
A BILL FOR AN ACT

RELATING TO PUBLIC-PRIVATE PARTNERSHIPS.

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

1 SECTION 1. The legislature finds that the State needs
2 creative mechanisms to generate revenues in order to address
3 increased spending on public services, repairs, maintenance on
4 facilities, and to catch up on the backlog of projects. As
5 demand for public services and the costs for such services
6 continue to increase, proposals to offset these costs include
7 increasing the general excise tax, raiding various funds,
8 discontinuing services, or closure of facilities.

9 Partnerships with the private sector bring enhanced
10 efficiencies to funding, faster and less expensive project
11 implementation, economic development and investment
12 opportunities, and access to private sector expertise, enabling
13 the sustainable management and maintenance of facilities. For
14 example, Houston's NRG Stadium was completed for \$450,000,000 in
15 2002. By creating a public-private partnership, the public
16 sector financed forty-three per cent of the project and the
17 private sector contributed the remaining balance. Today, it is
18 estimated that the Houston Texans football team deliver an



1 annual economic impact of \$250,000,000, which creates thousands
2 of local jobs and small businesses surrounding the stadium.
3 These types of public-private partnerships demonstrate that
4 complete state financing and maintenance is not always the most
5 cost-effective or efficient method of managing a public project.

6 The legislature further finds that there is an alignment of
7 initiatives in the governor's state of the state address, as the
8 administration continues to seek partnerships with the private
9 sector. The Hawaii health systems corporation recently
10 established a public-private partnership with Kaiser Permanente
11 on Maui, and there continues to be discussion on projects for
12 public-private partnerships at the current sites of Aloha
13 stadium and Oahu community correctional center. By leveraging
14 these public assets, the State can create opportunities for
15 economic development and reinvestment to provide better
16 facilities for the greater public good.

17 The legislature also finds that while public-private
18 partnerships are widely encouraged, the State lacks a
19 comprehensive process for all agencies to engage in public-
20 private partnerships. This has led to agencies working in silos
21 to develop their own process.



1 The purpose of this Act is to require the department of
2 business, economic development, and tourism to conduct a study
3 on the feasibility of establishing a public-private partnership
4 resource agency within the department of business, economic
5 development, and tourism, for all state departments, divisions,
6 and agencies to utilize.

7 SECTION 2. (a) The department of business, economic
8 development, and tourism shall conduct a study on the
9 feasibility of establishing a public-private partnership
10 resource agency within the department of business, economic
11 development, and tourism, for all state departments, divisions,
12 and agencies to utilize.

13 (b) The services of the resource agency shall include the
14 following:

15 (1) Providing advice, expertise, guidance, and information
16 to all state departments, divisions, and agencies
17 concerning the formation of public-private
18 partnerships between state government and the private
19 sector;

20 (2) Assisting in the formation of a public-private
21 partnership for any particular project or undertaking;



1 (3) Serving as one of the state's representatives in
2 negotiating a contract for a public-private
3 partnership; and

4 (4) Doing all things necessary in furtherance of this
5 subsection.

6 (c) The department of business, economic development, and
7 tourism shall report its findings and recommendations, including
8 any proposed legislation, to the legislature no later than
9 twenty days prior to the convening of the regular session of
10 2017.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2016-2017 for a
14 study on the feasibility of establishing a public-private
15 partnership resource agency within the department of business,
16 economic development, and tourism.

17 The sum appropriated shall be expended by the department of
18 business, economic development, and tourism for the purposes of
19 this Act.

20 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Department of Business, Economic Development, and Tourism;
Feasibility Study; Appropriation

Description:

Requires DBEDT to conduct a study on the feasibility of establishing a public-private partnership resource agency that all state departments, divisions, and agencies may utilize. Makes an appropriation. Effective 7/1/2050. (SD1)

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

