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# A BILL FOR AN ACT

RELATING TO OPTIONS FOR STUDENTS IN DEPARTMENT OF EDUCATION  
SCHOOLS.

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

1           SECTION 1. The purpose of this Act is to provide clarity  
2 and consistency with regard to commercial enterprise activities  
3 in schools by:

4           (1) Broadening the scope of profit-making operations  
5               students may engage in at schools to include  
6               commercial enterprises, while ensuring that engagement  
7               in commercial enterprises shall be related to the  
8               primary educational purposes of the school, career  
9               pathway, academy, or program as required by section  
10              302A-448, Hawaii Revised Statutes; and

11           (2) Allowing students to receive school credit,  
12               compensation, or both, when engaging in profit-making  
13               operations.

14           SECTION 2. Section 302A-420, Hawaii Revised Statutes, is  
15 amended to read as follows:



1           "§302A-420 Profits [~~to pupils~~] and school credit for  
2 students. All net profits arising from agricultural [~~and~~],  
3 industrial, or commercial enterprise pursuits [~~under sections~~  
4 ~~302A-420 to 302A-431~~] at any school, under the rules of the  
5 department:

6           (1) Shall be used by the school to support agricultural,  
7           industrial, and commercial enterprise pursuit programs  
8           and for the purchase of equipment and [~~material,~~  
9           materials, not otherwise provided for in the school  
10           budget, that will be of general benefit to the  
11           [~~pupils,~~] students; or

12           (2) May be distributed among the [~~pupils~~] students  
13           actually engaged in the pursuits[-]; provided further  
14           that school credit may also be granted to students  
15           engaged in the permitted operations, either in  
16           addition to, or in lieu of, any net profits  
17           distributed to students;

18 provided that the commercial enterprise does not affect the tax  
19 exempt status of general obligation bonds and complies with the  
20 requirements of section 302A-448. The department shall provide  
21 for the keeping of simple books of account, showing the source



1 and distribution of the money resulting from the operations  
2 carried on pursuant to this section, and for the auditing of  
3 these books of account at least quarterly."

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

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



**Report Title:**

Department of Education; Profit and School Credit for Students;  
School Commercial Enterprises

**Description:**

Broadens the scope of profit-making operations students may engage in at schools to include commercial enterprises, while ensuring that engagement in commercial enterprises shall be related to the primary educational purposes of the school, career pathway, academy, or program. Allows students to receive school credit, compensation, or both, when they engage in profit-making operations. Effective 7/1/2050. (HD1)

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

