
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

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

1 SECTION 1. Section 8-5, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (a) to read:

4 "(a) There shall be a commission to be known as the King
5 Kamehameha celebration commission placed within the department
6 of [~~accounting and general services~~] business, economic
7 development, and tourism for administrative purposes. The
8 commission shall consist of fifteen members to be appointed by
9 the governor in the manner provided by section 26-34. The
10 appointments shall be made from the following organizations,
11 with one member from each organization:

12 (1) Royal Order of Kamehameha I;

13 (2) 'Ahahui Ka'ahumanu;

14 (3) Hale O Nā Ali'i O Hawai'i 'Ahahui Po'o;

15 (4) Daughters and Sons of Hawaiian Warriors Māmakakaua;

16 (5) Kamehameha Schools Alumni Association;



- 1 (6) Association of Hawaiian Civic Clubs;
- 2 (7) Waimānalo Hawaiian Homes Association;
- 3 (8) Daughters of Hawaii;
- 4 (9) Kapahulu Music Club; and
- 5 (10) Papakōlea Community Association.

6 Each organization shall maintain a certificate of good
7 standing issued by the department of commerce and consumer
8 affairs and an active membership list. Each organization may
9 recommend for appointment to the commission persons capable of
10 providing administrative guidance to the commission with regard
11 to knowledge of Hawaiian culture, history and protocols, legal
12 issues, business, accounting, marketing, philanthropy, or public
13 relations.

14 In addition, the governor shall appoint one member to the
15 commission from each of the following islands: Kaua'i, Lāna'i,
16 Maui, Moloka'i, and Hawai'i. Each of these members shall be a
17 resident of the respective island that the member represents.
18 The governor shall appoint persons capable of providing
19 administrative guidance with regard to legal issues, business,
20 accounting, marketing, philanthropy, or public relations."

21 2. By amending subsections (c) and (d) to read:



1 "(c) The members of the King Kamehameha celebration
2 commission shall serve without compensation, but shall be
3 entitled to reimbursement for travel and necessary expenses
4 while attending meetings and while in discharge of their duties.
5 The [~~comptroller~~] director of business, economic development,
6 and tourism shall reimburse the members of the King Kamehameha
7 celebration commission for all necessary expenses incurred
8 during the discharge of their duties.

9 (d) The commission may appoint and dismiss an arts program
10 specialist and a part-time clerk typist, without regard to
11 chapter 76, who shall serve at the commission's pleasure, and
12 whose salaries shall be provided through fees, public
13 contributions, and private donations. The commission, by
14 majority vote, shall appoint an executive director who shall be
15 familiar with the people and culture of Hawai'i, and shall serve
16 without regard to chapter 76 for a term to be determined by the
17 commission. Except for matters undertaken by the [~~comptroller~~]
18 director of business, economic development, and tourism pursuant
19 to subsection (f), the executive director shall be responsible
20 for all fiscal and administrative matters, including securing
21 public contributions and private foundation grants or donations.



1 The executive director shall also be responsible for developing
2 and administering programs as the commission may direct. The
3 executive director may be removed for cause at any time by a
4 two-thirds vote of all commission members."

5 3. By amending subsection (f) to read:

6 "(f) The [~~comptroller~~] director of business, economic
7 development, and tourism shall account for all moneys
8 appropriated by the legislature, may raise funds to defray
9 administrative costs, and may accept donations of money and
10 personal property on behalf of the commission; provided that all
11 donations accepted from private sources shall be expended in the
12 manner prescribed by the contributor, and all moneys received
13 from all sources shall be deposited into the commission's trust
14 account."

15 SECTION 2. Section 9-2, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§9-2 Establishment of foundation.** (a) There is hereby
18 created a state foundation on culture and the arts, which shall
19 be placed within the department of [~~accounting and general~~
20 ~~services~~] business, economic development, and tourism for
21 administrative purposes.



1 ~~[(b) The foundation shall be governed by a policymaking~~
2 ~~and oversight commission to be known as the state foundation on~~
3 ~~culture and the arts commission. The commission shall be~~
4 ~~composed of eleven members, nine of whom shall be voting members~~
5 ~~appointed and removed by the governor pursuant to section 26-34,~~
6 ~~and two of whom shall be ex officio, nonvoting members.~~

7 ~~The governor shall appoint voting members who:~~

8 ~~(1) By reason of education or extensive experience, are~~
9 ~~generally recognized as having demonstrated~~
10 ~~accomplishment or expertise in the fields of culture,~~
11 ~~the arts, history, and the humanities; and~~

12 ~~(2) Are familiar with the people and cultures of Hawaii.~~

13 ~~Further, the governor shall ensure that, of the voting members~~
14 ~~appointed, at least one member has a background or experience in~~
15 ~~each of the following: the needs of public educators; neighbor~~
16 ~~island communities; native Hawaiian culture and diversity; and~~
17 ~~urban design and infrastructure.~~

18 ~~The chair of the senate and house of representatives~~
19 ~~standing committees with primary jurisdiction over culture and~~
20 ~~the arts shall serve as the two ex officio, nonvoting members of~~
21 ~~the commission.~~



1 ~~The term of each voting member shall be for four years,~~
2 ~~commencing on July 1 and expiring on June 30; provided that for~~
3 ~~terms commencing on or after July 1, 1999, the governor shall~~
4 ~~appoint at least one member who resides in the county of Hawaii,~~
5 ~~one member who resides in the county of Kauai, and one member~~
6 ~~who resides in the county of Maui.~~

7 ~~The governor shall appoint the chairperson of the~~
8 ~~commission from among its voting members. The members of the~~
9 ~~commission shall serve without compensation, but shall be~~
10 ~~reimbursed for travel and other necessary expenses in the~~
11 ~~performance of their official duties.~~

12 ~~(c)]~~ (b) The ~~[commission]~~ governor shall appoint an
13 executive director of the foundation, by and with the advice and
14 consent of the senate, who shall:

- 15 (1) Serve as the foundation's chief executive officer;
- 16 (2) Be responsible for developing and administering the
17 foundation's programs under the commission's
18 direction;
- 19 (3) Serve on a part-time or full-time basis;
- 20 (4) Be a person who, by reason of education or extensive
21 experience, is generally recognized as being



1 professionally qualified in the administration of
2 programs in the fields of culture, the arts, history,
3 and the humanities;

4 (5) Be familiar with the people and cultures of Hawaii;

5 (6) Be exempt from chapter 76; and

6 (7) Select necessary additional staff pursuant to chapter
7 76, within available appropriations."

8 SECTION 3. Section 26-6, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§26-6 Department of accounting and general services. (a)**

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

13 (b) The department shall:

14 (1) Preaudit and conduct after-the-fact audits of the
15 financial accounts of all state departments to
16 determine the legality of expenditures and the
17 accuracy of accounts;

18 (2) Report to the governor and to each regular session of
19 the legislature as to the finances of each department
20 of the State;

21 (3) Administer the state risk management program;



- 1 (4) Establish and manage motor pools;
- 2 (5) Manage the preservation and disposal of all records of
- 3 the State;
- 4 (6) Undertake the program of centralized engineering and
- 5 office leasing services, including operation and
- 6 maintenance and lease buyback processing pursuant to
- 7 subsection (d) of public buildings, for departments of
- 8 the State;
- 9 (7) Undertake the functions of the state surveyor;
- 10 (8) Establish accounting and internal control systems;
- 11 (9) Under the direction of the chief information officer,
- 12 provide centralized computer information management
- 13 and processing services;
- 14 (10) Establish a program to provide a means for public
- 15 access to public information and develop an
- 16 information network for state government;
- 17 (11) Assume administrative responsibility for the office of
- 18 information practices; and
- 19 (12) Approve state fleet acquisitions; provided that:
- 20 (A) Beginning January 1, 2022, all new light-duty
- 21 motor vehicles that are passenger cars purchased



1 for the State's fleet shall be zero-emission
2 vehicles;

3 (B) Beginning as soon as practicable but no later
4 than January 1, 2030, all new light-duty motor
5 vehicles that are multipurpose passenger vehicles
6 and trucks for the State's fleet shall be zero-
7 emission vehicles; and

8 (C) The comptroller may authorize an exemption for
9 new fleet vehicle purchases if zero-emission
10 vehicles are demonstrated to be cost-prohibitive
11 on a lifecycle basis or unsuitable for the
12 vehicles' planned purpose, or if funds are
13 unavailable.

14 For the purposes of this subsection:

15 "Light-duty motor vehicle" shall have the same meaning as
16 contained in title 10 Code [of] Federal Regulations part 490.

17 "Multipurpose passenger vehicle" shall have the same
18 meaning as contained in title 49 Code of Federal Regulations
19 section 571.3.

20 "Passenger car" shall have the same meaning as contained in
21 title 49 Code of Federal Regulations section 571.3.



1 "Truck" shall have the same meaning as contained in title
2 49 Code of Federal Regulations section 571.3.

3 "Zero-emission vehicle" shall have the same meaning as
4 contained in title 40 Code of Federal Regulations section
5 88.102-94.

6 (c) The state communication system shall be established
7 to:

- 8 (1) Facilitate implementation of the State's distributed
9 information processing and information resource
10 management plans;
- 11 (2) Improve data, voice, and video communications in state
12 government;
- 13 (3) Provide a means for connectivity among the state,
14 university, and county computer systems; and
- 15 (4) Provide a long-term means for public access to public
16 information.

17 (d) The department shall establish, coordinate, and manage
18 a program to facilitate facility agreements between the State
19 and private investors for the sale of facilities, excluding
20 facilities managed or controlled by the department of



1 transportation, to private investors; provided that each
2 facility agreement contains the following requirements:

3 (1) The State shall sell the facility to the private
4 investor, who shall:

5 (A) Renovate, improve, or construct a facility for
6 the State and may maintain the facility; and

7 (B) Lease the facility to the State, pursuant to a
8 building lease;

9 (2) The land upon which the facility rests shall not be
10 sold to the private investor; provided that the land
11 may be leased at a nominal rate to the private
12 investor for a term that would, at a minimum, allow
13 the private investor to recover the capital investment
14 that has been made to the facility, including
15 depreciation; and

16 (3) The State shall have the option of purchasing the
17 facility from the private investor for the remaining
18 balance of the debt service costs incurred by the
19 private investor at any time.

20 For purposes of this subsection:



1 "Building lease" means a contract between the department of
2 accounting and general services and a private investor in which
3 the private investor leases an improved facility to the
4 department for a specified period of time.

5 "Facility" means a building under the management and
6 control of any state department.

7 "Facility agreement" means an agreement between the State
8 and a private investor that, at a minimum, includes a
9 description of the work to be done, the sale price for the
10 facility, the duration of the agreement, the roles and
11 responsibilities of the State and the private investor, and the
12 terms and conditions for the lease.

13 "Private investor" means a nongovernmental entity.

14 (e) The department may adopt rules as may be necessary or
15 desirable for the operation and maintenance of public buildings;
16 for the operation and implementation of a program to provide a
17 means for public access to the State's information network
18 system and public information; and for the implementation of
19 facility agreements pursuant to subsection (d). The rules shall
20 be adopted pursuant to chapter 91.



1 [~~(f)~~ The King Kamehameha celebration commission shall be
2 placed within the department of accounting and general services
3 for administrative purposes. The functions, duties, and powers,
4 subject to the administrative control of the comptroller, and
5 the composition of the commission shall be as heretofore
6 provided by law.

7 ~~(g)~~ (f) The functions and authority [heretofore]
8 exercised by the comptroller, board of commissioners of public
9 archives, the archivist, the disposal committee, and the
10 insurance management, surplus property management, and central
11 purchasing functions of the bureau of the budget and the
12 nonhighway functions of the department of public works as
13 [~~heretofore~~] constituted are transferred to the department of
14 accounting and general services established by this chapter.

15 [~~(h)~~] (g) The department of accounting and general
16 services shall preserve and protect Washington Place, including
17 the grounds and the historic residence situated on its premises
18 at Miller and Beretania Streets in Honolulu. The department
19 shall administer, manage, operate, and maintain Washington Place
20 and the trust fund created under subsection [~~(i)~~]. (h).



1 [~~(i)~~] (h) There is established a trust fund in the state
2 treasury to be known as the Washington Place trust fund, into
3 which shall be deposited:

4 (1) All rents and fees collected for the use of Washington
5 Place and from activities conducted on the premises;

6 (2) All other money received for the fund from any other
7 source; and

8 (3) All income and interest earned or accrued on moneys
9 deposited into the trust fund.

10 All moneys deposited into the trust fund shall be expended
11 by the department of accounting and general services and used
12 exclusively to implement the provisions of subsection [~~(h)~~],
13 (g), including for staff salaries and fringe benefits, and shall
14 not be transferred, nor subject to transfer, to the general fund
15 or any other fund in the state treasury."

16 SECTION 4. All appropriations, records, equipment,
17 machines, files, supplies, contracts, books, papers, documents,
18 maps, and other personal property heretofore made, used,
19 acquired, or held by the department of accounting and general
20 services relating to the functions transferred to the department



1 of business, economic development, and tourism shall be
2 transferred with the functions to which they relate.

3 SECTION 5. All rights, powers, functions, and duties of
4 the department of accounting and general services are
5 transferred to the department of business, economic development,
6 and tourism.

7 All officers and employees whose functions are transferred
8 by this Act shall be transferred with their functions and shall
9 continue to perform their regular duties upon their transfer,
10 subject to the state personnel laws and this Act.

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



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

10 If an office or position held by an officer or employee
11 having tenure is abolished, the officer or employee shall not
12 thereby be separated from public employment, but shall remain in
13 the employment of the State with the same pay and classification
14 and shall be transferred to some other office or position for
15 which the officer or employee is eligible under the personnel
16 laws of the State as determined by the head of the department or
17 the governor.

18 SECTION 6. All rules, policies, procedures, guidelines,
19 and other material adopted or developed by the department of
20 accounting and general services to implement provisions of the
21 Hawaii Revised Statutes that are reenacted or made applicable to



1 the department of business, economic development, and tourism by
2 this Act shall remain in full force and effect until amended or
3 repealed by the department of business, economic development,
4 and tourism pursuant to chapter 91, Hawaii Revised Statutes.

5 In the interim, every reference to the department of
6 accounting or general services or comptroller in those rules,
7 policies, procedures, guidelines, and other material is amended
8 to refer to the department of business, economic development,
9 and tourism or director of business, economic development, and
10 tourism, as appropriate.

11 SECTION 7. All deeds, leases, contracts, loans,
12 agreements, permits, or other documents executed or entered into
13 by or on behalf of the department of accounting and general
14 services, pursuant to the provisions of the Hawaii Revised
15 Statutes, that are reenacted or made applicable to the
16 department of business, economic development, and tourism by
17 this Act shall remain in full force and effect. Upon the
18 effective date of this Act, every reference to the department of
19 accounting and general services or the comptroller therein shall
20 be construed as a reference to the department of business,



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1 economic development, and tourism or the director of business,
2 economic development, and tourism, as appropriate.

3 SECTION 8. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 9. This Act shall take effect upon its approval.

6

INTRODUCED BY:



JAN 23 2024



H.B. NO. 2565

Report Title:

SFCA; DBEDT; State Foundation on Culture and the Arts
Commission; King Kamehameha Celebration Commission; Repeal;
Transfer

Description:

Transfers the State Foundation on Culture and the Arts and the King Kamehameha Celebration Commission to the Department of Business, Economic Development, and Tourism. Repeals the State Foundation on Culture and the Arts Commission. Requires the Governor to select the Executive Director of the State Foundation on Culture and the Arts, with the advice and consent of the Senate.

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