
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 training and ocean sports,
6 including surfing and sailing. 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. It is the legislature's
20 intent that the sports and entertainment authority coordinate
21 and develop a thriving entertainment and sports industry in the



1 State, including promoting and engaging Hawaii as an
2 entertainment and sports training and event destination for
3 local, national, and international events. Through these
4 efforts, the sports and entertainment authority shall also
5 provide opportunities for residents and nonresidents to observe
6 and participate in a variety of amateur and professional
7 sporting and other entertainment events, provide for the
8 development of local and non-local athletic talent, promote
9 Hawaii as an attractive training and event destination, and
10 encourage active lifestyles and improve the health of our keiki
11 and adults.

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

15 "CHAPTER

16 SPORTS AND ENTERTAINMENT AUTHORITY

17 § -1 Definitions. As used in this chapter, unless the
18 context clearly otherwise requires:

19 "Authority" means the sports and entertainment authority.



1 "Board" means the board of directors of the sports and
2 entertainment authority established in section -2, and any
3 successor thereto.

4 "Department" means the department of business, economic
5 development, and tourism.

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

13 (b) The authority shall be headed by a policymaking board
14 of directors that shall consist of eleven appointed members;
15 provided that:

16 (1) The members shall be appointed by the governor as
17 provided in section 26-34, except as otherwise
18 provided by law;

19 (2) One member shall be appointed by the governor from a
20 list of three names submitted by the president of the
21 senate, and one member shall be appointed by the



1 governor from a list of three names submitted by the
2 speaker of the house of representatives; provided that
3 if fewer than three names are submitted for each
4 appointment, the governor may disregard the list;

5 (3) The membership shall include at least one
6 representative from the county of Hawaii, the county
7 of Kauai, or the county of Maui; and

8 (4) The remaining members shall be appointed at-large;
9 provided that the at-large membership shall include at
10 least one representative from the department,
11 University of Hawaii, Hawaii tourism authority,
12 stadium authority, tourism industry, and performing
13 arts community.

14 (c) The term of each member shall be four years; provided
15 that, of the members initially appointed, four members shall
16 serve for four years, four members shall serve for three years,
17 and the remaining three members shall serve for two years.

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

20 Notwithstanding any law to the contrary, members shall
21 serve no more than two consecutive four-year terms; provided



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

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

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

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



- 1 § -3 **Powers and duties.** Except as otherwise limited by
2 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) Procure insurance against any loss in connection with
16 its property and other assets and operations in
17 amounts and from insurers as it deems as it seems
18 necessary or desirable;
- 19 (6) Contract for or accept revenues, compensation,
20 proceeds, and gifts or grants in any form from any
21 public agency or any other source;



- 1 (7) Develop, coordinate, and implement state policies and
2 directions for sports and entertainment-related
3 activities, taking into account the economic, social,
4 and physical impacts of tourism on the State, Hawaii's
5 natural environment, and areas frequented by the
6 sports industry and other related activities;
- 7 (8) Conduct market development-related research as
8 necessary;
- 9 (9) Coordinate all agencies and advise the private sector
10 in the development of entertainment and sports-related
11 activities and resources;
- 12 (10) Market and promote entertainment and sports-related
13 activities and events; and
- 14 (11) Through the president and chief executive officer:
15 (A) Appoint and prescribe the duties and
16 qualifications of a sports coordinator and deputy
17 sports coordinator subject to the approval of the
18 board; provided that funds have been appropriated
19 by the legislature and allotted as provided by
20 law for these positions;



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

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

20 (b) The sports coordinator and deputy sports coordinator
 21 may, subject to the approval of the board, appoint, suspend, and



1 discharge a secretary who shall be exempt from the requirements
2 of chapters 76 and 89, and other employees and assistants as may
3 be necessary for the proper conduct of the business of the
4 authority. Except for persons hired on contract or otherwise as
5 provided in this chapter and except for the sports coordinator,
6 deputy sports coordinator, and secretary, all appointments,
7 suspensions, or discharges shall be made in conformity with the
8 applicable provisions of chapter 76.

9 § -5 Exemption of the sports and entertainment authority
10 from administrative supervision of boards and commissions.

11 Notwithstanding any law to the contrary, the authority shall be
12 exempt from section 26-35 with the exception of section 26-35(a)
13 (3), (7), and (8) and (b).

14 § -6 Sports and entertainment-related activities. (a)

15 The authority may enter into contracts and agreements that
16 include the following:

- 17 (1) Sports and entertainment promotion, marketing, and
18 development;
- 19 (2) Sports market and entertainment development-related
20 research;



- 1 (3) Product development and diversification issues focused
2 on sports and entertainment;
- 3 (4) Promotion of Hawaii, through a coordinated statewide
4 effort, as a place to host all types of sporting and
5 entertainment events and other related activities;
- 6 (5) Reduction of barriers to travel, accommodations, and
7 access to sports and entertainment facilities
8 statewide; and
- 9 (6) Any and all other activities necessary to carry out
10 the intent of this chapter;
- 11 provided that the authority shall periodically submit a report
12 of the contracts and agreements entered into by the authority to
13 the governor, the speaker of the house of representatives, and
14 the president of the senate.
- 15 (b) The authority shall be responsible for:
- 16 (1) Creating a vision and developing a long-range
17 strategic plan for the sports and entertainment
18 industries in Hawaii;
- 19 (2) Promoting, marketing, and developing the sports and
20 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 **Authority; private attorneys.** (a) The board may
2 appoint or retain by contract one or more attorneys who are
3 independent of the attorney general to provide legal services
4 for the board solely in cases of contract negotiations in which
5 the attorney general lacks sufficient expertise; provided that
6 the private attorneys shall consult and work in conjunction with
7 the designated deputy attorney general assigned to the
8 authority.

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

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

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

16 "(a) No department of the State other than the attorney
17 general may employ or retain any attorney, by contract or
18 otherwise, for the purpose of representing the State or the
19 department in any litigation, rendering legal counsel to the
20 department, or drafting legal documents for the department;



1 provided that the foregoing provision shall not apply to the
2 employment or retention of attorneys:

3 (1) By the public utilities commission, the labor and
4 industrial relations appeals board, and the Hawaii
5 labor relations board;

6 (2) By any court or judicial or legislative office of the
7 State; provided that if the attorney general is
8 requested to provide representation to a court or
9 judicial office by the chief justice or the chief
10 justice's designee, or to a legislative office by the
11 speaker of the house of representatives and the
12 president of the senate jointly, and the attorney
13 general declines to provide such representation on the
14 grounds of conflict of interest, the attorney general
15 shall retain an attorney for the court, judicial, or
16 legislative office, subject to approval by the court,
17 judicial, or legislative office;

18 (3) By the legislative reference bureau;

19 (4) By any compilation commission that may be constituted
20 from time to time;



- 1 (5) By the real estate commission for any action involving
2 the real estate recovery fund;
- 3 (6) By the contractors license board for any action
4 involving the contractors recovery fund;
- 5 (7) By the office of Hawaiian affairs;
- 6 (8) By the department of commerce and consumer affairs for
7 the enforcement of violations of chapters 480 and
8 485A;
- 9 (9) As grand jury counsel;
- 10 (10) By the Hawaii health systems corporation, or its
11 regional system boards, or any of their facilities;
- 12 (11) By the auditor;
- 13 (12) By the office of ombudsman;
- 14 (13) By the insurance division;
- 15 (14) By the University of Hawaii;
- 16 (15) By the Kahoolawe island reserve commission;
- 17 (16) By the division of consumer advocacy;
- 18 (17) By the office of elections;
- 19 (18) By the campaign spending commission;
- 20 (19) By the Hawaii tourism authority, as provided in
21 section 201B-2.5;



1 (20) By the division of financial institutions for any
 2 action involving the mortgage loan recovery fund;
 3 (21) By the office of information practices; [ex]
 4 (22) By the sports and entertainment authority; or
 5 [~~22~~] (23) By a department, if the attorney general, for
 6 reasons deemed by the attorney general to be good and
 7 sufficient, declines to employ or retain an attorney
 8 for a department; provided that the governor waives
 9 the provision of this section."

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

11 "(c) Every attorney employed by any department on a full-
 12 time basis, except an attorney employed by the public utilities
 13 commission, the labor and industrial relations appeals board,
 14 the Hawaii labor relations board, the office of Hawaiian
 15 affairs, the Hawaii health systems corporation or its regional
 16 system boards, the department of commerce and consumer affairs
 17 in prosecution of consumer complaints, insurance division, the
 18 division of consumer advocacy, the University of Hawaii, the
 19 Hawaii tourism authority as provided in section 201B-2.5, the
 20 office of information practices, sports and entertainment



1 authority, or as grand jury counsel, shall be a deputy attorney
2 general."

3 SECTION 4. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$750,000 or so much
5 thereof as may be necessary for fiscal year 2016-2017 for the
6 purposes of this Act.

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

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

12 SECTION 6. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 7. 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 the entertainment and sports industry in the State, including attracting local, national, and international events, for the benefit of professional, amateur, and youth athletes. Makes an appropriation. Effective 7/1/2050. (SD1)

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