

ACT 336

ACT 336

S.B. NO. 1747

A Bill for an Act Relating to State Planning.

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

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

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“CHAPTER STATE PLANNING

§ -1 Purpose. The purpose of this chapter is to establish an office of state planning to assist the governor in maintaining an overall framework to guide the development of the State through a continuous process of comprehensive, long-range, and strategic planning to meet the physical, economic, and social needs of Hawaii’s people, and provide for the wise use of Hawaii’s resources in a coordinated, efficient, and economical manner, including the conservation of those natural, environmental, recreational, scenic, historic, and other limited and irreplaceable resources which are required for future generations.

The establishment of an office of state planning in the office of the governor is intended to:

- (1) Fix responsibility and accountability to successfully carry out statewide planning programs, policies, and priorities;
- (2) Improve the efficiency and effectiveness of the operations of the executive branch;
- (3) Ensure comprehensive planning and coordination to enhance the quality of life of the people of Hawaii.

§ -2 Office of state planning, establishment; responsibilities. (a) There is established within the office of the governor an office of state planning. The head of the office shall be known as the director of the office of state planning, hereinafter referred to as director. The director shall have: training in the field of urban or regional planning, public administration, or other related fields; experience in programs or services related to governmental planning; and experience in a supervisory, consultative, or administrative capacity. The director shall be appointed by the governor without regard to chapters 76 and 77, and shall be compensated at a salary level set by the governor. The director shall be included in any benefit program generally applicable to the officers and employees of the State. The director shall retain such staff as may be necessary for the purposes of this chapter, in conformity with chapters 76 and 77.

(b) The office of state planning shall gather, analyze, and provide information to the governor to assist in the overall analysis and formulation of state policies and strategies to provide central direction and cohesion in the allocation of resources and effectuation of state activities and programs, and effectively address current or emerging issues and opportunities. More specifically, the office shall engage in the following activities:

- (1) Comprehensive planning and program coordination. Formulating and articulating comprehensive statewide goals, objectives, policies, and priorities, and coordinating their implementation through the statewide planning system established in part II of chapter 226.
- (2) Strategic planning. Identifying and analyzing significant issues, problems, and opportunities confronting the State, and formulating strategies and alternative courses of action in response to identified problems and opportunities by:
 - (A) Providing in-depth policy research, analysis, and recommendations on existing or potential areas of critical state concern;
 - (B) Examining and evaluating the effectiveness of state programs in implementing state policies and priorities;

- (C) Monitoring through surveys, environmental scanning, and other techniques—current social, economic, and physical conditions and trends; and
 - (D) Developing, in collaboration with affected public or private agencies and organizations, implementation plans and schedules and, where appropriate, assisting in the mobilization of resources to meet identified needs.
- (3) Population planning. Planning for the management of the State's population size, rate of growth, and distribution through research, coordination, and technical assistance to state and county agencies.
- (4) Intergovernmental coordination and cooperation. Facilitating coordinated and cooperative planning and policy development and implementation activities among state agencies, and between the state, county, and federal governments, by:
- (A) Reviewing, assessing, and coordinating, as necessary, major plans, programs, projects, and regulatory activities existing or proposed by state and county agencies; and
 - (B) Formulating mechanisms to simplify, streamline, or coordinate interagency development and regulatory processes.
- (5) Collection and dissemination of information. Collecting, analyzing, maintaining, and disseminating data and information to further effective state planning, policy analysis, and development, and delivery of government services by:
- (A) Assembling, organizing, evaluating, and classifying existing data and performing necessary basic research in order to provide a common data base for governmental planning; and
 - (B) Maintaining a centralized depository of state and national planning references.
- (6) Capital investment planning.
- (A) In cooperation with the director of finance, establishing guidelines and criteria for capital expenditures consistent with statewide planning goals and objectives and executive priorities;
 - (B) Reviewing, prioritizing, and evaluating capital improvement projects proposed or undertaken by state and county agencies to assure conformity with statewide planning goals and objectives and executive priorities, and reporting its findings and recommendations to the governor and the legislature relative to the allocation of funds;
 - (C) Reviewing, analyzing, and reporting on state and county capital improvement projects which extend over wide geographical areas of the state and which have significant impacts upon economic development, land use, environmental quality, construction employment and executive policy directions;
 - (D) Directing and coordinating the development of the statewide capital improvement program expenditure and priorities plan, and reviewing and evaluating capital expenditure plans of the state departments; and
 - (E) Reviewing, in cooperation with the various state departments, the general and development plans of each county to identify statewide interests and to determine state capital improvement project needs of the plans; and

- (F) Submitting to the legislature a biennial report identifying statewide interests, capital improvement project needs, capital improvement priorities and the capital improvement projects that the state can reasonably be expected to finance over the period of the six-year capital improvement project forecast.

In furtherance of these responsibilities, before each regular session of the legislature, the director of finance shall supply the governor with copies of the various requests for capital expenditures as received from state agencies for inclusion in the proposed state executive budget. The director of finance shall also supply the governor with a list of proposed public works to be constructed during the succeeding six years. Each county shall similarly provide the governor with a list of necessary capital improvements to be constructed in the respective counties during the succeeding six years. In preparing the lists, the counties shall indicate the contemplated means of financing each project. The office of state planning shall review the various requests for capital expenditures and improvements in relation to chapter 226 and any goals and objectives which the governor may prescribe. The office of state planning shall advise the governor on capital expenditure requests and shall assist the governor in the implementation of those projects that are authorized and funded.

§ -3 Cooperation. The office of state planning shall seek the widest possible cooperation from public and private agencies and the federal government to achieve the purposes of this chapter. It shall work closely with and assist the counties in the promotion of coordinated state and county planning.

Every state department, county agency, or other public or private agencies providing planning programs and services shall be encouraged to participate actively in the activities of the office of state planning. The executive heads of all state departments and agencies shall cooperate with the office of state planning by providing information as the governor deems necessary for the effective discharge of its duties.

Nothing in this chapter shall be deemed to delegate or detract in any way from the functions, powers, and duties conferred by law on any department or agency of the State or county.

§ -4 Allocation of funds. Any of the agencies of the State to which general or special appropriations are made, or a part of whose budget contains an allocation, or which makes an allocation of funds for planning and research, shall consult with the office of state planning to ensure that all expenditures are in accordance with, or in furtherance of the goals and objectives of the Hawaii State Plan. The governor may withhold the expenditure of these funds by any agency until the governor is satisfied that the expenditures will implement those goals and objectives."

SECTION 2. Part I of chapter 201, Hawaii Revised Statutes, is amended by adding four new sections to be appropriately designated and to read as follows:

"§201- Integration and development of tourist industry. The director of business and economic development shall plan for the integrated and coordinated development and expansion of the tourist industry of the State. The director shall investigate and recommend to appropriate governmental officers, agencies, legislative committees and private groups, ways and means of coordinating promotional activities on behalf of tourism with the

development of recreational and other facilities for improved tourist development. The director shall also review the expenditure of governmental funds for tourism related activities and shall prepare an annual report on the expenditures, together with any recommendations the director may have, for transmission to the members of the legislature not less than twenty days prior to the convening of each regular legislative session.

§201- Tourism impact management system. The director shall establish a system to:

- (1) Monitor the impact of tourism development and activities on the economic, social, and physical environment of the residents of Hawaii;
- (2) Identify those current and emerging conditions which are having or are likely to have negative effects on residents;
- (3) Survey and analyze the specific concerns of communities with high tourism impact;
- (4) Inform appropriate public officials and private parties of the negative effects;
- (5) Advocate, on behalf of residents and whenever possible, solutions to ameliorate, avoid, or prevent the undesirable effects; and
- (6) Bring major tourism impact issues to the attention of appropriate legislative bodies.

The director shall publish an annual report which describes the system's application in the preceding year, including the conditions and negative effects identified, the solutions recommended or pursued by responsible agencies or parties, and the results obtained.

§201- Federal funds. Where the governor or the department with the approval of the governor is able to secure federal funds made available under any act of the Congress of the United States to be expended in connection with or for planning grants and community development block grants, the governor or department shall have the power to enter into such undertakings with the proper officers or agencies of the federal government. The department may adopt rules pursuant to chapter 91 as may be necessary to administer and effectuate federal grants and programs that it has been assigned.

§201- Data or information collection. The director, in consultation with all affected governmental agencies, shall assess the need for statistics and other information as to the number, characteristics, needs, and movement of people into, out of, or within Hawaii, including residents, migrants, and visitors, and such other information as the director may deem necessary, for the purposes of sound economic research and analysis. The director shall be responsible for collecting, analyzing, and disseminating such information to governmental agencies on a timely basis, and is authorized to use any appropriate method to collect the information, including but not limited to conducting an entry and exit census or survey of all individuals entering, leaving, or living within the State, and obtaining data or information acquired by other agencies, both public and private. All governmental agencies shall cooperate with and assist the director to implement this section.

The director may adopt necessary rules pursuant to chapter 91, to administer this section."

SECTION 3. Chapter 26, Hawaii Revised Statutes, is amended:

1. By amending section 26-4 to read as follows:

“§26-4 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 personnel services (Section 26-5)
- (2) Department of accounting and general services (Section 26-6)
- (3) Department of the attorney general (Section 26-7)
- (4) Department of budget and finance (Section 26-8)
- (5) Department of commerce and consumer affairs (Section 26-9)
- (6) Department of taxation (Section 26-10)
- (7) University of Hawaii (Section 26-11)
- (8) Department of education (Section 26-12)
- (9) Department of health (Section 26-13)
- (10) Department of social services and housing (Section 26-14)
- (11) Department of land and natural resources (Section 26-15)
- (12) Department of agriculture (Section 26-16)
- (13) Department of Hawaiian home lands (Section 26-17)
- (14) Department of [planning] business and economic development (Section 26-18)
- (15) Department of transportation (Section 26-19)
- (16) Department of labor and industrial relations (Section 26-20)
- (17) Department of defense (Section 26-21)”

2. By amending section 26-18 to read as follows:

“§26-18 Department of [planning] business and economic development. The department of [planning] business and economic development shall be headed by a single executive to be known as the director of [planning] business and economic development.

The department shall undertake statewide [planning] business and economic development activities, undertake energy development and management, provide economic research and analysis, plan for the use of Hawaii's ocean resources, and encourage the development and promotion of industry and international commerce through programs established by law.

The following are placed in the department of [planning] business and economic development for administrative purposes as defined by section 26-35: Aloha Tower Development Corporation, Hawaii community development authority, high technology development corporation, land use commission, natural energy laboratory of Hawaii, and any other boards and commissions as shall be provided by law.

The department of [planning] business and economic development shall be empowered to establish, modify, or abolish statistical boundaries for cities, towns, or villages in the State. The department shall publish annually an up-to-date list of cities, towns, and villages for which statistical boundaries have been set.”

3. By amending section 26-52 to read as follows:

“§26-52 Department heads and executive officers. The salaries of the following state officers shall be as follows:

- (1) Effective January 1, 1986, the salary of the superintendent of education shall be \$76,000 a year.
- (2) The salary of the president of the University of Hawaii shall be set by the board of regents, but shall not exceed \$95,000 a year.
- (3) Effective January 1, 1986, the salaries of all department heads or executive officers of the departments of accounting and general

services, agriculture, attorney general, budget and finance, commerce and consumer affairs, Hawaiian home lands, health, labor and industrial relations, land and natural resources, personnel services, [planning] business and economic development, social services and housing, taxation, and transportation shall be \$68,400 a year.

- (4) Effective January 1, 1986, the salary of the adjutant general shall be \$68,400 a year. If the salary is in conflict with the pay and allowance fixed by the tables of the regular army of the United States, the latter shall prevail."

SECTION 4. Chapter 226, Hawaii Revised Statutes, is amended:

1. By amending section 226-2 by amending the definition of department to read as follows:

- "(1) ["Department" means the department of planning and economic development.] "Office" means the office of state planning."

2. By amending section 226-52 to read as follows:

"**§226-52 Statewide planning system.** (a) The statewide planning system shall consist of the following policies, plans, and programs:

- (1) The overall theme, goals, objectives, and policies established in this chapter shall provide the broad guidelines for the State.
- (2) The priority guidelines established in this chapter shall provide guidelines for decision-making by the State and the counties for the immediate future and set priorities for the allocation of resources. The formulation and [amendment] revision of state functional plans shall be in conformance with the priority guidelines.
- (3) State functional plans shall be prepared [for,] to address, but not limited to, the areas of agriculture, conservation lands, education, energy, higher education, health, historic preservation, housing, recreation, tourism, transportation, and water resources development. State functional plans shall define, implement, and be in conformance with the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter. County general plans and development plans shall be taken into consideration in the formulation and [amendment] revision of state functional plans.
- (4) County general plans shall indicate desired population and physical development patterns for each county and regions within each county. In addition, county general plans or development plans shall address the unique problems and needs of each county and regions within each county. County general plans or development plans shall further define the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter. State functional plans [which have been adopted by concurrent resolution by the legislature] shall be taken into consideration in amending the county general plans.
- (5) State programs shall include, but not be limited to, those programs involving coordination and review; research and support; design, construction, and maintenance; services; and regulatory powers. State programs that exercise coordination and review functions shall include, but not be limited to, the state clearing-house process, capital improvements program, and coastal zone

management program. State programs that exercise regulatory powers in resource allocation shall include, but not be limited to, the land use management programs administered by the land use commission and the board of land and natural resources. State programs shall further define, implement, and be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter.

(b) The statewide planning system shall also consist of several implementation mechanisms:

- (1) The overall review, coordination, and evaluation process. The overall review, coordination, and evaluation shall be conducted by the policy council, with the assistance of the [department.] office.
- (2) The state budgetary, land use, and other decision-making processes. The state budgetary, land use, and other decision-making processes shall consist of:
 - (A) Program appropriations process. The appropriation of funds for major programs under the biennial and supplemental budgets[,] shall be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter.
 - (B) Capital improvement project appropriations process. The appropriation of funds for major plans and projects under the capital improvements program shall be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter.
 - (C) Budgetary review process of the department of budget and finance. The budgetary review and allocation process of the department of budget and finance shall be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter.
 - (D) Land use decision-making processes of state agencies. Land use decisions made by state agencies shall be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter. The rules adopted by appropriate state agencies to govern land use decision-making shall be in conformance with the overall theme, goals, objectives, and policies contained within this chapter.
 - (E) All other regulatory and administrative decision-making processes of state agencies shall be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter. Rules adopted by state

agencies to govern decision-making shall be in conformance with the overall theme, goals, objectives, and policies contained within this chapter.

- (3) Other coordination processes which include the use of the state clearinghouse process. The state clearinghouse shall coordinate the review of all federally-assisted and direct federal development projects which are covered under the state clearinghouse process and shall notify the policy council of all proposed federally-assisted or direct federal development projects which conflict with this chapter, or any functional plan [adopted] approved under this chapter.”

3. By amending subsections (a) and (b) of section 226-53 to read as follows:

“(a) There is established a policy council whose membership shall include the following:

- (1) The planning director from each county.
- (2) Nine public members, being four from the city and county of Honolulu, one from the county of Kauai, and two from each of the counties of Maui and Hawaii[.]; provided that in the case of the county of Maui, one such public member shall be from Molokai or Lanai and, in the case of the county of Hawaii, one public member shall be from west Hawaii and one from east Hawaii, appointed by the governor from a list of public persons from each county which shall through its mayor or council, submit no less than three names for each appointive public member to which the county is entitled. The governor shall request lists of public persons from the respective mayors for appointment to the policy council. Within thirty days following the date of the governor’s request, the mayor of the respective county shall submit the list to the council of the respective county for advice and consent. Within sixty days of the date of the governor’s request, the mayor shall submit the list of public persons, with the advice and consent of the council of the respective county, to the governor for appointment to the policy council. If the mayor fails to submit a list to the council within thirty days of the date of the governor’s request, the council shall submit a list to the governor within sixty days of the governor’s request. If a list of public persons is not submitted by either the mayor or the council to the governor within sixty days following the date of the request for such a list, the governor shall appoint the public members from that county in accordance with the applicable geographic representation set forth above without nominations from that mayor.
- (3) The directors or chairmen from the departments of agriculture, budget and finance, [planning] business and economic development, land and natural resources, health, social services and housing, transportation, and labor and industrial relations; from the office of environmental quality control; the superintendent of education; the president of the University of Hawaii; the executive director of the Hawaii housing authority; [and] the executive officer of the land use commission[.]; and the director of the office of state planning.

The director of the [department of planning and economic development] office of state planning shall serve as chairman of the council.

The terms of the nine members from the public 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. Each such term shall commence on January 1 and expire on December 31; provided that the governor may establish the commencing and expiration dates of the terms of those initially appointed. No member from the public shall be appointed consecutively to more than two terms; provided that membership shall not exceed eight consecutive years. No member from the public shall serve on any other public board or commission. The governor may remove or suspend for cause any member of the council after due notice and public hearing.

Expenses incurred by a state governmental member participating in policy council deliberations shall be borne by the member's respective governmental agency. Travel expenses incurred by planning directors participating in policy council deliberations shall be reimbursed by the [department of planning and economic development.] office of state planning. A public member shall receive no compensation for the member's services, but each shall be reimbursed by the [department of planning and economic development] office of state planning for necessary expenses incurred in the performance of the member's duties.

(b) There shall be a total of eighteen voting members on the policy council. The voting rights shall be apportioned as follows:

- (1) The planning director from each county shall each be entitled to one vote;
- (2) The nine members from the public shall each be entitled to one vote; and
- (3) The chairman of the council and four of the state agency heads herein described shall each be entitled to one vote.

The governor, in consultation with the director of the [department of planning and economic development,] office of state planning, shall determine which of the other state agency heads described herein shall have voting rights on the basis of the subject matter or functional area before the policy council. The governor may also rotate the voting rights among those state agency heads deemed most affected by the nature of the subject matter or functional area before the policy council; provided that the state agency heads shall not cast more than five votes on any one issue before the policy council. State agency heads who are not entitled to vote upon a given subject or functional area shall serve as ex-officio members of the policy council."

4. By amending section 226-54 to read as follows:

"§226-54 **Policy council; duties.** The policy council shall:

- (1) Provide a forum for the discussion of conflicts between and among this chapter, functional plans [either adopted by the legislature or to be submitted to the legislature for adoption], county general plans and development plans, and state programs;
- (2) Transmit to the governor, legislature, and the mayors and legislative bodies of the respective counties its findings and recommendations on all conflicts as described above, and on the resolution of conflicts;
- (3) Review and evaluate state functional plans for conformance with the provisions of this chapter, seek to resolve any identified conflicts, and transmit its findings and recommendations to the legislature [at the time of submittal of the functional plan];

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- (4) Advise the legislature on the administration, amendment, and review of this chapter, including the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter;
- [(5)] Prepare guidelines for the development of the state functional plans in accordance with sections 226-57 and 226-58;
- (6) [(5)] Adopt rules in accordance with section 226-56 to provide procedures for public input into the amendment processes and for submittal of proposed amendments;
- [(7)] [(6)] Maintain a record of its activities;
- [(8)] [(7)] Conduct a comprehensive review of part I of this chapter at least every four years following enactment by the legislature, and part III of this chapter at least every odd-numbered year to coincide with the state budget process [commencing in 1981]; and
- [(9)] [(8)] Prepare [an annual review and] a biennial report to the legislature in accordance with section [226-63.]226-62.”

5. By amending section 226-55 to read as follows:

“**§226-55 [Department of planning and economic development;] Office of state planning; duties.** The [department] office shall provide assistance and staff services to the policy council in administering this chapter. To further the intent and purpose of this chapter, the [department] office shall:

- (1) Provide recommendations to the governor and the policy council on conflicts between and among this chapter, state functional plans [either adopted by the legislature or to be submitted to the legislature for adoption,] approved by the governor, county general plans and development plans, and state programs;
- (2) Review and evaluate this chapter and recommend amendments as needed to the policy council;
- (3) Review, as necessary, major plans, programs, projects, and regulatory activities proposed by state and county agencies, and provide advisory opinions and reports to the policy council as needed;
- (4) Analyze existing state policies, planning and program operations, laws, rules and practices relative to formulation, implementation, and coordination of the state plan;
- (5) Review state capital improvement projects for consistency with this chapter and report findings and recommendations to the governor prior to allocation of funds;
- (6) Conduct special studies and prepare reports that address major policy issues relating to statewide growth and development;
- (7) Cooperate with all public agencies to ensure an ongoing, uniform, and reliable base of data and projections;
- (8) Assist the policy council in conducting a comprehensive review of part I of this chapter at least every four years following enactment by the legislature, and part III of this chapter at least every odd-numbered year [commencing in 1981];
- (9) Assist the policy council in preparing and submitting [an annual] its biennial review and report to the legislature in accordance with section [226-63;] 226-62;
- (10) Prepare and adopt in consultation with the policy council, administrative guidelines in accordance with this chapter and chapter 91; [and]

- (11) Provide other technical assistance and staff services to the policy council as needed[.]; and
- (12) Prepare guidelines for the development and implementation of the state functional plans in accordance with section 226-57 and 226-58.

The [department] office may contract with public and private agencies and persons for special research and planning assistance.”

6. By amending section 226-56 to read as follows:

“§226-56 Amendments to the overall theme, goals, objectives, policies, and priority guidelines. The policy council shall [promulgate] adopt rules for amendments to the goals, objectives, policies, and priority guidelines, subject to the following provisions:

- (1) Any person may submit to the [department] office proposals for the revision of the overall theme, goals, objectives, policies, and priority guidelines;
- (2) The [department] office shall review the proposed amendments to the overall theme, goals, objectives, policies, and priority guidelines and shall submit its findings and recommendations to the policy council;
- (3) The policy council shall submit its final recommendations on the amendments to the overall theme, goals, objectives, policies, and priority guidelines to the legislature thirty days prior to the convening of the next legislative session following its review of the proposed amendments, along with minority reports, if any; and
- (4) The policy council, in reviewing the proposed amendments of the [department,] office, shall make public its findings and recommendations and shall hold public hearings in each county of the State in accordance with chapter 91. There shall be not less than two public hearings in each county on the recommended revisions to the overall theme, goals, objectives, and policies of the state plan; provided that there shall be not less than three public hearings in the city and county of Honolulu and there shall be not less than one public hearing on each of the islands of Maui, Molokai, and Lanai in the county of Maui.”

7. By amending section 226-57 to read as follows:

“§226-57 Functional plans; preparation. (a) The state agency head primarily responsible for a given functional area shall prepare the functional plan for the area. In the preparation of the functional plan, the state agency head shall work in close cooperation with the advisory committee, respective officials, and people of each county. In the formulation of the functional plan, the preparing agency shall solicit public views and concerns. The formulation and [amendment] revision of a state functional plan shall conform to the provisions of this chapter and shall take into consideration the county general plans. Functional plans and any [amendments] revisions thereto shall be [adopted] approved by the [legislature by concurrent resolution and shall, upon adoption, provide] governor to serve as guidelines to state and county agencies], provided that in the event of a conflict between the proposed functional plan and general plan of a county, every effort shall be made to determine which of the matters in conflict has the greater merit and recommend modifications by the appropriate state or county agency to the proposed functional plan or county general plan. Where such accord

cannot be achieved, the policy council shall prepare a report to the legislature citing the differences and the justification for each of the conflicting positions together with recommendation. Minority reports, if any, may be submitted to the legislature].

(b) The functional plan shall contain objectives to be achieved and policies and implementing actions to be pursued in the primary field of activity and [such policies] shall address major programs and the location of major facilities.

(c) For each functional plan, the governor shall establish an advisory committee, where an advisory body which meets the criteria set out hereunder is not already in existence, whose membership shall be composed of at least one public official from each county to be nominated by the mayor of each county; members of the public; experts in the field for which a functional plan is being prepared; and state officials. The governor shall request the nominations from each of the respective mayors and shall appoint the public official nominated by the mayor of the respective county to serve on the advisory committee. If the nominations of county officials by a mayor are not submitted to the governor within sixty days following the date of the governor's request for such nominations, the governor shall appoint at least one public official from that county to serve on the advisory committee without nominations from that mayor. The committee shall advise the state agency in preparing a functional plan to be in conformance with the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter. The approved functional plan, [with any recommendations of the advisory committee including minority reports, if any,] shall be submitted to the policy council for review and evaluation. [After the functional plan is adopted by the legislature, the] The committee shall also advise the state agency in the implementation, monitoring, and future updating of the plan. The advisory committee shall serve as a permanent advisory body to the state agency responsible for preparing each respective functional plan. The terms of members from the public and experts in the field for which a functional plan is prepared shall be for four years. Each term shall commence on July 1 and expire on June 30. No member from the public or expert in the field shall be appointed consecutively to more than two terms. These appointments shall not be subject to senate confirmation, and shall be exempt from [the provisions of] sections 26-34(a) and 78-4(a) regarding the appointment to boards and commissions."

8. By amending section 226-58, to read as follows:

"§226-58 Functional plans; form and submittal. (a) Functional plans shall be prepared to further define and implement statewide guidelines with respect to goals, objectives, policies, and priority guidelines¹.

[(b) A functional plan shall be submitted to the policy council for review and evaluation at least ninety days prior to the date designated for submittal to the legislature. The policy council shall submit findings and recommendations to the legislature on each functional plan reviewed.

(c) The functional plans for agriculture, housing, tourism, and transportation, with any findings and recommendations of the policy council, shall be submitted not later than thirty days prior to the convening of the 1979 legislature. The functional plans for conservation lands, education, energy, higher education, health, historic preservation, recreation, and water resources development, with any findings and recommendations of the policy council, shall be submitted not later than thirty days prior to the convening of the 1980 legislature.

(d) Upon receipt by the legislature of a functional plan prepared by the appropriate state agency and submitted by the governor, with the findings and recommendations of the policy council, the legislature shall review, modify, and as appropriate, adopt the functional plan by concurrent resolution.

(e) If the legislature fails to adopt such functional plan by concurrent resolution, it shall revert to the state agency of origin for revision and be resubmitted thirty days prior to the convening of the next legislature.]

(b) The governor shall transmit approved state functional plans to the legislature for its information.

(c) An approved functional plan shall be submitted to the policy council for its review and evaluation prior to its transmittal to the legislature. The policy council shall submit findings and recommendations to the legislature on each functional plan reviewed, in terms of its conformance with this chapter."

9. By amending section 226-59 to read as follows:

"§226-59 Functional plans; implementation. (a) Functional plans shall [not] be used as [a guide nor as a statement or interpretation of] guidelines to implement state [policy unless said plans shall have been approved] policies adopted by the legislature.

(b) The legislature, upon a finding of overriding statewide concern, may determine in any given instance that the site for a specific project may be other than that designated on the county general plan; provided that any proposed facility or project contained in a county general plan shall not require the actual development or implementation of [said] that facility or project or the inclusion of the same in any state functional plan by any state agency. The implementation of functional plans shall conform to existing laws, rules, and standards, and [the provisions of] this chapter.

10. By repealing section 226-60.

11. By amending section 226-61 to read as follows:

"[§226-61] §226-60 County general plans. (a) The county general plans and development plans [[shall be]] formulated with input from the state and county agencies as well as the general public.

County general plans or development plans shall indicate desired population and physical development patterns for each county and regions within each county. In addition, county general plans or development plans shall address the unique problems and needs of each county and regions within each county. The county general plans or development plans shall further define applicable provisions of this chapter, provided that any amendment to the county general plan of each county shall not be contrary to the county charter. The formulation, amendment, and implementation of county general plans or development plans shall take into consideration statewide objectives, policies, and programs stipulated in state functional plans [adopted] approved in consonance with this chapter.

(b) County general plans shall be formulated on the basis of sound rationale, data, analyses, and input from state and county agencies and the general public, and contain objectives and policies as required by the charter of each county. Further, the county general plans should:

(1) Contain objectives to be achieved and policies to be pursued with respect to population density, land use, transportation system location, public and community facility locations, water and sewage system locations, visitor destinations, urban design

and all other matters necessary for the coordinated development of each county and regions within the¹ county.

- (2) Contain implementation priorities and actions to carry out policies to include but not be limited to, land use maps, programs, projects, regulatory measures, standards and principles and interagency coordination provisions.”

12. By amending section 226-62 to read as follows:

“**[§226-62] §226-61 State programs.** (a) The formulation, administration, and implementation of state programs shall be in conformance with the overall theme, goals, objectives, and policies, and shall utilize as guidelines the priority guidelines contained within this chapter, and the state functional plans [adopted] approved pursuant to this chapter.

(b) The director of the [department of planning and economic development] office of state planning shall assist the governor in assuring that state programs are in conformance with this chapter.”

13. By amending section 226-63 to read as follows:

“**[§226-63] §226-62 [Annual] Biennial review and report.** (a) The policy council, with the assistance of the [department,] office, shall prepare [an annual] a biennial report for submittal to the legislature, mayors, and county councils. The [annual] biennial report shall contain recommendations for legislative consideration and action. Major components of the [annual] review and report shall include the following:

- (1) An assessment of progress being made in attaining the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter and the state functional plans;
- (2) Recommendations to improve coordination between and among the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter, county general plans and development plans, state functional plans, and state programs; and
- (3) An assessment of legislation and programs of the preceding [calendar year] two years that have major statewide or county-wide impact in terms of their consistency with this chapter.

[(b) Prior to the submittal of the annual report to the legislature and the counties, the department shall hold public informational meetings in each county of the State, provided that in the county of Maui there shall be at least one public hearing on Lanai and Molokai.

(c) ~~(b)~~ The [annual] biennial review and report shall be submitted to the legislature, mayors, and the county councils no later than February 1 of each odd numbered year.”

SECTION 5. Section 279A-4, Hawaii Revised Statutes, is amended to read as follows:

“**§279A-4 Statewide transportation council; establishment.** To assist and advise the state department of transportation in the development of the statewide transportation plan there is hereby established a statewide transportation council consisting of [thirteen] fourteen members. The members of the council shall be the directors of the state department of transportation, the state department of [planning] business and economic development, the state department of health, [and] the state office of environmental quality control, and the office of state planning, the chairman of the board of agriculture, the planning directors of each of the four counties, and the transportation directors of each of the four counties. The members may be

represented at council meetings by their designated alternates. The director of the state department of transportation shall submit recommendations to the council for additional ex officio nonvoting members who, upon the majority vote of the council, shall be invited to serve.

The department of transportation shall furnish staff support to the council; such staff may be exempt from [the provisions of] chapters 76 and 77. The director of [the department of] transportation shall be the chairman of the council. All decisions of the council shall be by majority vote unless otherwise provided."

SECTION 6. Section 279E-2, Hawaii Revised Statutes, is amended to read as follows:

"[§279E-2] Establishment of Metropolitan Planning Organization.

There is established in each county with a population in excess of 200,000 a metropolitan planning organization called the Metropolitan Planning Organization, abbreviated by the letters MPO. The MPO shall be an advisory body responsible for carrying out a continuing, comprehensive, transportation planning process in cooperation with the State and the appropriate county in order to advise appropriate state, county, and federal agencies regarding that process.

The MPO shall develop through continuing cooperative input from state and county planning agencies, the transportation plans and planning processes or policies enumerated herein and shall submit those plans and planning processes together with any other advice on transportation planning as may be required to the state legislature, the state department of transportation, the state department of [planning] business and economic development, the office of state planning, the legislative body of the appropriate county, the transportation and planning agencies of the appropriate county, and appropriate federal agencies.

The MPO shall further assist and advise the state legislature, the state department of transportation, the state department of [planning] business and economic development, the office of state planning, the legislative body of the appropriate county and the transportation and planning agencies of the appropriate county in carrying out comprehensive metropolitan transportation planning embracing airports, bikeways, harbors, highways, transit and waterways within the appropriate county. The MPO shall assist and advise such appropriate agencies in evaluating studies and programs related to transportation planning. The MPO shall recognize that all of its activities shall be primarily advisory, and that the policy making powers shall remain with the legislature or the legislative body of the appropriate county, whichever the case may be. The MPO is to develop and recommend policies, priorities, and techniques relating to transportation planning, and shall be directly accountable to the legislature and the legislative body of the county as an advisory body.

For administrative purposes only, each MPO shall be assigned in part to the department of transportation of the State of Hawaii and in part to the county.

Nothing in this law is intended to change the basic jurisdiction for planning responsibilities already given to the state and county agencies in existing statutes and ordinances. Those state and county agencies are to cooperate with the MPO by providing input from their present planning processes and the MPO will advise those agencies by way of submitting to them the coordinated plan which it develops."

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SECTION 7. Chapters 48, 201, 203, 205, 205A, 206E, 206J, 206M, 208, 209, 210, 211, 211E, 212, 213, 221, 227, 307, 354, 420, and 486E, and sections 4E-1, 76-16, 153-4.5, 164-1, 171-42, 176-2, 188E-1, 189-21, 189-42, 196-1, 246-12, 420-2, and 445-112, Hawaii Revised Statutes, are amended by replacing every reference to “director of planning and economic development” or “director of department of planning and economic development” or like terms with “director of business and economic development” and by replacing every reference to “department of planning and economic development” or like terms with “department of business and economic development” or like terms.

SECTION 8. Sections 195-6 and 214-4, Hawaii Revised Statutes, are amended by replacing every reference to “director of planning and economic development” with “director of the office of state planning”, and by replacing every reference to “department of planning and economic development” with “office of state planning”.

SECTION 9. Parts II and III of chapter 201, Hawaii Revised Statutes, are repealed.

SECTION 10. **Transfer of personnel.** Except as provided in this section, all officers and employees whose activities are transferred by this Act, including but not limited to persons employed at the planning division, and population analysis staff of the research and economic analysis division of the department of planning and economic development, and the Hawaii institute for management and analysis in government, may be transferred with those activities and shall continue to perform their regular duties upon their transfer, subject to the state personnel laws and this Act.

No officer or employee of the State transferred under this section shall suffer any loss of civil service status, salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this Act, and such officer or employee may be transferred or appointed to a civil service position without the necessity of examination; provided that the officer or employee possesses the minimum qualifications for the position to which transferred or appointed; and provided that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

In the event that an office or position held by an officer or employee having tenure is abolished or an officer or employee whose activities are transferred under this Act would prefer not to be transferred to continue performing those activities, the 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 the officer or employee is eligible under the personnel laws of the State as determined by the director of business and economic development or the governor.

SECTION 11. **Transfer of records, equipment, authorization, and other property.** All appropriate records, equipment, files, supplies, contracts, books, papers, documents, maps, authorizations, and other property heretofore made, used, acquired, or held in conjunction with activities transferred by this Act shall be transferred with the activities to which they relate.

SECTION 12. **Transfer of funds.** All funds appropriated for the 1987-1989 fiscal biennium, directly or indirectly, relating to the activities transferred under this Act shall be appropriately transferred to the office of the governor with the activities to which they relate.

SECTION 13. Appropriations to effect transfer. There is appropriated out of the general revenues of the State of Hawaii for the fiscal biennium 1987-1989 the sum of \$115,000, or so much thereof as may be necessary, for the purpose of implementing this Act. Any unexpended or unencumbered balance of any appropriation made by this Act as of the close of business on June 30, 1988 shall lapse into the general fund.

SECTION 14. Federal aid, contract and bond obligations; not impaired. It is the intent of this Act to neither jeopardize the receipt of any federal aid nor impair the obligation of the State or agency thereof to persons with which it has existing contracts or 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 may modify the strict provisions of this Act, but shall promptly report any such modification with reasons therefor to the legislature at its next session thereafter for review by the legislature.

SECTION 15. Conflict with provisions of this Act. All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform to this Act. All acts passed during this Regular Session of 1987, whether enacted before or after the passage of this Act, shall be amended to conform to this Act, unless such acts specifically provide that this Act is being amended.

SECTION 16. The office of state planning shall evaluate the various functional plans and determine how these plans can be reconciled with the concept of preparing departmental program plans. The office shall present a report of its findings and recommendations to the legislature twenty days prior to the convening of the regular session of 1989.

SECTION 17. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 18. This Act shall take effect upon July 1, 1987.

(Approved June 29, 1987.)

Notes

1. So in original.
2. Edited pursuant to HRS §23G-16.5.