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# A BILL FOR AN ACT

RELATING TO THE SPORTS AND ENTERTAINMENT AUTHORITY.

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

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

11           The legislature also finds that Hawaii has the potential to  
12 not only establish itself as a premier destination for  
13 entertainment and sporting events, it is also an ideal location  
14 for training facilities for youth, amateur, and professional  
15 athletes across many sports. In this regard, each venue and  
16 event must be properly evaluated to ensure that it is  
17 economically viable for the State and all participants.



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

7           The legislature further finds that the State also needs to  
8 develop a comprehensive plan to ensure that it can sustain these  
9 successful events and not lose them to other destinations.  
10 These plans must include the construction or rehabilitation of  
11 first-class facilities throughout the State. In a 2014 National  
12 Association of Sports Commissions study, it was estimated that  
13 national sports industry visitor spending totaled \$8,900,000,000  
14 with approximately 25,600,000 sports industry visitors.  
15 According to the department of business, economic development,  
16 and tourism, Hawaii only logged 105,839 arrivals for a sporting  
17 event, out of 8,100,000 visitor arrivals to the State in 2014.

18           The purpose of this Act is to establish a sports and  
19 entertainment authority in the State to undertake and expand on  
20 the objectives and responsibilities of the stadium authority,  
21 established under chapter 109, Hawaii Revised Statutes. It is



1 the legislature's intent that the sports and entertainment  
2 authority coordinate and develop a thriving entertainment and  
3 sports industry in the State, including maintaining oversight of  
4 the Aloha stadium and promoting and engaging Hawaii as an  
5 entertainment and sports training and event destination for  
6 local, national, and international events, as well as developing  
7 state-of-the-art facilities for the benefit of professional,  
8 amateur, and youth athletes. Through these efforts, the sports  
9 and entertainment authority shall also provide opportunities for  
10 residents and nonresidents to observe and participate in a  
11 variety of amateur and professional sporting and other  
12 entertainment events, provide for the development of local and  
13 non-local athletic talent, promote Hawaii as an attractive  
14 training and event destination, and encourage active lifestyles  
15 and improve the health of our keiki and adults.

16 Furthermore, to ensure that ongoing projects, institutional  
17 knowledge, and expertise of the stadium authority are not lost  
18 during the transition, current stadium authority members may be  
19 appointed to the new sports and entertainment authority.

20 This Act also:



1 (1) Establishes a special fund to receive fees and other  
 2 moneys for administration, operation, maintenance,  
 3 promotion, and management of the stadium and  
 4 entertainment and sports development in the State;

5 (2) Transfers powers, duties, and funds from the stadium  
 6 authority to the sports and entertainment authority;  
 7 and

8 (3) Repeals the stadium authority, stadium special fund,  
 9 and Kapolei recreational sports complex special fund.

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 established in section -2, and any  
 20 successor thereto.



1 "Department" means the department of business, economic  
2 development, and tourism.

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

10 (b) The authority shall be headed by a policymaking board  
11 of directors that shall consist of eleven appointed members;  
12 provided that:

13 (1) The members shall be appointed by the governor as  
14 provided in section 26-34, except as otherwise  
15 provided by law;

16 (2) One member shall be appointed by the governor from a  
17 list of three names submitted by the president of the  
18 senate, and one member shall be appointed by the  
19 governor from a list of three names submitted by the  
20 speaker of the house of representatives; provided that



1 if fewer than three names are submitted for each  
2 appointment, the governor may disregard the list; and  
3 (3) The membership shall include at least one  
4 representative from the county of Hawaii, the county  
5 of Kauai, or the county of Maui; and the remaining  
6 members shall be appointed at-large; provided that the  
7 at-large membership shall include at least one  
8 representative from the tourism industry and one  
9 representative from the University of Hawaii at Manoa.

10 (c) The term of each member shall be four years; provided  
11 that, of the members initially appointed, four members shall  
12 serve for four years, four members shall serve for three years,  
13 and the remaining three members shall serve for two years;  
14 provided further that members initially appointed may include  
15 members of the stadium authority who held office on June 30,  
16 2016.

17 Vacancies shall be filled for the remainder of any  
18 unexpired term in the same manner as original appointments.

19 Notwithstanding any law to the contrary, members shall  
20 serve no more than two consecutive four-year terms; provided  
21 that the members who are initially appointed to terms of three



1 years or less pursuant to this subsection may be reappointed to  
2 one ensuing consecutive four-year term. Each member shall hold  
3 office until the member's successor is appointed and qualified.  
4 Section 26-34 shall be applicable as it relates to the number of  
5 terms and consecutive number of years a member may serve on the  
6 board.

7 (d) The members of the board shall elect a chairperson  
8 from among the members.

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

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



- 1           §   -3 Powers and duties. (a) Except as otherwise  
2 limited by this chapter, the authority may:
- 3           (1) Sue and be sued;
- 4           (2) Have a seal and alter the same at pleasure;
- 5           (3) Adopt and amend bylaws for its organization and  
6           internal management;
- 7           (4) Adopt, amend, and repeal rules in accordance with  
8           chapter 91 to effectuate the purposes of this chapter;  
9           provided that no later than January 1, 2017, the  
10          authority shall adopt interim rules, which shall be  
11          exempt from chapter 91, to effectuate the purposes of  
12          this chapter; provided further that the interim rules  
13          shall remain in effect until July 1, 2019, or until  
14          rules are adopted pursuant to chapter 91;
- 15          (5) Plan, promote, and market the stadium and its related  
16          facilities;
- 17          (6) Procure insurance against any loss in connection with  
18          its property and other assets and operations in  
19          amounts and from insurers as it deems as it seems  
20          necessary or desirable;





- 1 (7) Contract for or accept revenues, compensation,  
2 proceeds, and gifts or grants in any form from any  
3 public agency or any other source;
- 4 (8) Develop, coordinate, and implement state policies and  
5 directions for sports and entertainment-related  
6 activities, taking into account the economic, social,  
7 and physical impacts of tourism on the State, Hawaii's  
8 natural environment, and areas frequented by the  
9 sports industry and other related activities;
- 10 (9) Conduct market development-related research as  
11 necessary;
- 12 (10) Coordinate all agencies and advise the private sector  
13 in the development of entertainment and sports-related  
14 activities and resources;
- 15 (11) Market and promote entertainment and sports-related  
16 activities and events;
- 17 (12) Set and collect rents, fees, charges, or other  
18 payments for the lease, use, occupancy, or disposition  
19 of the Aloha stadium without regard to chapter 91;
- 20 (13) Notwithstanding chapter 171, acquire, lease as lessee  
21 or lessor, own, rent, hold, and dispose of the stadium



1 in the exercise of its powers and the performance of  
2 its duties under this chapter;

3 (14) Acquire, by purchase, lease, or otherwise, and  
4 develop, construct, operate, own, manage, repair,  
5 reconstruct, enlarge, or otherwise effectuate, either  
6 directly or through developers, stadium and other  
7 sports venue and entertainment facilities; and

8 (15) Through the president and chief executive officer:

9 (A) Make and execute contracts and other instruments  
10 necessary or convenient to exercise the  
11 authority's powers under this chapter, including  
12 entering into contracts under chapter 102 or  
13 chapter 103D for the management of a state sports  
14 complex in a manner that is beneficial to the  
15 State. These contracts may contain revenue  
16 sharing incentives based on increased usage of  
17 the complex;

18 (B) Appoint and prescribe the duties and  
19 qualifications of a sports coordinator, stadium  
20 manager, and a deputy manager subject to the  
21 approval of the board; provided that there is no



1            anticipated revenue shortfall in the sports and  
2            entertainment authority special fund and funds  
3            have been appropriated by the legislature and  
4            allotted as provided by law for these positions;  
5            (C) Represent the authority in communications with  
6            governor and the legislature;  
7            (D) Purchase supplies, equipment, and furniture;  
8            (E) Allocate the space or spaces that are to be  
9            occupied by the authority and appropriate staff;  
10           (F) Engage the services of qualified persons to  
11           implement the State's sports industry plan or  
12           portions thereof as determined by the board; and  
13           (G) Engage the services of consultants on a  
14           contractual basis for rendering professional and  
15           technical assistance and advice.

16           § -4 Sports coordinator, stadium manager, and deputy  
17 manager; hiring of employees. (a) The sports coordinator,  
18 stadium manager, and deputy manager shall be exempt from the  
19 requirements of chapters 76 and 89. The sports coordinator and  
20 stadium manager shall each be paid a salary not to exceed  
21 eighty-seven per cent of the salary of the director of human



1 resources development. The deputy manager shall be paid a  
2 salary not to exceed eighty-five per cent of the stadium  
3 manager's salary.

4 (b) The sports coordinator and stadium manager may,  
5 subject to the approval of the board, appoint, suspend, and  
6 discharge a secretary who shall be exempt from the requirements  
7 of chapters 76 and 89, and other employees and assistants as may  
8 be necessary for the proper conduct of the business of the  
9 authority. Except for persons hired on contract or otherwise as  
10 provided in this chapter and except for the sports coordinator,  
11 stadium manager, deputy manager, and secretary, all  
12 appointments, suspensions, or discharges shall be made in  
13 conformity with the applicable provisions of chapter 76.

14 § -5 Exemption of the sports and entertainment authority  
15 from administrative supervision of boards and commissions.  
16 Notwithstanding any law to the contrary, the authority shall be  
17 exempt from section 26-35 with the exception of section 26-35(a)  
18 (3), (7), and (8) and section 26-35 (b).

19 § -6 Sports and entertainment-related activities. (a)  
20 The authority may enter into contracts and agreements that  
21 include the following:



- 1           (1) Sports and entertainment promotion, marketing, and  
2           development;
- 3           (2) Sports market and entertainment development-related  
4           research;
- 5           (3) Product development and diversification issues focused  
6           on sports and entertainment;
- 7           (4) Promotion of Hawaii, through a coordinated statewide  
8           effort, as a place to host all types of sporting and  
9           entertainment events and other related activities;
- 10          (5) Reduction of barriers to travel, accommodations, and  
11          access to sports and entertainment facilities  
12          statewide;
- 13          (6) Sports and entertainment industry research and  
14          statistics to:
  - 15           (A) Measure and analyze sports and entertainment  
16           industry trends;
  - 17           (B) Provide information and research to assist in the  
18           development and implementation of the State's  
19           sports industry policy; and
  - 20           (C) Provide sports and entertainment industry  
21           information on:



- 1                   (i) Sports and entertainment industry visitor  
2                   arrivals, characteristics, and expenditures;
- 3                   (ii) The economic, social, and physical impacts  
4                   of the sports and entertainment industry on  
5                   the State; and
- 6                   (iii) The effects of sports and entertainment  
7                   marketing programs of the authority on the  
8                   measures of effectiveness developed by the  
9                   authority; and
- 10           (7) Any and all other activities necessary to carry out  
11           the intent of this chapter;
- 12 provided that the authority shall periodically submit a report  
13 of the contracts and agreements entered into by the authority to  
14 the governor, the speaker of the house of representatives, and  
15 the president of the senate.
- 16           (b) The authority shall be responsible for:
- 17           (1) Creating a vision and developing a long-range  
18           strategic plan for the sports and entertainment  
19           industries in Hawaii;
- 20           (2) Promoting, marketing, and developing the sports and  
21           entertainment industries in the State;



- 1           (3) Providing technical or other assistance to agencies  
2           and private industry upon request; and
- 3           (4) Reviewing annually the expenditures of public funds by  
4           any sports or entertainment industry organization that  
5           contracts with the authority to perform sports  
6           promotion, marketing, and development and making  
7           recommendations necessary to ensure the effective use  
8           of the funds for the development of the State's sports  
9           and entertainment industries.
- 10          (c) The authority may delegate to staff the responsibility  
11         for soliciting, awarding, and executing contracts and for  
12         monitoring and facilitating any and all functions developed in  
13         accordance with this section.
- 14          (d) Where public disclosure of information gathered or  
15         developed by the authority may place a business at a competitive  
16         disadvantage or may impair or frustrate the authority's ability  
17         to either have Hawaii compete as a sports or entertainment  
18         destination or obtain or use information for a legitimate  
19         government function, the authority may withhold from public  
20         disclosure competitively sensitive information.



1           §   -7 Security personnel, powers. The person employed as  
2 the chief security officer by the authority shall have all of  
3 the powers of police officers, including the power of arrest;  
4 provided that these powers shall remain in force and in effect  
5 only while the person is in the actual performance of the  
6 person's duties at the stadium or other state sports complex  
7 administered by the authority.

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

13           (b) Any person violating any rule of the authority  
14 regulating conduct at the stadium or other state sports complex  
15 premises shall be guilty of a petty misdemeanor punishable by a  
16 fine not exceeding \$1,000, or imprisonment not exceeding thirty  
17 days, or both.

18           (c) Any person violating any rule of the authority  
19 regulating parking or traffic at the stadium or other state  
20 sports complex premises shall have committed a traffic





1 infraction, the adjudication of which shall be subject to the  
2 provisions of chapter 291D.

3       § -9 Lost and found money or property at the Aloha  
4 stadium. All money or property found at the Aloha stadium shall  
5 be reported or delivered by the finder to the stadium  
6 information room, and when so delivered shall be held by the  
7 stadium for forty-five days or until claimed by a person who  
8 establishes title or right of custody of the money or property  
9 to the satisfaction of the stadium manager, whichever is  
10 shorter. If title or right of custody is established, the money  
11 or property shall be delivered to the claimant by the stadium  
12 manager or the stadium manager's agent. If after forty-five  
13 days no claimant establishes a right to the money or property,  
14 the money or property may be claimed by the person who delivered  
15 it to the stadium information room; provided that if the person  
16 who delivered it to the stadium information room fails to claim  
17 the money or property within thirty days after being notified by  
18 the stadium manager, the stadium manager shall deposit the money  
19 into the state treasury to the credit of the sports and  
20 entertainment special fund or shall dispose of the property by  
21 public auction. The stadium manager shall give public notice,



1 giving details as to time and place of the auction and giving  
2 notice to all persons interested in claiming the property that  
3 unless claims are made by persons who can provide satisfactory  
4 proof of ownership before a specified date, the property will be  
5 sold at public auction to the highest bidder; provided that if  
6 the stadium manager considers the highest bid to be  
7 insufficient, the stadium manager shall have the right to  
8 decline the sale to the highest bidder and may reoffer the  
9 property at a subsequent public auction. On the day and at the  
10 place specified in the notice, all property for which no  
11 satisfactory proof of ownership is made shall be sold by auction  
12 by or under the direction of the stadium manager.

13 If any property that is of a perishable nature or that is  
14 unreasonably expensive to keep or safeguard remains unclaimed at  
15 the stadium, the stadium manager may sell that property at  
16 public auction, at a time and after notice that is reasonable  
17 under the circumstances. If the stadium manager determines that  
18 any property delivered to the stadium manager pursuant to this  
19 section has no apparent commercial value, the stadium manager at  
20 any time thereafter may destroy or otherwise dispose of the  
21 property.



1           The stadium manager shall deposit into the sports and  
2 entertainment authority special fund all moneys received from  
3 the sale, destruction, or disposition of any property. No  
4 action or proceeding shall be brought or maintained against the  
5 State or any officer thereof on account of the sale,  
6 destruction, or disposition of the property. The purchaser of  
7 property at any sale conducted by the stadium manager pursuant  
8 to this section shall receive title to the property purchased  
9 and shall take possession of the property free from any and all  
10 claims of the owner, prior owners, and any person claiming  
11 title.

12           For purposes of this section, notice by regular mail to the  
13 last known address of the person who delivered the money or  
14 property to the stadium lost and found shall be deemed  
15 sufficient.

16           § -10 Sports and entertainment authority special fund.

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

19           (1) A portion of the revenues from the transient  
20 accommodations tax, as provided by section 237D-6.5;



- 1           (2) Appropriations by the legislature to the sports and  
2           entertainment authority special fund;
- 3           (3) Gifts, grants, and other funds accepted by the  
4           authority;
- 5           (4) All interest and revenues or receipts derived by the  
6           authority from any project or project agreements; and
- 7           (5) All funds received pursuant to a management contract  
8           under section     -3 or collected by the authority from  
9           the operations of a state sports complex shall be  
10          deposited subject to contracts entered into pursuant  
11          to section     -3.
- 12          (b) Moneys in the sports and entertainment authority  
13 special fund may be:
- 14          (1) Placed in interest-bearing accounts; provided that the  
15          depository in which the money is deposited furnishes  
16          security as provided in section 38-3; or
- 17          (2) Otherwise invested by the authority until such time as  
18          the money may be needed; provided that the authority  
19          shall limit investments to those listed in section 36-  
20          21.



1 All interest accruing from the investment of these moneys shall  
2 be credited to the sports and entertainment authority special  
3 fund.

4 (c) Moneys in the sports and entertainment authority  
5 special fund shall be used by the authority for the purposes of  
6 this chapter; provided that:

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

11 (2) Two-thirds of the amount shall be used:

12 (A) To finance all or a portion of the cost of any  
13 capital improvement project for the stadium,  
14 state sports complex, and related facilities; and

15 (B) To pay the expenses of the operation,  
16 maintenance, promotion, and management of the  
17 stadium, state sports complex, and related  
18 facilities;

19 provided that all services required for the stadium,  
20 state sports complex, and related facilities shall be  
21 performed by persons hired on contract or otherwise,



1 without regard for chapter 76; provided further that  
2 the authority shall report to the legislature all  
3 receipts and expenditures of the sports and  
4 entertainment special fund account twenty days prior  
5 to the convening of each regular session.

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

16 § -12 Authority; private attorneys. (a) The board may  
17 appoint or retain by contract one or more attorneys who are  
18 independent of the attorney general to provide legal services  
19 for the board solely in cases of contract negotiations in which  
20 the attorney general lacks sufficient expertise; provided that  
21 the private attorneys shall consult and work in conjunction with



1 the designated deputy attorney general assigned to the  
2 authority.

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

7 SECTION 3. Section 28-8.3, Hawaii Revised Statutes, is  
8 amended as follows:

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

10 "(a) No department of the State other than the attorney  
11 general may employ or retain any attorney, by contract or  
12 otherwise, for the purpose of representing the State or the  
13 department in any litigation, rendering legal counsel to the  
14 department, or drafting legal documents for the department;  
15 provided that the foregoing provision shall not apply to the  
16 employment or retention of attorneys:

17 (1) By the public utilities commission, the labor and  
18 industrial relations appeals board, and the Hawaii  
19 labor relations board;

20 (2) By any court or judicial or legislative office of the  
21 State; provided that if the attorney general is



1 requested to provide representation to a court or  
2 judicial office by the chief justice or the chief  
3 justice's designee, or to a legislative office by the  
4 speaker of the house of representatives and the  
5 president of the senate jointly, and the attorney  
6 general declines to provide such representation on the  
7 grounds of conflict of interest, the attorney general  
8 shall retain an attorney for the court, judicial, or  
9 legislative office, subject to approval by the court,  
10 judicial, or legislative office;

11 (3) By the legislative reference bureau;

12 (4) By any compilation commission that may be constituted  
13 from time to time;

14 (5) By the real estate commission for any action involving  
15 the real estate recovery fund;

16 (6) By the contractors license board for any action  
17 involving the contractors recovery fund;

18 (7) By the office of Hawaiian affairs;

19 (8) By the department of commerce and consumer affairs for  
20 the enforcement of violations of chapters 480 and  
21 485A;





- 1           (9) As grand jury counsel;
- 2           (10) By the Hawaii health systems corporation, or its
- 3                 regional system boards, or any of their facilities;
- 4           (11) By the auditor;
- 5           (12) By the office of ombudsman;
- 6           (13) By the insurance division;
- 7           (14) By the University of Hawaii;
- 8           (15) By the Kahoolawe island reserve commission;
- 9           (16) By the division of consumer advocacy;
- 10          (17) By the office of elections;
- 11          (18) By the campaign spending commission;
- 12          (19) By the Hawaii tourism authority, as provided in
- 13                 section 201B-2.5;
- 14          (20) By the division of financial institutions for any
- 15                 action involving the mortgage loan recovery fund;
- 16          (21) By the office of information practices; [~~or~~]
- 17          (22) By the sports and entertainment authority; or
- 18          [~~(22)~~] (23) By a department, if the attorney general, for
- 19                 reasons deemed by the attorney general to be good and
- 20                 sufficient, declines to employ or retain an attorney



1           for a department; provided that the governor waives  
2           the provision of this section."

3           2. By amending subsection (c) to read:

4           "(c) Every attorney employed by any department on a full-  
5 time basis, except an attorney employed by the public utilities  
6 commission, the labor and industrial relations appeals board,  
7 the Hawaii labor relations board, the office of Hawaiian  
8 affairs, the Hawaii health systems corporation or its regional  
9 system boards, the department of commerce and consumer affairs  
10 in prosecution of consumer complaints, insurance division, the  
11 division of consumer advocacy, the University of Hawaii, the  
12 Hawaii tourism authority as provided in section 201B-2.5, the  
13 office of information practices, sports and entertainment  
14 authority, or as grand jury counsel, shall be a deputy attorney  
15 general."

16           SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
17 amended by amending subsection (a) to read as follows:

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

19           (1) Special out-of-school time instructional program fund  
20           under section 302A-1310;



- 1           (2) School cafeteria special funds of the department of  
2           education;
- 3           (3) Special funds of the University of Hawaii;
- 4           (4) State educational facilities improvement special fund;
- 5           (5) Special funds established by section 206E-6;
- 6           (6) Aloha Tower fund created by section 206J-17;
- 7           (7) Funds of the employees' retirement system created by  
8           section 88-109;
- 9           (8) Hawaii hurricane relief fund established under chapter  
10          431P;
- 11          (9) Convention center enterprise special fund established  
12          under section 201B-8;
- 13          (10) Hawaii health systems corporation special funds and  
14          the subaccounts of its regional system boards;
- 15          (11) Tourism special fund established under section 201B-  
16          11;
- 17          (12) Universal service fund established under section 269-  
18          42;
- 19          (13) Emergency and budget reserve fund under section 328L-  
20          3;



- 1 (14) Public schools special fees and charges fund under  
2 section 302A-1130;
- 3 (15) Sport fish special fund under section 187A-9.5;
- 4 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 5 [+](17)[+] Center for nursing special fund under section 304A-  
6 2163;
- 7 [+](18)[+] Passenger facility charge special fund established  
8 by section 261-5.5;
- 9 [+](19)[+] Court interpreting services revolving fund under  
10 section 607-1.5;
- 11 [+](20)[+] Trauma system special fund under section 321-22.5;
- 12 [+](21)[+] Hawaii cancer research special fund;
- 13 [+](22)[+] Community health centers special fund;
- 14 [+](23)[+] Emergency medical services special fund;
- 15 [+](24)[+] Rental motor vehicle customer facility charge  
16 special fund established under section 261-5.6;
- 17 [+](25)[+] Shared services technology special fund under  
18 section 27-43;
- 19 [+](26)[+] Nursing facility sustainability program special fund  
20 established pursuant to Act 156, Session Laws of  
21 Hawaii 2012;



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

3    [+] (28) [+] Hospital sustainability program special fund under  
4                   Act 217, Session Laws of Hawaii 2012, as amended;

5                   [and]

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

8       (30) Sports and entertainment authority special fund  
9                   established under section       -10,

10 shall be responsible for its pro rata share of the  
11 administrative expenses incurred by the department responsible  
12 for the operations supported by the special fund concerned."

13       SECTION 5. Section 237D-6.5, Hawaii Revised Statutes, is  
14 amended by amending subsection (b) to read as follows:

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

18       (1) \$1,500,000 shall be allocated to the Turtle Bay  
19           conservation easement special fund beginning July 1,  
20           2015, for the reimbursement to the state general fund  
21           of debt service on reimbursable general obligation



1 bonds, including ongoing expenses related to the  
2 issuance of the bonds, the proceeds of which were used  
3 to acquire the conservation easement and other real  
4 property interests in Turtle Bay, Oahu, for the  
5 protection, preservation, and enhancement of natural  
6 resources important to the State, until the bonds are  
7 fully amortized;

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

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

13 (A) Beginning on July 1, 2012, and ending on June 30,  
14 2015, \$2,000,000 shall be expended from the  
15 tourism special fund for development and  
16 implementation of initiatives to take advantage  
17 of expanded visa programs and increased travel  
18 opportunities for international visitors to  
19 Hawaii;

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



- 1 (i) \$1,000,000 shall be allocated for the  
2 operation of a Hawaiian center and the  
3 museum of Hawaiian music and dance at the  
4 Hawaii convention center; and
- 5 (ii) 0.5 per cent of the \$82,000,000 shall be  
6 transferred to a sub-account in the tourism  
7 special fund to provide funding for a safety  
8 and security budget, in accordance with the  
9 Hawaii tourism strategic plan 2005-2015; and
- 10 (C) Of the revenues remaining in the tourism special  
11 fund after revenues have been deposited as  
12 provided in this paragraph and except for any sum  
13 authorized by the legislature for expenditure  
14 from revenues subject to this paragraph,  
15 beginning July 1, 2007, funds shall be deposited  
16 into the tourism emergency special fund,  
17 established in section 201B-10, in a manner  
18 sufficient to maintain a fund balance of  
19 \$5,000,000 in the tourism emergency special fund;
- 20 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000  
21 for fiscal year 2015-2016, and \$93,000,000 for each



1 fiscal year thereafter shall be allocated as follows:  
2 Kauai county shall receive 14.5 per cent, Hawaii  
3 county shall receive 18.6 per cent, city and county of  
4 Honolulu shall receive 44.1 per cent, and Maui county  
5 shall receive 22.8 per cent; provided that commencing  
6 with fiscal year 2018-2019, a sum that represents the  
7 difference between a county public employer's annual  
8 required contribution for the separate trust fund  
9 established under section 87A-42 and the amount of the  
10 county public employer's contributions into that trust  
11 fund shall be retained by the state director of  
12 finance and deposited to the credit of the county  
13 public employer's annual required contribution into  
14 that trust fund in each fiscal year, as provided in  
15 section 87A-42, if the respective county fails to  
16 remit the total amount of the county's required annual  
17 contributions, as required under section 87A-43; [and]  
18 (5) \$3,000,000 shall be allocated to the special land and  
19 development fund established under section 171-19;  
20 provided that the allocation shall be expended in





1 accordance with the Hawaii tourism authority strategic  
2 plan for:

- 3 (A) The protection, preservation, maintenance, and
- 4 enhancement of natural resources, including
- 5 beaches, important to the visitor industry;
- 6 (B) Planning, construction, and repair of facilities;
- 7 and
- 8 (C) Operation and maintenance costs of public lands,
- 9 including beaches, connected with enhancing the
- 10 visitor experience[-]; and

11 (6) \$ \_\_\_\_\_ shall be allocated to the sports and  
12 entertainment authority special fund established under  
13 section -10 for:

- 14 (A) The administrative and operational cost of the
- 15 sports and entertainment authority;
- 16 (B) The expenses of the operation, maintenance,
- 17 promotion, and management of the stadium and
- 18 related facilities; and
- 19 (C) The payment of debt service on debt obligations,
- 20 the proceeds of which were used to redevelop the
- 21 stadium and other related facilities.

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

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

8 SECTION 6. Chapter 109, Hawaii Revised Statutes, is  
9 repealed.

10 SECTION 7. All rights, powers, functions, and duties of  
11 the stadium authority are transferred to the sports and  
12 entertainment authority.

13 All employees who occupy civil service positions and whose  
14 functions are transferred to the sports and entertainment  
15 authority by this Act shall retain their civil service status,  
16 whether permanent or temporary. Employees shall be transferred  
17 without loss of salary, seniority (except as prescribed by  
18 applicable collective bargaining agreement), retention points,  
19 prior service credit, any vacation and sick leave credits  
20 previously earned, and other rights, benefits, and privileges,  
21 in accordance with state personnel laws and this Act; provided



1 that the employees possess the minimum qualifications and public  
2 employment requirements for the class or position to which  
3 transferred or appointed, as applicable; provided further that  
4 subsequent changes in status may be made pursuant to applicable  
5 civil service and compensation laws.

6 Any employee who, prior to this Act, is exempt from civil  
7 service and is transferred as a consequence of this Act, may  
8 continue to retain the employee's exempt status, but shall not  
9 be appointed to a civil service position as a consequence of  
10 this Act. An exempt employee who is transferred by this Act  
11 shall not suffer any loss of prior service credit, vacation or  
12 sick leave credits previously earned, or other employee benefits  
13 or privileges as a consequence of this Act; provided that the  
14 employees possess legal and public employment requirements for  
15 the position to which transferred or appointed, as applicable;  
16 provided further that subsequent changes in status may be made  
17 pursuant to applicable employment and compensation laws. The  
18 sports coordinator and stadium manager of the sports and  
19 entertainment authority may prescribe the duties and  
20 qualifications of such employees and fix their salaries in



1 conformity to chapter 76, Hawaii Revised Statutes, with the  
2 exception of the deputy manager and secretary.

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

9 SECTION 9. Any unexpended and unencumbered balance  
10 remaining in the stadium special fund, stadium special account,  
11 and Kapolei recreational sports complex special fund as of the  
12 effective date of this Act shall be deposited into the sports  
13 and entertainment authority special fund.

14 SECTION 10. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so much  
16 thereof as may be necessary for fiscal year 2016-2017 for the  
17 purposes of this Act.

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



1 SECTION 11. This Act does not affect rights and duties  
2 that matured, penalties that were incurred, and proceedings that  
3 were begun before its effective date.

4 SECTION 12. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 13. This Act shall take effect on July 1, 2050.



**Report Title:**

Sports and Entertainment Authority; Appropriation

**Description:**

Establishes the Sports and Entertainment Authority to coordinate and develop a thriving entertainment and sports industry in the State, including oversight of the stadium and attracting local, national and international events, as well as developing state-of-the-art facilities for the benefit of professional, amateur and youth athletes. Establishes the Sports and Entertainment Authority Special Fund and allocates a portion of transient accommodations tax revenues to the Special Fund. Repeals the Stadium Authority and transfers jurisdiction over stadiums and related facilities and the Kapolei Recreational Sports Complex to the sports and entertainment authority. Appropriates funds. (HB1847 HD2)

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

