establishment. The devolution of command of the civil defense agency in the absence of the director of civil defense shall be within the civil defense agency.

There shall be within the department of defense a commission to be known as the civil defense advisory council which shall sit in an advisory capacity to the director of civil defense on matters pertaining to civil defense. The composition of the commission shall be as heretofore provided by law for the civil defense advisory council existing immediately prior to the effective date of this Act.

The functions and authority heretofore exercised by the military department and the civil defense agency as heretofore constituted are hereby transferred to the department of defense established by this Act.

SECTION 29. Fair commission. Effective September 1, 1960, the fair commission of Hawaii shall be abolished and the functions and authority of the fair commission of Hawaii relating to the Ala Wai golf course shall be transferred to the city and county of Honolulu, together with the use and control of all lands, property and facilities under its jurisdiction; provided, that such lands, property and facilities shall be

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used solely for the purposes of operating a municipal golf course; and provided further, that the governor may by executive order transfer the use and control of such lands, property and facilities to the appropriate department of the state designated by the governor upon the giving of one year's written notice before the date of such transfer back to the state to the city and county of Honolulu.

Effective September 1, 1960, all personnel employed by the fair commission of Hawaii at the Ala Wai golf course shall be transferred to the city and county of Honolulu and shall acquire city and county civil service status without loss of salary, seniority, prior service credit, vacation, sick leave or other employee benefits or privileges as a consequence of such transfer; provided, that subsequent changes in status may be made pursuant to personnel laws of the city and county of Honolulu.

Any other provision herein to the contrary notwithstanding, no contract entered into by either the state or fair commission of Hawaii and in existence as of October 1, 1959, and relating to golf, barber and food concessions and the public links golf association at the Ala Wai golf course shall be impaired as a consequence of the provisions herein and the city and county shall succeed to all rights and obligations of the state or fair commission of Hawaii in such contracts upon the transfer of such lands, property and facilities to the city and county of Honolulu. No additional contract entered into after October 1, 1959, shall extend beyond August 31, 1960.

SECTION 30. Temporary boards and commissions. The governor may establish such temporary boards and commissions as he may deem necessary to gather information or furnish advice for the executive branch. He may prescribe their organization, functions and authority. A temporary board or commission shall not remain in existence for a term extending beyond the last day of the second regular session of the legislature after the date of its establishment or beyond the period required to receive federal grants-in-aid, whichever occurs later, unless extended by concurrent resolution of the legislature.

All members of temporary boards and commissions shall serve without pay, but shall be entitled to reimbursement for necessary expenses while attending meetings and while in the discharge of duties and responsibilities. Such reimbursement for expenses shall be from the governor's contingent fund.

SECTION 31. Transfer of functions. Whenever the functions of a previously existing department, office or other agency are transferred to any department established by this Act, the newly established department shall succeed to all of the rights and powers exercised, and all of the duties and obligations incurred by the previously existing department, office or agency in the exercise of the functions transferred, whether such powers, duties and obligations are mentioned in or granted by any law, contract or other document. All references in any such law, contract or document to such previously existing department, office or agency in connection with the functions transferred shall apply to the newly established department as if the latter were specifically named in such law, contract or document in place of the previously existing department, office or agency.

SECTION 32. Transfer of personnel. All officers and employees whose functions are transferred by this Act shall be transferred with their functions to the department in which their functions, or a major part thereof, have been transferred, and shall continue to perform their regular duties upon their transfer, subject to the provisions of state personnel laws and of this Act.

No employee of the state having tenure shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave or other employee benefit or privilege as a consequence of this Act; provided that subsequent changes in status may be made pursuant to chapters 3 and 4 of the Revised Laws of Hawaii 1955, as amended.

An employee of the state who does not have tenure and who may be transferred or appointed to a civil service position as a consequence of this Act shall become a civil service employee without the loss of salary, seniority, prior service credit, vacation, sick leave or other employee benefits or privileges and without the necessity of examination; provided, that such employee or officer possesses the minimum qualifications for the position to which he is transferred or appointed.

In the event that an office or position held by any officer or employee having tenure is abolished, such officer or employee shall not thereby be separated from public employment, but shall remain in the employment of the state with the same pay and classification and shall be transferred to some other office or position for which such officer or employee is eligible under the personnel laws of the state as determined by the head of the department or the governor.

SECTION 33. Transfer of records, equipment, appropriation and other property. Upon the transfer of functions of any previously existing department, office or other agency as provided by this Act, all records, equipment, files, supplies, contracts, books, papers, documents, maps, appropriations and other property theretofore made, used, acquired or held by any such previously existing department, office or agency in the exercise of the functions transferred shall be transferred under the direction of the governor to the department succeeding to such functions.

SECTION 34. Surety bonds. The head of a department or office and subordinate officials shall furnish surety bonds in such instances and in such amounts as required by law or determined by the governor. The payments for such bonds shall be made by the state government and the bonds shall be in such form as the attorney general shall approve.

SECTION 35. Prosecutions and civil actions. No offense committed and no penalty or forfeiture incurred under the act shall be affected by this Act, provided, that whenever any punishment, penalty, or forfeiture is mitigated by any provision of this Act, such provision may be extended and applied to any judgment pronounced after the passage of this Act. No suit or prosecution pending at the time this Act takes effect shall be affected by this Act. The right of any administrative officer to institute proceedings for prosecution for an offense or an action to recover a penalty or forfeiture shall henceforth be vested in the head of the department or some person designated by the head of the department or as may be directed by law.

SECTION 36. Appeals. The right of appeal from administrative

actions or determinations as provided by law shall not be impaired by this Act.

Except as otherwise provided by this Act, wherever a right of appeal from administrative actions or determinations is provided by law to or from any officer, board, department, bureau, commission, administrative agency or instrumentality of the state which, or any of the functions of which, is transferred by this Act to a department established by this Act, such right of appeal shall lie to or from the department, or the subdivision, bureau or officer of the department, to which such transfer is made. Such right of appeal shall exist to the same extent and in accordance with the procedures as immediately prior to the effective date of this Act.

If the provisions of the preceding paragraph relating to appeals cannot be effected by reason of the abolishment, splitting or shifting of functions or otherwise, the right of appeal shall lie to the circuit courts of the state pursuant to the Hawaii Rules of Civil Procedure.

SECTION 37. Assignment of functions. Any executive or administrative function of the state government that may not have been allocated to a principal department by this Act shall be assigned by the governor to that department which he deems can most appropriately and effectively perform such function.

Any other provision of this Act to the contrary notwithstanding, the functions and powers of the police and liquor commissions of the respective counties as provided in chapters 145, 150 and 159 of the Revised Laws of Hawaii 1955, as amended, shall not be assigned by the governor to any department established by this Act.

SECTION 38. Agencies and offices abolished. The following agencies and offices and their respective boards and commissions as heretofore constituted are hereby abolished: Board of commissioners of agriculture and forestry, bureau of the budget, commission on children and youth, economic planning and coordination authority, board of commissioners of public archives, territorial planning office, Hawaii development council, department of public works, territorial highway department, treasury department, office of the tax commissioner, tax appeal court, boards of (tax) review, comptroller, high sheriff, territorial loyalty board, board of health, department of institutions, advisory boards on institutions, territorial hospital and Waimano home appeal commission, bureau of sight conservation and work with the blind, department of public welfare, public welfare board, council on veterans' affairs, library of Hawaii, Hawaii county library managing board, Maui county libraries managing board, board of public lands, commissioner of public lands, territorial surveyor, bureau of conveyances, hydrographer, board of appraisers, territorial commission on historical sites, Hawaii water authority, Hawaii soil conservation committee, farm loan board of Hawaii, airport zoning board, commission of labor and industrial relations, department of labor and industrial relations, Hawaii employment relations board, apprenticeship council, military department, civil defense agency, civil defense advisory council, board of prison inspectors, dental health advisory committee, territorial advisory committee for hospitals and medical care, fishery advisory committees, voting machine board, disposal committee, board of disposal, commission on ground water resources, Hawaii land development authority, department of attorney

general, commission to promote uniform legislation, department of civil service, civil service commission, department of public instruction, board of commissioners of public instruction, university of Hawaii, board of regents of the university of Hawaii, and Hawaii homes commission.

The following agencies and offices and their respective boards and commissions shall expire at such time provided in this Act: Kauai county libraries managing board, Hawaii aeronautics commission, board of harbor commissioners, and fair commission of Hawaii.

SECTION 39. Federal aid, bond obligations; not impaired. It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair the obligation of the state or any agency thereof to the holders of any bond issued by the state or by any such agency, and to the extent, and only to the extent, necessary to effectuate this intent, the governor is authorized and empowered to modify the strict provisions of this Act, but shall promptly report any such modification with his reasons therefor to the legislature at its next session thereafter for review by the legislature.

SECTION 40. Schedule for reorganization. The governor shall appoint the heads of departments and assign the various functions as hereinabove provided by the first day of the regular legislative session of 1960. This assignment of functions shall be by executive order and shall consist of a realignment of authority and responsibility in accord with the terms of this Act and need not necessarily involve the movement of personnel or equipment, the establishment of any subdivision or bureau within a department, the revision of any job description, or other detailed matter related to the internal operation of any new department.

Provided that the implementation of the first paragraph above may, at the option of the governor, be delayed until the tenth day of the regular session of 1961 in the case of the Department of Planning and Research and the University of Hawaii if such delay is legally necessary to allow the present director of planning and president of the University of Hawaii to continue to hold their positions. Provided further that where the transfer or assignment of any particular function or functions within a department presents special and particular administrative or legal difficulties, the governor may delay the effective date of that particular transfer until July 1, 1960, and shall present the reasons therefor to the 1960 regular session. The allocation of all functions effective during the fiscal year starting July 1, 1960, shall be reflected in the governor's budget recommendations which will be submitted 20 days prior to the regular session of 1960.

The governor shall commence with the establishment of subdivisions or bureaus within the departments, and he shall submit to the legislature twenty days before the regular session in 1960 convenes, such bills as he may then have prepared, in the form of amendments to the Revised Laws of Hawaii 1955, as amended, which will implement the terms of this Act and the allocation of functions and duties among the subdivisions or bureaus within the departments.

The establishment of such subdivisions or bureaus shall be completed by the tenth day of the regular session of 1961, and the governor shall submit to the legislature twenty days before the regular session in 1961 convenes, such additional bills as may be necessary to the reorganiza-

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tion of the state government under this Act, together with a budget recommendation.

SECTION 41. Continuity of administration. Notwithstanding anything in this Act to the contrary, the abolition or transfer of any officer, board, department, bureau, commission, administrative agency or instrumentality of the state, or of any function thereof, provided by this Act, shall be accomplished within the time specified in section 40 by executive order or orders issued by the governor.

Until so abolished or transferred, each officer, board, department, bureau, commission, administrative agency or instrumentality of the state shall continue to discharge its duties and functions with the same personnel and to the same extent as immediately prior to the effective date of this Act.

SECTION 42. Amendment of conflicting laws. All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this special session 1959, whether enacted before or after the passage of this Act, shall be amended to conform to this Act, unless such acts specifically provide that the Hawaii State Government Reorganization Act of 1959 is being amended.

SECTION 43. Construction; separability. This Act shall be liberally construed in order to accomplish the purposes set forth in section 1. Any portion of this Act judicially declared to be invalid shall not affect the remaining portions.

SECTION 44. Appropriation. The sum of \$41,500 or so much thereof as may be necessary is hereby appropriated to be expended by the budget bureau under the direction of the governor to effectuate the purposes of this Act. The budget bureau shall allocate any part of such appropriation for the salaries of single executives who are heads of departments and their personal staff, and for their equipment and supplies for whom and for which no other provision is made. The personal staff may be employed without regard to the provisions of chapters 3 and 4 of the Revised Laws of Hawaii 1955, as amended. The salary of any such single executive shall be set by the governor, but at not more than \$17,500 per annum. The amount of such salary, staff and equipment shall be subject to review by the legislature.

SECTION 45. Effective date. This Act shall take effect upon its approval.

(Approved November 25, 1959.) **H.B. 1.**