

JAN 19 2024

A BILL FOR AN ACT

RELATING TO THE STATE CONVENTION CENTER.

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

- 1 SECTION 1. Section 23-76, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:
3 "(c) This section shall apply to the following:
4 (1) Section 237-24.3(4)--Amounts received by employment
5 benefit plans and amounts received by nonprofit
6 organizations or offices for the administration of
7 employee benefit plans;
8 (2) Section 237-24.3(5)--Amounts received from food
9 coupons under the federal food stamp program or
10 vouchers under the Special Supplemental Foods Program
11 for Women, Infants and Children;
12 (3) Section 237-24.3(6)--Amounts received from the sale of
13 prescription drugs or prosthetic devices;
14 (4) Section 237-24.3(8)--Amounts received as dues by
15 unincorporated merchants associations for advertising
16 or promotion;



- 1 (5) Section 237-24.3(9)--Amounts received by labor
- 2 organizations from real property leases;
- 3 (6) Section 237-24.75(2)--Reimbursements to the Hawaii
- 4 convention center operator from the [~~Hawaii tourism~~
- 5 ~~authority;~~] department of accounting and general
- 6 services;
- 7 (7) Section 237-24.75(3)--Reimbursements to professional
- 8 employer organizations from client companies for
- 9 employee wages and fringe benefits; and
- 10 (8) Section 209E-11--Amounts received by qualified
- 11 businesses in enterprise zones."

12 SECTION 2. Section 26-6, Hawaii Revised Statutes, is
13 amended to read as follows:

14 **"§26-6 Department of accounting and general services. (a)**

15 The department of accounting and general services shall be
16 headed by a single executive to be known as the comptroller.

17 (b) The department shall:

- 18 (1) Preaudit and conduct after-the-fact audits of the
- 19 financial accounts of all state departments to
- 20 determine the legality of expenditures and the
- 21 accuracy of accounts;



- 1 (2) Report to the governor and to each regular session of
2 the legislature as to the finances of each department
3 of the State;
- 4 (3) Administer the state risk management program;
- 5 (4) Establish and manage motor pools;
- 6 (5) Manage the preservation and disposal of all records of
7 the State;
- 8 (6) Undertake the program of centralized engineering and
9 office leasing services, including operation and
10 maintenance and lease buyback processing pursuant to
11 subsection (d) of public buildings, for departments of
12 the State;
- 13 (7) Undertake the functions of the state surveyor;
- 14 (8) Establish accounting and internal control systems;
- 15 (9) Under the direction of the chief information officer,
16 provide centralized computer information management
17 and processing services;
- 18 (10) Establish a program to provide a means for public
19 access to public information and develop an
20 information network for state government;



- 1 (11) Assume administrative responsibility for the office of
2 information practices; [~~and~~]
- 3 (12) Enter into agreements for the use of the convention
4 center facility for a period of up to ten years;
- 5 (13) Set and collect rents, fees, charges, or other
6 payments for the lease, use, occupancy, or disposition
7 of the convention center facility without regard to
8 chapter 91;
- 9 (14) Marketing, management, use, operation, or maintenance
10 of the convention center facility, including the
11 purchase or sale of goods or services, logo items,
12 concessions, sponsorships, and license agreements, or
13 any use of the convention center facility as a
14 commercial enterprise; provided that contracts issued
15 pursuant to this paragraph for the marketing of all
16 uses of the convention center facility may be issued
17 separately from the management, use, operation, or
18 maintenance of the facility;
- 19 (15) Notwithstanding chapter 171, acquire, lease as lessee
20 or lessor, own, rent, hold, and dispose of the
21 convention center facility in the exercise of its



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

3 ~~(12)~~ (16) Approve state fleet acquisitions; provided that:

4 (A) Beginning January 1, 2022, all new light-duty
5 motor vehicles that are passenger cars purchased
6 for the State's fleet shall be zero-emission
7 vehicles;

8 (B) Beginning as soon as practicable but no later
9 than January 1, 2030, all new light-duty motor
10 vehicles that are multipurpose passenger vehicles
11 and trucks for the State's fleet shall be zero-
12 emission vehicles; and

13 (C) The comptroller may authorize an exemption for
14 new fleet vehicle purchases if zero-emission
15 vehicles are demonstrated to be cost-prohibitive
16 on a lifecycle basis or unsuitable for the
17 vehicles' planned purpose, or if funds are
18 unavailable.

19 For the purposes of this subsection:



1 "Light-duty motor vehicle" shall have the same meaning as
2 contained in title 10 Code [+]of[+] Federal Regulations part
3 490.

4 "Multipurpose passenger vehicle" shall have the same
5 meaning as contained in title 49 Code of Federal Regulations
6 section 571.3.

7 "Passenger car" shall have the same meaning as contained in
8 title 49 Code of Federal Regulations section 571.3.

9 "Truck" shall have the same meaning as contained in title
10 49 Code of Federal Regulations section 571.3.

11 "Zero-emission vehicle" shall have the same meaning as
12 contained in title 40 Code of Federal Regulations section
13 88.102-94.

14 (c) The state communication system shall be established
15 to:

16 (1) Facilitate implementation of the State's distributed
17 information processing and information resource
18 management plans;

19 (2) Improve data, voice, and video communications in state
20 government;



1 (3) Provide a means for connectivity among the state,
2 university, and county computer systems; and

3 (4) Provide a long-term means for public access to public
4 information.

5 (d) The department shall establish, coordinate, and manage
6 a program to facilitate facility agreements between the State
7 and private investors for the sale of facilities, excluding
8 facilities managed or controlled by the department of
9 transportation, to private investors; provided that each
10 facility agreement contains the following requirements:

11 (1) The State shall sell the facility to the private
12 investor, who shall:

13 (A) Renovate, improve, or construct a facility for
14 the State and may maintain the facility; and

15 (B) Lease the facility to the State, pursuant to a
16 building lease;

17 (2) The land upon which the facility rests shall not be
18 sold to the private investor; provided that the land
19 may be leased at a nominal rate to the private
20 investor for a term that would, at a minimum, allow
21 the private investor to recover the capital investment



1 that has been made to the facility, including
2 depreciation; and

3 (3) The State shall have the option of purchasing the
4 facility from the private investor for the remaining
5 balance of the debt service costs incurred by the
6 private investor at any time.

7 For purposes of this subsection:

8 "Building lease" means a contract between the department of
9 accounting and general services and a private investor in which
10 the private investor leases an improved facility to the
11 department for a specified period of time.

12 "Facility" means a building under the management and
13 control of any state department.

14 "Facility agreement" means an agreement between the State
15 and a private investor that, at a minimum, includes a
16 description of the work to be done, the sale price for the
17 facility, the duration of the agreement, the roles and
18 responsibilities of the State and the private investor, and the
19 terms and conditions for the lease.

20 "Private investor" means a nongovernmental entity.



1 (e) The department may adopt rules as may be necessary or
2 desirable for the operation and maintenance of public buildings;
3 for the operation and implementation of a program to provide a
4 means for public access to the State's information network
5 system and public information; and for the implementation of
6 facility agreements pursuant to subsection (d). The rules shall
7 be adopted pursuant to chapter 91.

8 (f) The King Kamehameha celebration commission shall be
9 placed within the department of accounting and general services
10 for administrative purposes. The functions, duties, and powers,
11 subject to the administrative control of the comptroller, and
12 the composition of the commission shall be as heretofore
13 provided by law.

14 (g) The functions and authority heretofore exercised by
15 the comptroller, board of commissioners of public archives, the
16 archivist, the disposal committee, and the insurance management,
17 surplus property management, and central purchasing functions of
18 the bureau of the budget and the nonhighway functions of the
19 department of public works as heretofore constituted are
20 transferred to the department of accounting and general services
21 established by this chapter.



1 (h) The department of accounting and general services
2 shall preserve and protect Washington Place, including the
3 grounds and the historic residence situated on its premises at
4 Miller and Beretania Streets in Honolulu. The department shall
5 administer, manage, operate, and maintain Washington Place and
6 the trust fund created under subsection (i).

7 (i) There is established a trust fund in the state
8 treasury to be known as the Washington Place trust fund, into
9 which shall be deposited:

- 10 (1) All rents and fees collected for the use of Washington
11 Place and from activities conducted on the premises;
- 12 (2) All other money received for the fund from any other
13 source; and
- 14 (3) All income and interest earned or accrued on moneys
15 deposited into the trust fund.

16 All moneys deposited into the trust fund shall be expended
17 by the department of accounting and general services and used
18 exclusively to implement the provisions of subsection (h),
19 including for staff salaries and fringe benefits, and shall not
20 be transferred, nor subject to transfer, to the general fund or
21 any other fund in the state treasury.



1 (j) There is established the convention center enterprise
2 special fund, into which shall be deposited:

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

5 (2) All revenues or moneys derived from the operations of
6 the convention center to include all revenues from the
7 food and beverage service, all revenues from the
8 parking facilities or from any concession, and all
9 revenues from the sale of souvenirs, logo items, or
10 any other items offered for purchase at the convention
11 center;

12 (3) Private contributions, interest, compensation, gross
13 or net revenues, proceeds, or other moneys derived
14 from any source or for any purpose arising from the
15 use of the convention center facility; and

16 (4) Appropriations by the legislature for marketing the
17 facility pursuant to subsection (b)(14).

18 Moneys in the convention center enterprise special fund shall be
19 used by the department for the payment of expenses arising from
20 any and all use, operation, maintenance, alteration,
21 improvement, or any unforeseen or unplanned repairs of the



1 convention center, including without limitation the food and
2 beverage service and parking service provided at the convention
3 center facility, the sale of souvenirs, logo items, or other
4 items, for any future major repair, maintenance, and improvement
5 of the convention center facility as a commercial enterprise or
6 as a world class facility for conventions, entertainment, or
7 public events, and for marketing the facility pursuant to
8 subsection (b)(14).

9 Moneys in the convention center enterprise special fund may
10 be placed in interest-bearing accounts; provided that the
11 depository in which the money is deposited furnishes security as
12 provided in section 38-3 or otherwise invested by the department
13 until such time as the moneys may be needed; provided that the
14 department shall limit its investments to those listed in
15 section 36-21. All interest accruing from investment of the
16 moneys shall be credited to the convention center enterprise
17 special fund."

18 SECTION 3. Section 36-27, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) Except as provided in this section, and
21 notwithstanding any other law to the contrary, from time to



1 time, the director of finance, for the purpose of defraying the
2 prorated estimate of central service expenses of government in
3 relation to all special funds, except the:

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

6 (2) School cafeteria special funds of the department of
7 education;

8 (3) Special funds of the University of Hawaii;

9 (4) Convention center enterprise special fund under
10 section [~~201B-8,~~] 26-6(j);

11 (5) Special funds established by section 206E-6;

12 (6) Aloha Tower fund created by section 206J-17;

13 (7) Funds of the employees' retirement system created by
14 section 88-109;

15 (8) Hawaii hurricane relief fund established under chapter
16 431P;

17 (9) Hawaii health systems corporation special funds and
18 the subaccounts of its regional system boards;

19 (10) Universal service fund established under section 269-
20 42;



- 1 (11) Emergency and budget reserve fund under section 328L-
- 2 3;
- 3 (12) Public schools special fees and charges fund under
- 4 section 302A-1130;
- 5 (13) Sport fish special fund under section 187A-9.5;
- 6 (14) Neurotrauma special fund under section 321H-4;
- 7 (15) Glass advance disposal fee established by section
- 8 342G-82;
- 9 (16) Center for nursing special fund under section 304A-
- 10 2163;
- 11 (17) Passenger facility charge special fund established by
- 12 section 261-5.5;
- 13 (18) Solicitation of funds for charitable purposes special
- 14 fund established by section 467B-15;
- 15 (19) Land conservation fund established by section 173A-5;
- 16 (20) Court interpreting services revolving fund under
- 17 section 607-1.5;
- 18 (21) Trauma system special fund under section 321-22.5;
- 19 (22) Hawaii cancer research special fund;
- 20 (23) Community health centers special fund;
- 21 (24) Emergency medical services special fund;



- 1 (25) Rental motor vehicle customer facility charge special
2 fund established under section 261-5.6;
- 3 (26) Shared services technology special fund under section
4 27-43;
- 5 (27) Automated victim information and notification system
6 special fund established under section 353-136;
- 7 (28) Deposit beverage container deposit special fund under
8 section 342G-104;
- 9 (29) Hospital sustainability program special fund under
10 section 346G-4;
- 11 (30) Nursing facility sustainability program special fund
12 under section 346F-4;
- 13 (31) Hawaii 3R's school improvement fund under section
14 302A-1502.4;
- 15 (32) After-school plus program revolving fund under section
16 302A-1149.5;
- 17 (33) Civil monetary penalty special fund under section 321-
18 30.2; and
- 19 [+] (34) [+] Stadium development special fund under section 109-
20 3.5,



1 shall deduct five per cent of all receipts of all other special
2 funds, which deduction shall be transferred to the general fund
3 of the State and become general realizations of the State. All
4 officers of the State and other persons having power to allocate
5 or disburse any special funds shall cooperate with the director
6 in effecting these transfers. To determine the proper revenue
7 base upon which the central service assessment is to be
8 calculated, the director shall adopt rules pursuant to chapter
9 91 for the purpose of suspending or limiting the application of
10 the central service assessment of any fund. No later than
11 twenty days prior to the convening of each regular session of
12 the legislature, the director shall report all central service
13 assessments made during the preceding fiscal year."

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

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

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

19 (2) School cafeteria special funds of the department of
20 education;

21 (3) Special funds of the University of Hawaii;



- 1 (4) Special funds established by section 206E-6;
- 2 (5) Aloha Tower fund created by section 206J-17;
- 3 (6) Funds of the employees' retirement system created by
- 4 section 88-109;
- 5 (7) Hawaii hurricane relief fund established under chapter
- 6 431P;
- 7 (8) Convention center enterprise special fund established
- 8 under section [~~201B-87~~] 26-6(j);
- 9 (9) Hawaii health systems corporation special funds and
- 10 the subaccounts of its regional system boards;
- 11 (10) Universal service fund established under section 269-
- 12 42;
- 13 (11) Emergency and budget reserve fund under section 328L-
- 14 3;
- 15 (12) Public schools special fees and charges fund under
- 16 section 302A-1130;
- 17 (13) Sport fish special fund under section 187A-9.5;
- 18 (14) Neurotrauma special fund under section 321H-4;
- 19 (15) Center for nursing special fund under section 304A-
- 20 2163;



- 1 (16) Passenger facility charge special fund established by
- 2 section 261-5.5;
- 3 (17) Court interpreting services revolving fund under
- 4 section 607-1.5;
- 5 (18) Trauma system special fund under section 321-22.5;
- 6 (19) Hawaii cancer research special fund;
- 7 (20) Community health centers special fund;
- 8 (21) Emergency medical services special fund;
- 9 (22) Rental motor vehicle customer facility charge special
- 10 fund established under section 261-5.6;
- 11 (23) Shared services technology special fund under section
- 12 27-43;
- 13 (24) Nursing facility sustainability program special fund
- 14 established pursuant to section 346F-4;
- 15 (25) Automated victim information and notification system
- 16 special fund established under section 353-136;
- 17 (26) Hospital sustainability program special fund under
- 18 section 346G-4;
- 19 (27) Civil monetary penalty special fund under section 321-
- 20 30.2; and



1 [†] (28) [†] Stadium development special fund under section 109-
2 3.5,
3 shall be responsible for its pro rata share of the
4 administrative expenses incurred by the department responsible
5 for the operations supported by the special fund concerned."

6 SECTION 5. Section 46-11, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§46-11 Federal flood insurance.** The [~~Hawaii tourism~~
9 ~~authority~~] department of accounting and general services in
10 regard to the convention center district and the mayor or
11 executive officer and the council of the various counties, in
12 regard to the respective counties, may participate and apply on
13 behalf of their respective district and counties for flood
14 insurance coverage pursuant to any applicable provisions of
15 Public Law 1016, Eighty-fourth Congress, Second Session, (70
16 Stat. 1078). The [~~Hawaii tourism authority,~~] department of
17 accounting and general services, in regard to the convention
18 center district, and the mayor or executive officer and the
19 council of the various counties, in regard to the respective
20 counties, shall be vested with the functions, powers, and duties
21 which are necessary to enable their respective district and



1 counties to qualify, participate, and apply for the flood
2 insurance coverage."

3 SECTION 6. Section 201B-1, Hawaii Revised Statutes, is
4 amended by deleting the definition of "convention center
5 facility".

6 [~~"Convention center facility" or "convention center" means~~
7 ~~any combination of land, buildings, and improvements thereon,~~
8 ~~acquired or developed by the State, and includes exhibition~~
9 ~~halls, meeting rooms, a plenary session hall, and support space~~
10 ~~that reflect a Hawaiian sense of place; any other structure or~~
11 ~~facility required or useful for the operation of a convention~~
12 ~~center, including commercial, office, community service,~~
13 ~~parking, garage, and other supporting service structures; and,~~
14 ~~all necessary, useful, and related equipment, furnishings, and~~
15 ~~appurtenances.]~~

16 SECTION 7. Section 201B-3, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) Except as otherwise limited by this chapter, the
19 authority may:

20 (1) Sue and be sued;

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



- 1 (3) Through its president and chief executive officer,
2 make and execute contracts and all other instruments
3 necessary or convenient for the exercise of its powers
4 and functions under this chapter; provided that the
5 authority may enter into contracts and agreements for
6 a period of up to five years, subject to the
7 availability of funds; [~~and provided further that the~~
8 ~~authority may enter into agreements for the use of the~~
9 ~~convention center facility for a period of up to ten~~
10 ~~years;~~]
- 11 (4) Make and alter bylaws for its organization and
12 internal management;
- 13 (5) Unless otherwise provided in this chapter, adopt rules
14 in accordance with chapter 91 with respect to its
15 projects, operations, properties, and facilities;
- 16 (6) Through its president and chief executive officer,
17 represent the authority in communications with the
18 governor and the legislature;
- 19 (7) Through its president and chief executive officer,
20 provide for the appointment of officers, agents, a
21 sports coordinator, and employees, subject to the



1 approval of the board, prescribing their duties and
2 qualifications, and fixing their salaries, without
3 regard to chapters 76 and 78, if funds have been
4 appropriated by the legislature and allotted as
5 provided by law;

6 (8) Through its president and chief executive officer,
7 purchase supplies, equipment, or furniture;

8 (9) Through its president and chief executive officer,
9 allocate the space or spaces that are to be occupied
10 by the authority and appropriate staff;

11 (10) Through its president and chief executive officer,
12 engage the services of qualified persons to implement
13 the State's tourism marketing plan or portions thereof
14 as determined by the authority;

15 (11) Through its president and chief executive officer,
16 engage the services of consultants on a contractual
17 basis for rendering professional and technical
18 assistance and advice;

19 (12) Procure insurance against any loss in connection with
20 its property and other assets and operations in
21 amounts and from insurers as it deems desirable;



- 1 (13) 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 (14) Develop, coordinate, and implement state policies and
5 directions for tourism and related activities taking
6 into account the economic, social, and physical
7 impacts of tourism on the State, Hawaii's natural
8 environment, and areas frequented by visitors;
- 9 (15) Have a permanent, strong focus on Hawaii brand
10 management;
- 11 (16) Coordinate all agencies and advise the private sector
12 in the development of tourism-related activities and
13 resources;
- 14 (17) Work to eliminate or reduce barriers to travel to
15 provide a positive and competitive business
16 environment, including coordinating with the
17 department of transportation on issues affecting
18 airlines and air route development;
- 19 (18) Market and promote sports-related activities and
20 events;



- 1 (19) Coordinate the development of new products with the
2 counties and other persons in the public sector and
3 private sector, including the development of sports,
4 culture, health and wellness, education, technology,
5 agriculture, and nature tourism;
- 6 (20) Establish a public information and educational program
7 to inform the public of tourism and tourism-related
8 problems;
- 9 (21) Encourage the development of tourism educational,
10 training, and career counseling programs;
- 11 (22) Establish a program to monitor, investigate, and
12 respond to complaints about problems resulting
13 directly or indirectly from the tourism industry and
14 taking appropriate action as necessary; and
- 15 (23) Develop and implement emergency measures to respond to
16 any adverse effects on the tourism industry, pursuant
17 to section 201B-9[+].
- 18 [~~24~~] ~~Set and collect rents, fees, charges, or other~~
19 ~~payments for the lease, use, occupancy, or disposition~~
20 ~~of the convention center facility without regard to~~
21 ~~chapter 91;~~



1 ~~(25) Notwithstanding chapter 171, acquire, lease as lessee~~
2 ~~or lessor, own, rent, hold, and dispose of the~~
3 ~~convention center facility in the exercise of its~~
4 ~~powers and the performance of its duties under this~~
5 ~~chapter; and~~

6 ~~(26) Acquire by purchase, lease, or otherwise, and develop,~~
7 ~~construct, operate, own, manage, repair, reconstruct,~~
8 ~~enlarge, or otherwise effectuate, either directly or~~
9 ~~through developers, a convention center facility.]"~~

10 SECTION 8. Section 201B-7, Hawaii Revised Statutes, is
11 amended by amending subsection (a) to read as follows:

12 "(a) The authority may enter into contracts and agreements
13 that include the following:

- 14 (1) Tourism promotion, marketing, and development;
- 15 (2) Market development-related research;
- 16 (3) Product development and diversification issues focused
17 on visitors;
- 18 (4) Promotion, development, and coordination of sports-
19 related activities and events;



- 1 (5) Promotion of Hawaii, through a coordinated statewide
- 2 effort, as a place to do business, including high
- 3 technology business, and as a business destination;
- 4 (6) Reduction of barriers to travel;
- 5 ~~[(7) Marketing, management, use, operation, or maintenance~~
- 6 ~~of the convention center facility, including the~~
- 7 ~~purchase or sale of goods or services, logo items,~~
- 8 ~~concessions, sponsorships, and license agreements, or~~
- 9 ~~any use of the convention center facility as a~~
- 10 ~~commercial enterprise; provided that effective January~~
- 11 ~~1, 2020, and thereafter, contracts issued pursuant to~~
- 12 ~~this paragraph for the marketing of all uses of the~~
- 13 ~~convention center facility may be issued separately~~
- 14 ~~from the management, use, operation, or maintenance of~~
- 15 ~~the facility;~~
- 16 ~~-(8)]~~ (7) Tourism research and statistics to:
- 17 (A) Measure and analyze tourism trends;
- 18 (B) Provide information and research to assist in the
- 19 development and implementation of state tourism
- 20 policy; and
- 21 (C) Provide tourism information on:

- 1 (i) Visitor arrivals, visitor characteristics,
2 and expenditures;
 - 3 (ii) The number of transient accommodation units
4 available, occupancy rates, and room rates;
 - 5 (iii) Airline-related data including seat capacity
6 and number of flights;
 - 7 (iv) The economic, social, and physical impacts
8 of tourism on the State; and
 - 9 (v) The effects of the marketing programs of the
10 authority on the measures of effectiveness
11 developed pursuant to section 201B-6(b); and
- 12 ~~[+9]~~ (8) Any and all other activities necessary to carry
13 out the intent of this chapter;

14 provided that the authority shall periodically submit a report
15 of the contracts and agreements entered into by the authority to
16 the governor, the speaker of the house of representatives, and
17 the president of the senate."

18 SECTION 9. Section 201B-7.5, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "[+]§201B-7.5[+] **Applicability of Hawaii public**
21 **procurement code; convention center contractor; construction**



1 **contracts.** The construction contracts for the maintenance of
2 the convention center facility by the private contractor that
3 operates the convention center, by its direct or indirect
4 receipt of, and its expenditure of, public funds from the
5 department of [~~business, economic development, and tourism or~~
6 ~~the authority, or both,~~] accounting and general services shall
7 be subject to part III of chapter 103D."

8 SECTION 10. Section 237-24.75, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§237-24.75 Additional exemptions.** In addition to the
11 amounts exempt under section 237-24, this chapter shall not
12 apply to:

- 13 (1) Amounts received as a beverage container deposit
14 collected under chapter 342G, part VIII;
- 15 (2) Amounts received by the operator of the Hawaii
16 convention center for reimbursement of costs or
17 advances made pursuant to a contract with the [~~Hawaii~~
18 ~~tourism authority~~] department of accounting and
19 general services under section [~~201B-7;~~] 26-6; and
20 (3) Amounts received by a professional employer
21 organization that is registered with the department of



1 labor and industrial relations pursuant to chapter
2 373L, from a client company equal to amounts that are
3 disbursed by the professional employer organization
4 for employee wages, salaries, payroll taxes, insurance
5 premiums, and benefits, including retirement,
6 vacation, sick leave, health benefits, and similar
7 employment benefits with respect to covered employees
8 at a client company; provided that this exemption
9 shall not apply to amounts received by a professional
10 employer organization after:

11 (A) Notification from the department of labor and
12 industrial relations that the professional
13 employer organization has not fulfilled or
14 maintained the registration requirements under
15 this chapter; or

16 (B) A determination by the department that the
17 professional employer organization has failed to
18 pay any tax withholding for covered employees or
19 any federal or state taxes for which the
20 professional employer organization is
21 responsible.



1 As used in this paragraph, "professional employer
2 organization", "client company", and "covered
3 employee" shall have the meanings provided in section
4 373L-1."

5 SECTION 11. Section 237D-6.5, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) Except for the revenues collected pursuant to section
8 237D-2(e), revenues collected under this chapter shall be
9 distributed in the following priority, with the excess revenues
10 to be deposited into the general fund:

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



- 1 (2) \$11,000,000 shall be allocated to the convention
2 center enterprise special fund established under
3 section [~~201B-87~~] 26-6(j);
- 4 (3) An allocation shall be deposited into the tourism
5 emergency special fund, established in section 201B-
6 10, in a manner sufficient to maintain a fund balance
7 of \$5,000,000 in the tourism emergency special fund;
8 and
- 9 (4) \$3,000,000 shall be allocated to the special land and
10 development fund established under section 171-19;
11 provided that the allocation shall be expended in
12 accordance with the Hawaii tourism authority strategic
13 plan for:
 - 14 (A) The protection, preservation, maintenance, and
15 enhancement of natural resources, including
16 beaches, important to the visitor industry;
 - 17 (B) Planning, construction, and repair of facilities;
18 and
 - 19 (C) Operation and maintenance costs of public lands,
20 including beaches, connected with enhancing the
21 visitor experience.



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 12. Section 201B-8, Hawaii Revised Statutes, is
 9 repealed.

10 [~~"§201B-8 Convention center enterprise special fund. (a)~~
 11 ~~There is established the convention center enterprise special~~
 12 ~~fund, into which shall be deposited:~~

- 13 (1) ~~A portion of the revenues from the transient~~
 14 ~~accommodations tax, as provided by section 237D-6.5;~~
- 15 (2) ~~All revenues or moneys derived from the operations of~~
 16 ~~the convention center to include all revenues from the~~
 17 ~~food and beverage service, all revenues from the~~
 18 ~~parking facilities or from any concession, and all~~
 19 ~~revenues from the sale of souvenirs, logo items, or~~
 20 ~~any other items offered for purchase at the convention~~
 21 ~~center;~~



1 ~~(3) Private contributions, interest, compensation, gross~~
2 ~~or net revenues, proceeds, or other moneys derived~~
3 ~~from any source or for any purpose arising from the~~
4 ~~use of the convention center facility; and~~

5 ~~(4) Appropriations by the legislature for marketing the~~
6 ~~facility pursuant to section 201B-7(a)(7).~~

7 ~~(b) Moneys in the convention center enterprise special~~
8 ~~fund shall be used by the authority for the payment of expenses~~
9 ~~arising from any and all use, operation, maintenance,~~
10 ~~alteration, improvement, or any unforeseen or unplanned repairs~~
11 ~~of the convention center, including without limitation the food~~
12 ~~and beverage service and parking service provided at the~~
13 ~~convention center facility, the sale of souvenirs, logo items,~~
14 ~~or other items, for any future major repair, maintenance, and~~
15 ~~improvement of the convention center facility as a commercial~~
16 ~~enterprise or as a world class facility for conventions,~~
17 ~~entertainment, or public events, and for marketing the facility~~
18 ~~pursuant to section 201B-7(a)(7).~~

19 ~~(c) Moneys in the convention center enterprise special~~
20 ~~fund may be:~~



- 1 ~~(1) Placed in interest bearing accounts; provided that the~~
- 2 ~~depository in which the money is deposited furnishes~~
- 3 ~~security as provided in section 38-3; or~~
- 4 ~~(2) Otherwise invested by the authority until such time as~~
- 5 ~~the moneys may be needed; provided that the authority~~
- 6 ~~shall limit its investments to those listed in section~~
- 7 ~~36-21.~~

8 ~~All interest accruing from investment of the moneys shall be~~
9 ~~credited to the convention center enterprise special fund."]~~

10 SECTION 13. All rights, powers, functions, and duties of
11 the department of business, economic development, and tourism
12 and Hawaii tourism authority are transferred to the department
13 of accounting and general services as they pertain to the Hawaii
14 convention center.

15 All officers and employees whose functions are transferred
16 by this Act shall be transferred with their functions and shall
17 continue to perform their regular duties upon their transfer,
18 subject to the state personnel laws and this Act.

19 No officer or employee of the State having tenure shall
20 suffer any loss of salary, seniority, prior service credit,
21 vacation, sick leave, or other employee benefit or privilege as



1 a consequence of this Act, and such officer or employee may be
2 transferred or appointed to a civil service position without the
3 necessity of examination; provided that the officer or employee
4 possesses the minimum qualifications for the position to which
5 transferred or appointed; and provided that subsequent changes
6 in status may be made pursuant to applicable civil service and
7 compensation laws.

8 An officer or employee of the State who does not have
9 tenure and who may be transferred or appointed to a civil
10 service position as a consequence of this Act shall become a
11 civil service employee without the loss of salary, seniority,
12 prior service credit, vacation, sick leave, or other employee
13 benefits or privileges and without the necessity of examination;
14 provided that such officer or employee possesses the minimum
15 qualifications for the position to which transferred or
16 appointed.

17 If an office or position held by an officer or employee
18 having tenure is abolished, the officer or employee shall not
19 thereby be separated from public employment, but shall remain in
20 the employment of the State with the same pay and classification
21 and shall be transferred to some other office or position for



1 which the officer or employee is eligible under the personnel
2 laws of the State as determined by the head of the department or
3 the governor.

4 SECTION 14. All appropriations, records, equipment,
5 machines, files, supplies, contracts, books, papers, documents,
6 maps, and other personal property heretofore made, used,
7 acquired, or held by the department of business, economic
8 development, and tourism, or the Hawaii tourism authority,
9 relating to the functions transferred to the department of
10 accounting and general services shall be transferred with the
11 functions to which they relate.

12 SECTION 15. All deeds, leases, contracts, loans,
13 agreements, permits, or other documents executed or entered into
14 by or on behalf of the department of business, economic
15 development, and tourism or the Hawaii tourism authority as they
16 pertain to the Hawaii convention center, pursuant to the
17 provisions of the Hawaii Revised Statutes, that are reenacted or
18 made applicable to the department of accounting and general
19 services by this Act shall remain in full force and effect.
20 Upon the effective date of this Act, every reference to the
21 department of business, economic development, and tourism or the



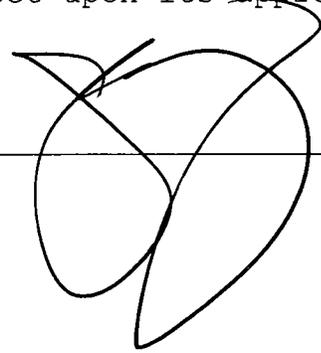
1 director, or the Hawaii tourism authority or the Hawaii tourism
2 authority board, as they pertain to the Hawaii convention
3 center, therein shall be construed as a reference to the
4 department of accounting and general services or the
5 comptroller, as appropriate.

6 SECTION 16. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 17. This Act shall take effect upon its approval.

9

INTRODUCED BY: _____

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S.B. NO. 2765

Report Title:

DAGS; HTA; DBEDT; State Convention Center; Transfer of Oversight; Special Fund

Description:

Transfers oversight of the Hawaii Convention Center and the Hawaii Convention Center Enterprise Special Fund from the Hawaii Tourism Authority to the Department of Accounting and General Services.

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

