

JAN 22 2016

A BILL FOR AN ACT

RELATING TO A SPORTS AND ENTERTAINMENT AUTHORITY.

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

1 SECTION 1. The legislature finds that Hawaii's unique
2 geographic location can be an asset as a middle point between
3 the Asia Pacific region and the mainland United States. With
4 the natural landscape, Hawaii is a prime location for ocean
5 sports, including surfing and sailing, different climates and
6 elevations, training, and a centralized venue for attracting
7 concerts, international rugby, soccer, football, and other
8 similar events. Hawaii's climate can provide an ideal respite
9 for mainland events seeking alternatives to the cold weather,
10 and the location is a bridge to connect Asia, the Pacific, and
11 the mainland United States.

12 The legislature further finds that Hawaii has the potential
13 to establish itself as a premier destination for entertainment
14 and sporting events, as well as provide an ideal location for
15 training facilities for youth, amateur, and professional
16 athletes across many sports. Each venue and event must be
17 properly vetted to ensure that it is economically viable for the



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1 State and all participants. With the success of past events,
2 including the Ironman Championship, the Honolulu Marathon, the
3 NFL Pro Bowl, and the Sony Open, Hawaii can build upon these
4 types of events that draw visitors and local residents and
5 provide revenues to the State, as well as community enhancements
6 through sponsorships and donations.

7 The legislature additionally finds that the State also
8 needs to develop a comprehensive plan to ensure that Hawaii can
9 sustain these successful events and not lose them to other
10 destinations. These plans must include the construction or
11 rehabilitation of first-class facilities throughout the State,
12 including the neighbor islands. In a 2014 National Association
13 of Sports Commissions study, it was estimated that national
14 sports industry visitor spending totaled \$8,900,000,000 with
15 approximately 25,600,000 sports industry visitors. In 2014,
16 according to the department of business, economic development,
17 and tourism, Hawaii only logged 105,839 arrivals for a sporting
18 event out of 8.1 million visitor arrivals to the State.

19 The purpose of this Act is to:

- 20 (1) Establish the sports and entertainment authority to
21 undertake and expand on the objectives and



1 responsibilities of the stadium authority board,
2 established in chapter 109, Hawaii Revised Statutes;
3 coordinate and develop a thriving entertainment and
4 sports industry in the State, including maintaining
5 oversight of Aloha Stadium and promoting, attracting,
6 and engaging Hawaii as an entertainment and sports
7 training and event destination for local, national,
8 and international events; and develop state-of-the-art
9 facilities for the benefit of professional, amateur,
10 and youth athletes;

11 (2) Provide opportunities for Hawaii residents and
12 nonresidents to observe and participate in a variety
13 of amateur and professional sporting and entertainment
14 events; provide for the development of local and non-
15 local athletic talent; promote Hawaii as an attractive
16 training and event destination; and encourage active
17 lifestyles and improve the health of our keiki and
18 adults;

19 (3) Establish a special fund to receive fees and other
20 moneys for administration, operation, maintenance,



- 1 promotion, and management of the stadium and
2 entertainment and sports development in the State;
- 3 (4) Transfer powers and duties and funds from the stadium
4 authority to the sports and entertainment authority;
5 and
- 6 (5) Repeal chapter 109, Hawaii Revised Statutes, which
7 includes repeal of the stadium authority, its duties
8 and powers, and the stadium and Kapolei recreational
9 sports complex special funds.

10 SECTION 2. The Hawaii Revised Statutes is amended by
11 adding a new chapter to be appropriately designated and to read
12 as follows:

13 "CHAPTER

14 SPORTS AND ENTERTAINMENT AUTHORITY

15 § -1 Definitions. As used in this chapter, unless the
16 context clearly otherwise requires:

17 "Authority" means the sports and entertainment authority.

18 "Board" means the board of directors of the sports and
19 entertainment authority.

20 "Department" means the department of accounting and general
21 services.



1 § -2 Establishment; board; president and chief executive
2 officer. (a) There is established the sports and entertainment
3 authority, which shall be a body corporate and public
4 instrumentality of the State, for the purpose of implementing
5 this chapter. The authority shall be placed within the
6 department for administrative purposes only.

7 (b) The authority shall be headed by a policy-making board
8 of directors that shall consist of eleven members; provided
9 that:

10 (1) The members shall be appointed by the governor as
11 provided in section 26-34, except as otherwise
12 provided by law;

13 (2) One member shall be appointed by the governor from a
14 list of three names submitted by the president of the
15 senate, and one member shall be appointed by the
16 governor from a list of three names submitted by the
17 speaker of the house of representatives; provided that
18 if fewer than three names are submitted for each
19 appointment, the governor may disregard the list; and

20 (3) The members shall include at least one representative
21 from the county of Hawaii, county of Kauai, or county



1 of Maui; and the remaining members shall be appointed
2 at-large; provided that the at-large membership shall
3 include at least one representative from the tourism
4 industry and one representative from the University of
5 Hawaii at Manoa.

6 (c) The term of each member shall be four years; provided
7 that of the members initially appointed, four members shall
8 serve for four years, four members shall serve for three years,
9 and the remaining three members shall serve for two years;
10 provided further that members initially appointed may include
11 individuals who are members of the stadium authority as of the
12 effective date of this Act. Vacancies shall be filled for the
13 remainder of any unexpired term in the same manner as original
14 appointments. Notwithstanding any law to the contrary, members
15 shall serve no more than two consecutive four-year terms;
16 provided that the members who are initially appointed to terms
17 of three years or less may be reappointed to one ensuing
18 consecutive four-year term. Each member shall hold office until
19 the member's successor is appointed and qualified. Section
20 26-34 shall be applicable insofar as it relates to the number of



1 terms and consecutive number of years a member may serve on the
2 board.

3 (d) The board shall elect a chairperson from among its
4 members.

5 (e) Six members shall constitute a quorum, and a minimum
6 of six affirmative votes shall be necessary for all actions by
7 the authority. The members shall serve without compensation,
8 but shall be reimbursed for expenses, including traveling
9 expenses, necessary for the performance of their duties.

10 (f) The board shall appoint one person to serve as
11 president and chief executive officer, exempt from chapters 76
12 and 88, who shall oversee the authority staff. The board shall
13 establish the president and chief executive officer's salary,
14 duties, responsibilities, holidays, vacations, leave, hours of
15 work, and working conditions. The board may grant other
16 benefits as it deems necessary.

17 § -3 Powers and duties. (a) Except as otherwise
18 limited by this chapter, the authority may:

19 (1) Sue and be sued;

20 (2) Have a seal and alter the same at its pleasure;



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- 1 (3) Adopt and amend bylaws for its organization and
2 internal management;
- 3 (4) Adopt, amend, and repeal rules in accordance with
4 chapter 91 for the purposes of this chapter; provided
5 that no later than January 1, 2017, the authority
6 shall adopt interim rules, which shall be exempt from
7 chapter 91, for the purposes of this chapter; provided
8 further that the interim rules shall remain in effect
9 until July 1, 2019, or until rules are adopted
10 pursuant to this paragraph;
- 11 (5) Plan, promote, and market all state sports facilities,
12 including the stadium and its related facilities;
- 13 (6) Procure insurance against any loss in connection with
14 its property and other assets and operations in
15 amounts and from insurers as it deems desirable;
- 16 (7) Contract for or accept revenues, compensation,
17 proceeds, and gifts or grants in any form from any
18 public agency or any other source;
- 19 (8) Develop, coordinate, and implement state policies and
20 directives for sports and entertainment-related
21 activities taking into account the economic, social,



1 and physical impacts of tourism on the State, Hawaii's
2 natural environment, and areas frequented by the
3 sports and entertainment industries and other related
4 activities;

5 (9) Conduct market development-related research as
6 necessary;

7 (10) Coordinate all agencies and advise the private sector
8 in the development of entertainment and sports-related
9 activities and resources;

10 (11) Market and promote entertainment and sports-related
11 activities and events;

12 (12) Set and collect rents, fees, charges, or other
13 payments for the lease, use, occupancy, or disposition
14 of the stadium without regard to chapter 91;

15 (13) Notwithstanding chapter 171, acquire, lease as lessee
16 or lessor, own, rent, hold, and dispose of the stadium
17 in the exercise of its powers and the performance of
18 its duties under this chapter;

19 (14) Acquire by purchase, lease, or otherwise, and develop,
20 construct, operate, own, manage, repair, reconstruct,
21 enlarge, or otherwise effectuate, either directly or



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- 1 through developers, stadium and other sports venues
2 and entertainment facilities; and
- 3 (15) Through the president and chief executive officer:
- 4 (A) Make and execute contracts and other instruments
5 necessary or convenient to exercise the
6 authority's powers under this chapter, including
7 entering into contracts under chapter 102 or 103D
8 for the management of a state sports complex in a
9 manner that is beneficial to the State. These
10 contracts may contain revenue sharing incentives
11 based on increased usage of the complex;
- 12 (B) Appoint and prescribe the duties and
13 qualifications of a sports coordinator, stadium
14 manager, and a deputy manager subject to the
15 approval of the board; provided that there is no
16 anticipated revenue shortfall in the sports and
17 entertainment authority special fund and funds
18 have been appropriated by the legislature and
19 allotted as provided by law;
- 20 (C) Represent the authority in communications with
21 the governor and the legislature;



- 1 (D) Purchase supplies, equipment, and furniture;
- 2 (E) Allocate the space or spaces that are to be
- 3 occupied by the authority and appropriate staff;
- 4 (F) Engage the services of qualified persons to
- 5 implement the State's sports industry plan or
- 6 portions thereof as determined by the board; and
- 7 (G) Engage the services of consultants on a
- 8 contractual basis for rendering professional and
- 9 technical assistance and advice.

10 § -4 Sports coordinator, stadium manager, and deputy
11 manager; hiring of employees. (a) The sports coordinator,
12 stadium manager, and deputy manager shall be exempt from
13 chapters 76 and 89. The sports coordinator and stadium manager
14 shall each be paid a salary not to exceed eighty-seven per cent
15 of the salary of the director of human resources development.
16 The deputy manager shall be paid a salary not to exceed eighty-
17 five per cent of the stadium manager's salary.

18 (b) The sports coordinator and stadium manager may,
19 subject to the approval of the board, appoint, suspend, and
20 discharge a secretary who shall be exempt from the requirements
21 of chapters 76 and 89, and other employees and assistants as may



1 be necessary for the proper conduct of the business of the
2 authority. Except for persons hired on contract or otherwise as
3 provided in this chapter and except for the sports coordinator,
4 stadium manager, deputy manager, and secretary, all
5 appointments, suspensions, or discharges shall be made in
6 conformity with the applicable provisions of chapter 76.

7 § -5 Exemption of the sports and entertainment authority
8 from administrative supervision of boards and commissions.
9 Notwithstanding any law to the contrary, the authority shall be
10 exempt from section 26-35 with the exception of section 26-35(a)
11 (3), (7), and (8) and subsection (b).

12 § -6 Sports and entertainment-related activities. (a)
13 The authority may enter into contracts and agreements that
14 include the following:

- 15 (1) Sports and entertainment promotion, marketing, and
16 development;
- 17 (2) Sports and entertainment market development-related
18 research;
- 19 (3) Product development and diversification issues focused
20 on sports and entertainment;



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- 1 (4) Promotion of Hawaii, through a coordinated statewide
2 effort, as a place to host all types of sporting and
3 entertainment events and other related activities;
- 4 (5) Reduction of barriers to travel, accommodations, and
5 access to sports and entertainment facilities
6 statewide;
- 7 (6) Sports and entertainment industry research and
8 statistics, including:
- 9 (A) Measurement and analysis of sports and
10 entertainment industry trends;
- 11 (B) Information and research to assist in the
12 development and implementation of the State's
13 sports industry policy; and
- 14 (C) Sports and entertainment industry information on:
- 15 (i) Sports and entertainment industry visitor
16 arrivals, characteristics, and expenditures;
- 17 (ii) The economic, social, and physical impacts
18 of the sports and entertainment industries
19 on the State; and
- 20 (iii) The effects of sports and entertainment
21 marketing programs on the measures of



1 effectiveness developed by the authority;
2 and
3 (7) Any and all other activities necessary to carry out
4 the intent of this chapter;
5 provided that the authority shall periodically submit a report
6 of the contracts and agreements entered into by the authority to
7 the governor, the speaker of the house of representatives, and
8 the president of the senate.
9 (b) The authority shall be responsible for:
10 (1) Creating a vision and developing a long-range
11 strategic plan for the sports and entertainment
12 industries in Hawaii;
13 (2) Promoting, marketing, and developing the sports and
14 entertainment industries in the State;
15 (3) Providing technical or other assistance to agencies
16 and private industry upon request;
17 (4) Reviewing annually the expenditures of public funds by
18 any sports or entertainment industry organization that
19 contracts with the authority to perform sports
20 promotion, marketing, and development and making
21 recommendations necessary to ensure the effective use



1 of funds for the development of the State's sports and
2 entertainment industries.

3 (c) The authority may delegate to staff the responsibility
4 of soliciting, awarding, and executing contracts and monitoring
5 and facilitating any and all functions developed in accordance
6 with this section.

7 (d) Where public disclosure of information gathered or
8 developed by the authority may place a business at a competitive
9 disadvantage or may impair or frustrate the authority's ability
10 to either compete as a sports or entertainment destination or
11 obtain or utilize information for a legitimate government
12 function, the authority may withhold from public disclosure
13 competitively sensitive information.

14 § -7 Security personnel; powers. The person employed as
15 the chief security officer by the authority shall have all of
16 the powers of police officers, including the power of arrest;
17 provided that the powers shall remain in force and in effect
18 only while the person is in the actual performance of the
19 person's duties at the stadium or other state sports or
20 entertainment complex.



1 § -8 Enforcement; penalty. (a) Any law enforcement
2 officer who has police powers to arrest offenders and issue
3 citations, including any police officer of the counties, shall
4 have the authority to enforce any rule adopted pursuant to
5 section -3(4).

6 (b) Any person violating any rule of the authority
7 regulating conduct on the stadium or other state sports or
8 entertainment complex premises shall be guilty of a petty
9 misdemeanor punishable by a fine not exceeding \$1,000, or
10 imprisonment not exceeding thirty days, or both.

11 (c) Any person violating any rule of the authority
12 regulating parking or traffic on the stadium or other state
13 sports or entertainment complex premises shall have committed a
14 traffic infraction as set forth in chapter 291D, the
15 adjudication of which shall be subject to the provisions
16 contained therein.

17 § -9 Lost and found money or property at the stadium.
18 All money or property found at the stadium shall be reported or
19 delivered by the finder to the stadium lost and found, and when
20 so delivered shall be held by the stadium for forty-five days or
21 until claimed by a person who establishes title or right of



1 custody thereto to the satisfaction of the stadium manager,
2 whichever is shorter. In the event of establishment of title or
3 right of custody, the money or property shall be delivered to
4 the claimant by the manager or the manager's agent. If after
5 forty-five days no claimant establishes a right to the money or
6 property, the money or property may be claimed by the person who
7 delivered it to the stadium lost and found; provided that if the
8 person who delivered it to the stadium lost and found fails to
9 claim the money or property within thirty days after being
10 notified by the manager, the manager shall deposit the money
11 into the state treasury to the credit of the sports and
12 entertainment authority special fund or shall dispose of the
13 property by public auction. The manager shall give public
14 notice, giving details as to time and place of the auction and
15 giving notice to all persons interested in claiming the property
16 that unless claims are made by persons who can provide
17 satisfactory proof of ownership before a specified date, the
18 property will be sold at public auction to the highest bidder;
19 provided that if the manager considers the highest bid to be
20 insufficient, the manager shall have the right to decline the
21 sale to the highest bidder and may reoffer the property at a



1 subsequent public auction. On the day and at the place
2 specified in the notice, all property for which no satisfactory
3 proof of ownership is made shall be sold by auction by or under
4 the direction of the manager.

5 If any property that is of a perishable nature or is
6 unreasonably expensive to keep or safeguard remains unclaimed at
7 the stadium, the manager may sell that property at public
8 auction, at a time and after notice that is reasonable under the
9 circumstances. If the manager determines that any property
10 delivered to the manager pursuant to this section has no
11 apparent commercial value, the manager at any time thereafter
12 may destroy or otherwise dispose of the property.

13 The manager shall deposit into the sports and entertainment
14 authority special fund all moneys received from the sale,
15 destruction, or disposition of any property. No action or
16 proceeding shall be brought or maintained against the State or
17 any officer thereof on account of such sale, destruction, or
18 disposition. The purchaser of property at any sale conducted by
19 the manager pursuant to this section shall receive good title to
20 the property purchased and shall take possession of the property



1 free from any and all claims of the owner, prior owners, and any
2 person claiming title.

3 For purposes of this section, notice by regular mail to the
4 last known address of the person who delivered the money or
5 property to the stadium lost and found shall be deemed
6 sufficient.

7 § -10 Sports and entertainment authority special fund.

8 (a) There is established the sports and entertainment authority
9 special fund, into which shall be deposited:

- 10 (1) A portion of the revenues from any transient
11 accommodation tax, as provided by section 237D-6.5;
- 12 (2) Appropriations by the legislature to the sports and
13 entertainment authority special fund;
- 14 (3) Gifts, grants, and other funds accepted by the
15 authority;
- 16 (4) All interest and revenues or receipts derived by the
17 authority from any project or project agreements; and
- 18 (5) All funds appropriated by the legislature, received
19 pursuant to a management contract under this chapter,
20 or collected by the authority from the operations of a



1 state sports or entertainment complex, subject to
2 contracts entered into pursuant to section -3.

3 (b) Moneys in the sports and entertainment authority
4 special fund may be:

5 (1) Placed in interest-bearing accounts; provided that the
6 depository in which the money is deposited furnishes
7 security as provided in section 38-3; or

8 (2) Otherwise invested by the authority until such time as
9 the money may be needed; provided that the authority
10 shall limit investments to those listed in section
11 36-21.

12 All interest accruing from the investment of these moneys shall
13 be credited to the sports and entertainment authority special
14 fund.

15 (c) Moneys in the sports and entertainment authority
16 special fund shall be used by the authority for the purpose of
17 this chapter; provided that:

18 (1) Not more than five per cent of this amount shall be
19 used for administrative expenses, including \$15,000
20 for a protocol fund to be expended at the discretion
21 of the president and chief executive officer; and



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- 1 (2) Two-thirds of the amount shall be used:
- 2 (A) To finance all or portions of the cost of any
- 3 capital improvement projects for the stadium,
- 4 state sports or entertainment complexes, and
- 5 related facilities; and
- 6 (B) To pay the expenses of the operation,
- 7 maintenance, promotion, and management of the
- 8 stadium and related facilities; provided that all
- 9 services required for the stadium and related
- 10 facilities shall be performed by persons hired on
- 11 contract or otherwise, without regard for chapter
- 12 76; provided further that the authority shall
- 13 report to the legislature all receipts and
- 14 expenditures of the sports and entertainment
- 15 special fund account twenty days prior to the
- 16 convening of each regular session.

17 § -11 Applicability of Hawaii public procurement code.

18 The authority shall not be subject to chapter 103D and any and

19 all other requirements of law for competitive bidding for

20 project agreements, construction contracts, lease and sublease



1 agreements, or other contracts unless a project agreement with
2 respect to a project otherwise shall require.

3 § -12 Special account. The authority may set up a
4 special account into which shall be deposited all receipts
5 collected by the authority from the sale of admission tickets
6 for events held at the stadium or any authority managed venue,
7 including moneys deposited with the authority by users to assure
8 the payment of charges for the use of the stadium; provided that
9 moneys in the account shall be kept in a depository as defined
10 in section 38-1, and account disbursements shall be made in
11 accordance with procedures adopted by the authority and approved
12 by the director of finance.

13 § -13 Private attorneys. (a) The board may appoint or
14 retain by contract one or more attorneys who are independent of
15 the attorney general to provide the board with legal services
16 pertaining to contract negotiations in which the attorney
17 general lacks sufficient expertise; provided that any
18 independent attorney shall consult and work in conjunction with
19 the designated deputy attorney general assigned to the
20 authority.



1 (b) The board may fix the compensation of the attorneys
2 appointed or retained pursuant to this section. Attorneys
3 appointed or retained by contract shall be exempt from chapters
4 76, 78, and 88."

5 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) Each special fund, except the:

- 8 (1) Special out-of-school time instructional program fund
9 under section 302A-1310;
- 10 (2) School cafeteria special funds of the department of
11 education;
- 12 (3) Special funds of the University of Hawaii;
- 13 (4) State educational facilities improvement special fund;
- 14 (5) Special funds established by section 206E-6;
- 15 (6) Aloha Tower fund created by section 206J-17;
- 16 (7) Funds of the employees' retirement system created by
17 section 88-109;
- 18 (8) Hawaii hurricane relief fund established under chapter
19 431P;
- 20 (9) Convention center enterprise special fund established
21 under section 201B-8;



- 1 (10) Hawaii health systems corporation special funds and
- 2 the subaccounts of its regional system boards;
- 3 (11) Tourism special fund established under section
- 4 201B-11;
- 5 (12) Universal service fund established under section
- 6 269-42;
- 7 (13) Emergency and budget reserve fund under section
- 8 328L-3;
- 9 (14) Public schools special fees and charges fund under
- 10 section 302A-1130;
- 11 (15) Sport fish special fund under section 187A-9.5;
- 12 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 13 [+] (17) [+] Center for nursing special fund under section
- 14 304A-2163;
- 15 [+] (18) [+] Passenger facility charge special fund established by
- 16 section 261-5.5;
- 17 [+] (19) [+] Court interpreting services revolving fund under
- 18 section 607-1.5;
- 19 [+] (20) [+] Trauma system special fund under section 321-22.5;
- 20 [+] (21) [+] Hawaii cancer research special fund;
- 21 [+] (22) [+] Community health centers special fund;



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1 [+] (23) [+] Emergency medical services special fund;

2 [+] (24) [+] Rental motor vehicle customer facility charge special
3 fund established under section 261-5.6;

4 [+] (25) [+] Shared services technology special fund under section
5 27-43;

6 [+] (26) [+] Nursing facility sustainability program special fund
7 established pursuant to Act 156, Session Laws of
8 Hawaii 2012;

9 [+] (27) [+] Automated victim information and notification system
10 special fund established under section 353-136;

11 [+] (28) [+] Hospital sustainability program special fund under Act
12 217, Session Laws of Hawaii 2012, as amended; [~~and~~]

13 [+] (29) [+] Civil monetary penalty special fund under section
14 321-30.2[~~7~~]; and

15 (30) Sports and entertainment authority special fund
16 established pursuant to section -10,

17 shall be responsible for its pro rata share of the
18 administrative expenses incurred by the department responsible
19 for the operations supported by the special fund concerned."

20 SECTION 4. Section 237D-6.5, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) Revenues collected under this chapter shall be
2 distributed in the following priority, with the excess revenues
3 to be deposited into the general fund:

4 (1) \$1,500,000 shall be allocated to the Turtle Bay
5 conservation easement special fund beginning July 1,
6 2015, for the reimbursement to the state general fund
7 of debt service on reimbursable general obligation
8 bonds, including ongoing expenses related to the
9 issuance of the bonds, the proceeds of which were used
10 to acquire the conservation easement and other real
11 property interests in Turtle Bay, Oahu, for the
12 protection, preservation, and enhancement of natural
13 resources important to the State, until the bonds are
14 fully amortized;

15 (2) \$26,500,000 shall be allocated to the convention
16 center enterprise special fund established under
17 section 201B-8;

18 (3) \$82,000,000 shall be allocated to the tourism special
19 fund established under section 201B-11; provided that:

20 (A) Beginning on July 1, 2012, and ending on June 30,
21 2015, \$2,000,000 shall be expended from the



1 tourism special fund for development and
2 implementation of initiatives to take advantage
3 of expanded visa programs and increased travel
4 opportunities for international visitors to
5 Hawaii;

6 (B) Of the \$82,000,000 allocated:

7 (i) \$1,000,000 shall be allocated for the
8 operation of a Hawaiian center and the
9 museum of Hawaiian music and dance at the
10 Hawaii convention center; and

11 (ii) 0.5 per cent of the \$82,000,000 shall be
12 transferred to a sub-account in the tourism
13 special fund to provide funding for a safety
14 and security budget, in accordance with the
15 Hawaii tourism strategic plan 2005-2015; and

16 (C) Of the revenues remaining in the tourism special
17 fund after revenues have been deposited as
18 provided in this paragraph and except for any sum
19 authorized by the legislature for expenditure
20 from revenues subject to this paragraph,
21 beginning July 1, 2007, funds shall be deposited



1 into the tourism emergency special fund,
2 established in section 201B-10, in a manner
3 sufficient to maintain a fund balance of
4 \$5,000,000 in the tourism emergency special fund;
5 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
6 for fiscal year 2015-2016, and \$93,000,000 for each
7 fiscal year thereafter shall be allocated as follows:
8 Kauai county shall receive 14.5 per cent, Hawaii
9 county shall receive 18.6 per cent, city and county of
10 Honolulu shall receive 44.1 per cent, and Maui county
11 shall receive 22.8 per cent; provided that commencing
12 with fiscal year 2018-2019, a sum that represents the
13 difference between a county public employer's annual
14 required contribution for the separate trust fund
15 established under section 87A-42 and the amount of the
16 county public employer's contributions into that trust
17 fund shall be retained by the state director of
18 finance and deposited to the credit of the county
19 public employer's annual required contribution into
20 that trust fund in each fiscal year, as provided in
21 section 87A-42, if the respective county fails to



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1 remit the total amount of the county's required annual
2 contributions, as required under section 87A-43; [and]

3 (5) \$3,000,000 shall be allocated to the special land and
4 development fund established under section 171-19;
5 provided that the allocation shall be expended in
6 accordance with the Hawaii tourism authority strategic
7 plan for:

8 (A) The protection, preservation, maintenance, and
9 enhancement of natural resources, including
10 beaches, important to the visitor industry;

11 (B) Planning, construction, and repair of facilities;
12 and

13 (C) Operation and maintenance costs of public lands,
14 including beaches, connected with enhancing the
15 visitor experience [-]; and

16 (6) \$10,000,000 shall be allocated to the sports and
17 entertainment authority special fund established under
18 section -10 for:

19 (A) The administrative and operational cost of the
20 sports and entertainment authority;



- 1 (B) The expenses of the operation, maintenance,
- 2 promotion and management of the stadium and
- 3 related facilities; and
- 4 (C) The payment of debt service on debt obligations,
- 5 the proceeds of which were used to redevelop the
- 6 stadium and other related facilities.

7 All transient accommodations taxes shall be paid into the
8 state treasury each month within ten days after collection and
9 shall be kept by the state director of finance in special
10 accounts for distribution as provided in this subsection.

11 As used in this subsection, "fiscal year" means the twelve-
12 month period beginning on July 1 of a calendar year and ending
13 on June 30 of the following calendar year."

14 SECTION 5. Chapter 109, Hawaii Revised Statutes, is
15 repealed.

16 SECTION 6. All rights, powers, functions, and duties of
17 the stadium authority exercised pursuant to executive order or
18 chapter 109, Hawaii Revised Statutes, are transferred to the
19 sports and entertainment authority.

20 All employees who occupy civil service positions and whose
21 functions are transferred to the sports and entertainment



1 authority by this Act shall retain their civil service status,
2 whether permanent or temporary. Employees shall be transferred
3 without loss of salary, seniority (except as prescribed by
4 applicable collective bargaining agreements), retention points,
5 prior service credit, any vacation and sick leave credits
6 previously earned, and other rights, benefits, and privileges,
7 in accordance with state personnel laws and this Act; provided
8 that the employees possess the minimum qualifications and public
9 employment requirements for the class or position to which
10 transferred or appointed, as applicable; provided further that
11 subsequent changes in status may be made pursuant to applicable
12 civil service and compensation laws.

13 Any employee who, prior to this Act, is exempt from civil
14 service and is transferred as a consequence of this Act may
15 retain the employee's exempt status, but shall not be appointed
16 to a civil service position as a consequence of this Act. An
17 exempt employee who is transferred by this Act shall not suffer
18 any loss of prior service credit, vacation or sick leave credits
19 previously earned, or other employee benefits or privileges as a
20 consequence of this Act; provided that the employees possess
21 legal and public employment requirements for the position to



1 which transferred or appointed, as applicable; provided further
2 that subsequent changes in status may be made pursuant to
3 applicable employment and compensation laws. The president and
4 chief executive officer of the sports and entertainment
5 authority may prescribe the duties and qualifications of these
6 employees and fix their salaries without regard to chapter 76,
7 Hawaii Revised Statutes.

8 SECTION 7. All appropriations, records, equipment,
9 machines, files, supplies, contracts, books, papers, documents,
10 maps, and other personal property heretofore made, used,
11 acquired, or held by the stadium authority relating to the
12 functions transferred to the sports and entertainment authority
13 shall be transferred with the functions to which they relate.

14 SECTION 8. Any proceeds generated and deposited into the
15 stadium special fund, stadium special account, and Kapolei
16 recreational sports complex special fund that are unexpended and
17 unencumbered as of the effective date of this Act shall be
18 deposited into the sports and entertainment authority special
19 fund on the effective date of this Act.

20 SECTION 9. There is appropriated out of the sports and
21 entertainment authority special fund the sum of \$ or



1 so much thereof as may be necessary for fiscal year 2016-2017
2 for the purposes of this Act.

3 The sum appropriated shall be expended by the sports and
4 entertainment authority for the purposes of this Act.

5 SECTION 10. This Act does not affect rights and duties
6 that matured, penalties that were incurred, and proceedings that
7 were begun before its effective date.

8 SECTION 11. The revisor of statutes shall insert the
9 appropriate effective date of this Act in section 2 of this Act.

10 SECTION 12. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 13. This Act shall take effect on July 1, 2016.

13

INTRODUCED BY: *M. D. M.*



S.B. NO. 2216

Report Title:

Sports and Entertainment Authority; Special Fund; Appropriation

Description:

Establishes the sports and entertainment authority to coordinate and develop an entertainment and sports industry in the State, including oversight of the stadium; attracting local, national, and international events; and developing state-of-the-art facilities for the benefit of professional, amateur, and youth athletes. Establishes the sports and entertainment authority special fund and appropriates funds. Repeals the stadium authority.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

