

JAN 25 2012

A BILL FOR AN ACT

RELATING TO DEVELOPMENT.

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

1 SECTION 1. The legislature finds that the use of public
2 lands and facilities needs to be maximized and mixed-use
3 development needs to be encouraged through public-private
4 partnerships.

5 The purpose of this Act is to transfer the Aloha Tower
6 development corporation to the jurisdiction of the public land
7 development corporation.

8 PART I

9 SECTION 2. Chapter 171C, Hawaii Revised Statutes, is
10 amended by adding a new part to be appropriately designated and
11 to read as follows:

12 **"PART II. ALOHA TOWER**

13 **§171C-A Aloha Tower development corporation transfer to**
14 **public lands development corporation.** Effective July 1, 2013,
15 the public lands development corporation shall assume the
16 jurisdiction over the Aloha Tower complex as it existed prior to
17 July 1, 2013. Title to lands in the Aloha Tower complex held by
18 the department of transportation pursuant to this part,



1 including title to lands prior to July 1, 2013, shall remain
2 with the department of transportation for purposes of this part.
3 Maritime functions of and lease agreements and extended lease
4 agreements entered into by the department of transportation
5 prior to July 1, 2013, that involve sites within Aloha Tower
6 complex, as defined in section 171C-D, shall remain with the
7 department of transportation.

8 **§171C-B Findings and purpose.** The legislature finds that
9 the area in downtown Honolulu on the waterfront, including the
10 Hale Awa Ku Moku Building and Irwin Memorial Park, hereinafter
11 called the Aloha Tower complex, is one of the most valuable
12 properties in downtown Honolulu and that certain portions of
13 this area should be redeveloped, renovated, or improved to
14 better serve the economic, maritime, and recreational needs of
15 the people of Hawaii.

16 The legislature further finds that the Aloha Tower complex
17 still serves a vital maritime function that must be maintained
18 to insure adequacy and viability for existing and future
19 maritime activities.

20 The purpose of this part is to undertake the redevelopment
21 of the Aloha Tower complex to strengthen the international
22 economic base of the community in trade activities, to enhance



1 the beautification of the waterfront, and in conjunction with
2 the department of transportation, to better serve modern
3 maritime uses, and to provide for public access and use of the
4 waterfront property. Properly developed, the Aloha Tower
5 complex will further serve as a stimulant to the commercial
6 activities of the downtown business community and help transform
7 the waterfront into a "people place."

8 The legislature finds and determines that the purpose of
9 this part is in the public interest and constitutes a valid
10 public purpose.

11 **§171C-C Definitions.** As used in this part, unless the
12 context clearly requires otherwise:

13 "Bonds" means revenue bonds, special facilities revenue
14 bonds, notes, or other instruments of indebtedness of the
15 corporation issued under this part and shall include refunding
16 bonds.

17 "Maritime" means the administration of chapter 266 by the
18 department of transportation.

19 "Project" means an undertaking of work or improvement of
20 public or private real or personal property or any interest
21 therein, developed, acquired, constructed, reconstructed,
22 rehabilitated, improved, altered, or repaired by the



1 corporation, by itself or in conjunction with qualified persons,
2 and including public facilities and, any law to the contrary
3 notwithstanding, facilities for and functionally related and
4 subordinate to maritime purposes.

5 "Project cost" means the total cost in carrying out all
6 undertakings that the corporation deems reasonable and necessary
7 for the development of a project, including but not limited to
8 the cost of studies, surveys, plans, and specifications,
9 architectural, design, engineering, or any other special related
10 services; the cost of site preparation and development,
11 demolition, construction, reconstruction, rehabilitation, and
12 improvement; the cost of financing such project, including
13 interest on bonds issued to finance such project from the date
14 thereof to the estimated date of completion of such project as
15 determined by the board; the cost of an allocable portion of the
16 administrative and operating expenses of the corporation related
17 to the development of such project; and the cost of any
18 indemnity and surety bonds, premiums on policies of insurance,
19 legal fees, and fees and expenses of trustees, depositories, and
20 paying agents for the bonds; all as the corporation shall deem
21 necessary.



1 "Public agency" means any office, department, board,
2 commission, bureau, division, public corporation, agency, or
3 instrumentality of the federal, state, or county government.

4 "Public facilities" means streets, utility and service
5 corridors, and utility lines where applicable, sufficient to
6 adequately service developable improvements in the area, parking
7 garages, sidewalks, pedestrian ways, parks, and other community
8 facilities.

9 "Qualified person" means any individual, partnership,
10 corporation, or any public agency, possessing the competence,
11 expertise, experience, and resources, including financial,
12 personnel, and tangible resources, required for the purposes of
13 the project and such other qualifications as may be deemed
14 desirable by the corporation in administering this part.

15 "Real property" means lands, structures, and interests
16 therein and natural resources including water, minerals, and all
17 such things connected with land, including lands under water and
18 riparian rights, space rights, and air rights and any and all
19 other things and rights usually included within the term. Real
20 property also means any and all interests in such property less
21 than fee title, such as leasehold interests, easements,
22 incorporeal hereditaments, and every estate, interest, or right,



1 legal or equitable, including terms for years and liens thereon
2 by way of judgments, mortgages, or otherwise.

3 **"§171C-D Aloha Tower complex; designated boundaries.** The

4 Aloha Tower complex shall include the area bounded by Nimitz

5 Highway beginning at its intersection with the Diamond Head

6 boundary of tax map key 2-1-13:7 north along Nimitz Highway to

7 its intersection at Pier 11 and Nimitz Highway; southwest along

8 the face of Piers 10 and 11; southeast along the face of Pier 9;

9 northeast along the face of Pier 8; southeast parallel along the

10 revetment of Ala Moana Boulevard and to include Pier 7;

11 southwest along Pier 6 and its shoreline and around to Pier 5

12 and its shoreline; northeast to Ala Moana Boulevard; north along

13 Nimitz Highway to its intersection with Richards Street;

14 southwest along Richards Street to its intersection with Ala

15 Moana Boulevard; northwest along Ala Moana Boulevard to its

16 intersection with the Ewa boundary of tax map key 2-1-14:6;

17 northeast along the Ewa boundary of tax map key 2-1-14:6 to its

18 Ewa mauka corner; and northwest across Bishop Street to the

19 point of beginning at the intersection of the Diamond Head

20 boundary of tax map key 2-1-13:7 and Nimitz Highway.



1 **§171C-E Limitations on the powers of the corporation.** (a)

2 The corporation shall not sell any fast or submerged lands of
3 the Aloha Tower complex as established by this part.

4 (b) The corporation shall preserve the Aloha Tower as an
5 historical monument and shall not sell, remove, demolish,
6 deface, or alter the structure in any reasonable degree to
7 lessen its historical value to the community. However, and
8 notwithstanding any other law to the contrary, repairs,
9 maintenance, relocation of pier platforms, or any essential
10 reconstruction necessary for the preservation of the Aloha Tower
11 as a historical monument shall be permissible.

12 (c) Irwin Memorial Park shall be retained as a public park
13 subject to the reservations and conditions set forth in the deed
14 of Helene Irwin Fagan to the Territory of Hawaii.

15 (d) The corporation or its lessees shall not exercise any
16 jurisdiction over the provided replacement facilities located
17 within the Aloha Tower complex required for necessary maritime
18 purposes and activities (hereinafter "maritime facilities").
19 Jurisdiction over any such replacement facilities shall be in
20 the department of transportation. Facilities functionally
21 related to maritime purposes and the purposes outlined in the
22 development plan for the Aloha Tower complex, such as hotel



1 facilities for maritime passengers and waterfront visitors,
2 concession facilities adjacent to maritime terminal facilities,
3 public parking facilities which are situated on property not
4 currently under the jurisdiction of the department of
5 transportation, and commercial, retail, residential, and office
6 facilities may be under the jurisdiction of the corporation or
7 its lessees.

8 **§171C-F Use of public lands.** Without regard to chapter
9 171, the governor may set aside or any department or agency of
10 the State may lease applicable portions of the area designated
11 as the Aloha Tower complex to the corporation for the purpose
12 specified in this part; provided that any setting aside does not
13 impair any covenant between the State or any department or board
14 thereof and holders of revenue bonds issued by the State or such
15 department or board, or the corporation may lease applicable
16 portions of the Aloha Tower complex from the department of
17 transportation. The corporation shall annually reimburse to the
18 department of transportation any losses in revenues caused by
19 any action of the corporation. The corporation shall provide
20 replacement facilities for maritime activities at no cost to the
21 department of transportation.



1 **§171C-G Construction contracts.** The corporation shall
2 award construction contracts in conformity with chapter 103D and
3 this part.

4 **§171C-H Public projects.** Any project or activity of any
5 public agency of the State in the Aloha Tower complex shall be
6 constructed, renovated, or improved in consultation with the
7 corporation and the department of transportation.

8 **§171C-I Lease of projects.** The corporation may lease
9 without public auction, for a term not exceeding sixty-five
10 years, all or any portion of the real, personal, or mixed
11 property constituting a project under its jurisdiction as
12 provided herein to any qualified person, upon such terms and
13 conditions as may be approved by the board, if the board finds
14 that the lease conforms with the development plan for the Aloha
15 Tower complex. Notwithstanding any other provision to the
16 contrary, the corporation shall establish requirements and
17 conditions relating to the terms of lease and the qualifications
18 of any person to apply for such lease.

19 **§171C-J Bonds; bond anticipation notes.** (a) The
20 corporation, with the approval of the governor, may issue bonds
21 in such amounts as authorized from time to time by law and as
22 deemed advisable for any of its corporate purposes. The



1 principal of, premium, if any, and interest on such bonds shall
2 be payable, subject to the prior payment to the harbor special
3 fund for the loss of revenues or incurrence of costs and
4 expenses because of any action taken by the corporation or of
5 any rent payable to the department of transportation for the
6 lease of properties within the Aloha Tower complex:

7 (1) Exclusively from the moneys derived from rates,
8 rentals, fees, and charges of the project financed
9 with the proceeds of such bonds imposed under section
10 171C-4, or from such moneys together with any grant
11 from the government in aid of such project;

12 (2) Exclusively from the moneys derived from rates,
13 rentals, fees, and charges of certain designated
14 projects imposed under section 171C-4, whether or not
15 they are financed in whole or in part with the
16 proceeds of the bonds; or

17 (3) From the moneys derived from rates, rentals, fees, and
18 charges imposed under section 171C-4, generally, and
19 any other revenues derived by the corporation from
20 whatever source.

21 All revenue bonds authorized by this section shall be issued
22 pursuant to part III of chapter 39, except as provided in this



1 part. The bonds shall be secured by a pledge of such moneys and
2 may be additionally secured by a mortgage of any project or
3 other property of the corporation to the extent of its interest
4 therein. Neither the board members nor any person executing the
5 bonds shall be liable personally on the bonds by reason of the
6 issuance thereof.

7 (b) Bonds issued pursuant to this part may be in one or
8 more issues and in one or more series within an issue and shall
9 be authorized pursuant to resolution of the board. The bonds
10 shall be dated, may bear interest at such rate or rates payable
11 at such time or times as the corporation may determine with the
12 approval of the governor, except for deeply discounted bonds
13 which are subject to redemption or retirement at the accreted
14 value thereof; provided that the discounted value of such bonds
15 shall not exceed ten per cent of issue and no such bond shall be
16 issued without prior approval of the director of finance and the
17 governor, shall mature at such time or times not exceeding forty
18 years from their date or dates, shall have such rank or
19 priority, and may be made redeemable before maturity at the
20 option of the corporation, the holders, or either, at such price
21 or prices and under such terms and conditions, all as may be
22 determined by the corporation. The corporation shall determine



1 the form of the bonds, including any interest coupons to be
2 attached thereto, and the manner of execution of the bonds, and
3 shall fix the denomination or denominations of the bonds and,
4 subject to the approval of the state director of finance, the
5 place or places of payment of principal and interest, which may
6 be at any bank or trust company approved by the state director
7 of finance within or without the State. The bonds may be issued
8 in coupon or in registered form, or both, as the corporation may
9 determine, and provisions may be made for the registration of
10 any coupon bonds as to principal alone and also as to both
11 principal and interest, and for the reconversion into coupon
12 bonds of any bonds registered as to both principal and interest.
13 The corporation may sell bonds in such manner, either at public
14 or private sale, and for such price as it may determine.

15 (c) Prior to the preparation of definitive bonds, the
16 corporation may issue interim receipts or temporary bonds, with
17 or without coupons, exchangeable for definitive bonds when such
18 bonds have been executed and are available for delivery.

19 (d) Should any bond issued under this part or any coupon
20 appertaining thereto become mutilated or be lost, stolen, or
21 destroyed, the corporation may cause a new bond or coupon of
22 like date, number, and tenor to be executed and delivered in



1 exchange and substitution for, and upon the cancellation of such
2 mutilated bond or coupon, or in lieu of and in substitution for,
3 such lost, stolen, or destroyed bond or coupon. Such new bond
4 or coupon shall not be executed or delivered until the holder of
5 the mutilated, lost, stolen, or destroyed bond or coupon:

6 (1) Has paid the reasonable expense and charges in
7 connection therewith;

8 (2) In the case of a lost, stolen, or destroyed bond or
9 coupon, has filed with the corporation or its
10 fiduciary evidence satisfactory to the corporation or
11 its fiduciary that such bond or coupon was lost,
12 stolen, or destroyed and that the holder was the owner
13 thereof; and

14 (3) Has furnished indemnity satisfactory to the
15 corporation.

16 (e) The corporation in its discretion may provide that
17 CUSIP identification numbers shall be printed on such bonds. In
18 the event such numbers are imprinted on any such bonds:

19 (1) No such number shall constitute a part of the contract
20 evidenced by the particular bond upon which it is
21 imprinted; and



1 (2) No liability shall attach to the corporation or any
2 officer or agent thereof, including any fiscal agent,
3 paying agent, or registrar for such bonds by reason of
4 such numbers or any use made thereof, including any
5 use thereof made by the corporation, any such officer,
6 or any such agent, or by reason of any inaccuracy,
7 error, or omission with respect thereto or in such
8 use.

9 The corporation in its discretion may require that all costs of
10 obtaining and imprinting such numbers shall be paid by the
11 purchaser of such bonds.

12 For the purposes of this subsection, the term "CUSIP
13 identification numbers" means the numbering system adopted by
14 the Committee for Uniform Security Identification Procedures
15 formed by the Securities Industry Association.

16 (f) Whenever the corporation has authorized the issuance
17 of bonds under this part, bond anticipation notes of the
18 corporation may be issued in anticipation of the issuance of
19 such bonds and of the receipt of the proceeds of sale thereof,
20 for the purposes for which such bonds have been authorized. All
21 bond anticipation notes shall be authorized by the corporation,
22 and the maximum principal amount of such notes shall not exceed



1 the authorized principal amount of such bonds. The notes shall
2 be payable solely from and secured solely by the proceeds of
3 sale of the bonds in anticipation of which the notes are issued
4 and the moneys derived from rates, rents, fees, and charges, and
5 other revenues from which would be payable and by which would be
6 secured such bonds; provided that to the extent that the
7 principal of the notes shall be paid from moneys other than the
8 proceeds of sale of such bonds, the maximum amount of bonds that
9 has been authorized in anticipation of which the notes are
10 issued shall be reduced by the amount of notes paid in such
11 manner. The authorization, issuance, and the details of such
12 notes shall be governed by this part with respect to bonds
13 insofar as the same may be applicable; provided that each note,
14 together with all renewals and extensions thereof, or refundings
15 thereof by other notes issued under this subsection shall mature
16 within five years from the date of the original note.

17 (g) In order to secure the payment of any of the bonds
18 issued pursuant to this part, and interest thereon, or in
19 connection with such bonds, the corporation shall have the power
20 as to such bonds:

21 (1) To pledge all or any part of the moneys derived from
22 rates, rents, fees, and charges, and other revenues



1 derived by the corporation as provided in this part to
2 the punctual payment of bonds and interest thereon,
3 and to covenant against thereafter pledging any such
4 moneys and other revenues to any other bonds or any
5 other obligations of the corporation for any other
6 purpose, except as otherwise stated in the proceedings
7 providing for the issuance of bonds permitting the
8 issuance of additional bonds to be equally and ratably
9 secured by a lien upon such moneys and other revenues;

10 (2) To pledge and assign the interest of the corporation
11 under any lease and other agreements related to a
12 project and the rights, duties, and obligations of the
13 corporation thereunder, including the right to receive
14 payments thereunder;

15 (3) To covenant as to the use and disposition of the
16 proceeds from the sale of such bonds;

17 (4) To covenant to set aside or pay over reserves and
18 sinking funds for such bonds and as to the disposition
19 thereof;

20 (5) To covenant and prescribe as to what happenings or
21 occurrences shall constitute "events of default", the
22 terms and conditions upon which any or all of such



1 bonds shall become or may be declared due before
2 maturity, and as to the terms and conditions upon
3 which such declaration and its consequences may be
4 waived;

5 (6) To covenant as to the rights, liabilities, powers, and
6 duties arising upon the breach by it of any covenant,
7 condition, or obligation;

8 (7) Subject to the approval of the state director of
9 finance, to designate a national or state bank or
10 trust company within or without the State,
11 incorporated in the United States, to serve as trustee
12 for the holders of the bonds and to enter into a trust
13 indenture, trust agreement, or indenture of mortgage
14 with such trustee. The trustee may be authorized by
15 the corporation to receive and receipt for, hold, and
16 administer the proceeds of such bonds and to apply the
17 same to the purposes for which such bonds are issued,
18 or to receive and receipt for, hold, and administer
19 the moneys derived from rates, rents, fees, and
20 charges, and other revenues derived by the
21 corporation under a lease or other agreement related
22 to a project, and to apply such moneys and other



1 revenues to the payment of the principal of and
2 interest on such bonds, or both, and any excess moneys
3 and other revenues to the payment of expenses incurred
4 by the corporation in administering such bonds or in
5 carrying out such lease or other agreement. In the
6 event that such trustee shall be appointed, any trust
7 indenture, trust agreement, or indenture of mortgage
8 entered into by the corporation with the trustee may
9 contain whatever covenants and provisions as may be
10 necessary, convenient, or desirable in order to secure
11 such bonds. The corporation may pledge and assign to
12 the trustee the interest of the corporation under a
13 lease and other agreements related to a project and
14 the rights, duties, and obligations of the corporation
15 thereunder, including the right to receive revenues
16 thereunder. The corporation may appoint the trustee
17 to serve as fiscal agent for the payment of the
18 principal and interest, and for the purchase,
19 registration, transfer, exchange, and redemption of
20 the bonds, and may authorize and empower the trustee
21 to perform such functions with respect to such
22 payment, purchase, registration, transfer, exchange,



1 and redemption, as the corporation may deem necessary,
2 advisable, or expedient, including without limitation
3 the authentication of bonds and the holding of the
4 bonds and coupons which have been paid and the
5 supervision of the destruction thereof in accordance
6 with law;

7 (8) To execute all instruments necessary or convenient in
8 the exercise of the powers herein granted or in the
9 performance of its covenants and duties; and

10 (9) To make such covenants and do any and all acts and
11 things as may be necessary, convenient, or desirable
12 in order to secure such bonds, notwithstanding that
13 such covenants, acts, or things may not be enumerated
14 in this part.

15 No holder or holders of any bonds issued under this part
16 shall ever have the right to compel any exercise of taxing power
17 of the State to pay such bonds or the interest thereon and no
18 moneys other than the revenues pledged to such bonds shall be
19 applied to the payment thereof.

20 (h) Bonds bearing the signature or facsimile signature of
21 officers in office on the date of the signing thereof shall be
22 valid and sufficient for all purposes, notwithstanding that



1 before the delivery thereof and payment therefor any or all the
2 persons whose signatures appear thereon shall have ceased to be
3 officers of the corporation. The bonds shall contain a recital
4 that they are issued pursuant to this part which recital shall
5 be conclusive evidence of their validity and of the regularity
6 of their issuance.

7 (i) The corporation may issue bonds for the purpose of
8 refunding any bonds then outstanding and issued under this part
9 whether or not such outstanding bonds have matured or are then
10 subject to redemption. The corporation may issue bonds for the
11 combined purposes of:

12 (1) Financing or refinancing the cost of a project,
13 improvement, or expansion thereof; and

14 (2) Refunding bonds which shall theretofore have been
15 issued under this part and shall then be outstanding,
16 whether or not such outstanding bonds have matured or
17 are then subject to redemption.

18 Nothing in this subsection shall require or be deemed to require
19 the corporation to elect to redeem or prepay bonds being
20 refunded, or to redeem or prepay bonds being refunded which were
21 issued, in the form customarily known as term bonds in
22 accordance with any sinking fund installment schedule specified



1 in any proceedings authorizing the issuance thereof, or, in the
2 event the corporation elects to redeem or prepay any such bonds,
3 to redeem or prepay as of any particular date or dates. The
4 issuance of such bonds, the maturities and other details
5 thereof, the rights and remedies of the holders thereof, and the
6 rights, powers, privileges, duties, and obligations of the
7 corporation with respect to the bonds, shall be governed by the
8 foregoing provisions of this part insofar as the same may be
9 applicable.

10 **§171C-K State and political subdivisions not liable on**
11 **bonds.** The bonds and other obligations of the corporation (and
12 such bonds and obligations shall so state on their face) shall
13 not be a debt of the State or of any political subdivision;
14 neither the State nor any political subdivision shall be liable
15 thereon, nor in any event shall they be payable solely out of
16 funds or properties other than those of the corporation pledged
17 thereto.

18 **§171C-L Bonds exempt from taxation.** Bonds and the income
19 therefrom issued pursuant to this part shall be exempt from all
20 state and county taxation except estate and transfer taxes.

21 **§171C-M Bonds as legal investments and lawful security.**

22 Bonds issued pursuant to this part shall be and are declared to



1 be legal and authorized investments for banks, savings banks,
2 trust companies, savings and loan associations, insurance
3 companies, fiduciaries, trustees, guardians, and for all public
4 funds of the State or other political corporations or
5 subdivisions of the State. Such bonds shall be eligible to
6 secure the deposit of any and all public funds of the State and
7 any and all public funds of counties or other political
8 corporations or subdivisions of the State, and such bonds shall
9 be lawful and sufficient security for such deposits to the
10 extent of their value when accompanied by all unmatured coupons
11 appertaining thereto.

12 **§171C-N Exemption from taxation of corporation.** All
13 revenues derived by the corporation from any project or under a
14 lease or other agreement pertaining thereto shall be exempt from
15 all state and county taxation. Any right, title, and interest
16 of the corporation in any project shall also be exempt from all
17 state and county taxation. Except as otherwise provided by law,
18 the interest of a qualified person or other user of a project
19 under a lease or other agreements related to a project shall not
20 be exempt from taxation to a greater extent than it would be if
21 the costs of the project were directly financed by the qualified
22 person or other user.



1 **§171C-O Assistance by state and county agencies.** Every
2 state or county agency may render services upon request of the
3 corporation for purposes of this part.

4 **§171C-P Aloha Tower fund.** (a) There is created the Aloha
5 Tower fund. All moneys, rentals, charges, other revenues of the
6 corporation, and moneys or charges received by the department of
7 transportation, including reimbursements for costs and staff
8 services as a result of planning, development, or redevelopment
9 of the lands located seaward of Nimitz Highway between Pier 4
10 and Pier 11, shall be deposited into the fund.

11 (b) The corporation may establish a separate account with
12 respect to each issue of bonds issued under this part and direct
13 that the moneys, rentals, charges, and other revenues pledged to
14 the payment of the bond issue be credited to that account and,
15 as permitted by section 171C-J(g)(7), designate a trustee to
16 receive and receipt for, hold, and administer the moneys in the
17 account. Moneys credited to a separate account held by a
18 trustee may be paid directly to the trustee; provided that
19 appropriate entries are made for purposes of accounting.

20 (c) The moneys on deposit in the fund shall be used for
21 the purposes of this part, lease payments to the department of
22 transportation, and for the development, redevelopment, or



improvement of the Honolulu Waterfront located seaward of Nimitz Highway between Pier 4 and Pier 11.

§171C-Q Annual report. The corporation shall submit to the governor and the legislature, at least twenty days prior to the start of each regular session, a complete and detailed report of its activities relating to this part.

§171C-R Construction of this part. The powers conferred by this part shall be in addition and supplemental to the powers conferred on the corporation under part I."

PART II

SECTION 3. Section 26-18, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The following are placed in the department of business, economic development, and tourism for administrative purposes as defined by section 26-35: [~~Aloha Tower development corporation,~~] Hawaii community development authority, Hawaii housing finance and development corporation, high technology development corporation, land use commission, natural energy laboratory of Hawaii authority, and any other boards and commissions as shall be provided by law."

SECTION 4. Section 36-27, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:



1 "(a) Except as provided in this section, and
2 notwithstanding any other law to the contrary, from time to
3 time, the director of finance, for the purpose of defraying the
4 prorated estimate of central service expenses of government in
5 relation to all special funds, except the:

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

8 (2) School cafeteria special funds of the department of
9 education;

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

11 (4) State educational facilities improvement special fund;

12 (5) Convention center enterprise special fund under
13 section 201B-8;

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

15 (7) Housing loan program revenue bond special fund;

16 (8) Housing project bond special fund;

17 (9) Aloha Tower fund created by section ~~[206J-17]~~ 171C-P;

18 (10) Funds of the employees' retirement system created by
19 section 88-109;

20 (11) Unemployment compensation fund established under
21 section 383-121;



- 1 (12) Hawaii hurricane relief fund established under chapter
- 2 431P;
- 3 (13) Hawaii health systems corporation special funds and
- 4 the subaccounts of its regional system boards;
- 5 (14) Tourism special fund established under section 201B-
- 6 11;
- 7 (15) Universal service fund established under section 269-
- 8 42;
- 9 (16) Emergency and budget reserve fund under section 328L-
- 10 3;
- 11 (17) Public schools special fees and charges fund under
- 12 section 302A-1130;
- 13 (18) Sport fish special fund under section 187A-9.5;
- 14 (19) Glass advance disposal fee established by section
- 15 342G-82;
- 16 (20) Center for nursing special fund under section 304A-
- 17 2163;
- 18 (21) Passenger facility charge special fund established by
- 19 section 261-5.5;
- 20 (22) Court interpreting services revolving fund under
- 21 section 607-1.5;
- 22 (23) Hawaii cancer research special fund;



1 (24) Community health centers special fund;

2 (25) Emergency medical services special fund;

3 (26) Rental motor vehicle customer facility charge special
4 fund established under section 261-5.6; and

5 (27) Shared services technology special fund under section
6 27-43,

7 shall deduct five per cent of all receipts of all special funds,
8 which deduction shall be transferred to the general fund of the
9 State and become general realizations of the State. All

10 officers of the State and other persons having power to allocate
11 or disburse any special funds shall cooperate with the director
12 in effecting these transfers. To determine the proper revenue
13 base upon which the central service assessment is to be

14 calculated, the director shall adopt rules pursuant to chapter
15 91 for the purpose of suspending or limiting the application of
16 the central service assessment of any fund. No later than
17 twenty days prior to the convening of each regular session of
18 the legislature, the director shall report all central service
19 assessments made during the preceding fiscal year."

20 SECTION 5. Section 36-30, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:

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



- 1 (1) Transportation use special fund established by section
- 2 261D-1;
- 3 (2) Special out-of-school time instructional program fund
- 4 under section 302A-1310;
- 5 (3) School cafeteria special funds of the department of
- 6 education;
- 7 (4) Special funds of the University of Hawaii;
- 8 (5) State educational facilities improvement special fund;
- 9 (6) Special funds established by section 206E-6;
- 10 (7) Aloha Tower fund created by section [~~206J-17~~] 171C-P;
- 11 (8) Funds of the employees' retirement system created by
- 12 section 88-109;
- 13 (9) Unemployment compensation fund established under
- 14 section 383-121;
- 15 (10) Hawaii hurricane relief fund established under section
- 16 431P-2;
- 17 (11) Convention center enterprise special fund established
- 18 under section 201B-8;
- 19 (12) Hawaii health systems corporation special funds and
- 20 the subaccounts of its regional system boards;
- 21 (13) Tourism special fund established under section 201B-
- 22 11;



- 1 (14) Universal service fund established under section 269-
- 2 42;
- 3 (15) Emergency and budget reserve fund under section 328L-
- 4 3;
- 5 (16) Public schools special fees and charges fund under
- 6 section 302A-1130;
- 7 (17) Sport fish special fund under section 187A-9.5;
- 8 (18) Center for nursing special fund under section 304A-
- 9 2163;
- 10 (19) Passenger facility charge special fund established by
- 11 section 261-5.5;
- 12 (20) Court interpreting services revolving fund under
- 13 section 607-1.5;
- 14 (21) Hawaii cancer research special fund;
- 15 (22) Community health centers special fund;
- 16 (23) Emergency medical services special fund;
- 17 (24) Rental motor vehicle customer facility charge special
- 18 fund established under section 261-5.6; and
- 19 (25) Shared services technology special fund under section
- 20 27-43,



1 shall be responsible for its pro rata share of the
2 administrative expenses incurred by the department responsible
3 for the operations supported by the special fund concerned."

4 SECTION 6. Section 171-2, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§171-2 Definition of public lands. "Public lands" means
7 all lands or interest therein in the State classed as government
8 or crown lands previous to August 15, 1895, or acquired or
9 reserved by the government upon or subsequent to that date by
10 purchase, exchange, escheat, or the exercise of the right of
11 eminent domain, or in any other manner; including accreted lands
12 not otherwise awarded, submerged lands, and lands beneath tidal
13 waters which are suitable for reclamation, together with
14 reclaimed lands which have been given the status of public lands
15 under this chapter, except:

16 (1) Lands designated in section 203 of the Hawaiian Homes
17 Commission Act, 1920, as amended;

18 (2) Lands set aside pursuant to law for the use of the
19 United States;

20 (3) Lands being used for roads and streets;

21 (4) Lands to which the United States relinquished the
22 absolute fee and ownership under section 91 of the



1 Hawaiian Organic Act prior to the admission of Hawaii
2 as a state of the United States unless subsequently
3 placed under the control of the board of land and
4 natural resources and given the status of public lands
5 in accordance with the state constitution, the
6 Hawaiian Homes Commission Act, 1920, as amended, or
7 other laws;

8 (5) Lands to which the University of Hawaii holds title;

9 (6) Lands to which the Hawaii housing finance and
10 development corporation in its corporate capacity
11 holds title;

12 (7) Lands to which the Hawaii community development
13 authority in its corporate capacity holds title;

14 (8) Lands to which the department of agriculture holds
15 title by way of foreclosure, voluntary surrender, or
16 otherwise, to recover moneys loaned or to recover
17 debts otherwise owed the department under chapter 167;

18 (9) Lands which are set aside by the governor to the Aloha
19 Tower development corporation[+] prior to July 1,
20 2013; lands leased to the Aloha Tower development
21 corporation prior to July 1, 2013, by any department
22 or agency of the State; or lands to which the Aloha



1 Tower development corporation holds title in its
2 corporate capacity;

3 (10) Lands which are set aside by the governor to the
4 agribusiness development corporation; lands leased to
5 the agribusiness development corporation by any
6 department or agency of the State; or lands to which
7 the agribusiness development corporation in its
8 corporate capacity holds title; and

9 (11) Lands to which the high technology development
10 corporation in its corporate capacity holds title."

11 SECTION 7. Section 171-64.7, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) This section applies to all lands or interest therein
14 owned or under the control of state departments and agencies
15 classed as government or crown lands previous to August 15,
16 1895, or acquired or reserved by the government upon or
17 subsequent to that date by purchase, exchange, escheat, or the
18 exercise of the right of eminent domain, or any other manner,
19 including accreted lands not otherwise awarded, submerged lands,
20 and lands beneath tidal waters which are suitable for
21 reclamation, together with reclaimed lands which have been given
22 the status of public lands under this chapter, including:



- 1 (1) Land set aside pursuant to law for the use of the
2 United States;
- 3 (2) Land to which the United States relinquished the
4 absolute fee and ownership under section 91 of the
5 Organic Act prior to the admission of Hawaii as a
6 state of the United States;
- 7 (3) Land to which the University of Hawaii holds title;
- 8 (4) Land to which the Hawaii housing finance and
9 development corporation in its corporate capacity
10 holds title;
- 11 (5) Land to which the department of agriculture holds
12 title by way of foreclosure, voluntary surrender, or
13 otherwise, to recover moneys loaned or to recover
14 debts otherwise owed the department under chapter 167;
- 15 (6) Land that is set aside by the governor to the Aloha
16 Tower development corporation[+] prior to July 1,
17 2013, or land to which the Aloha Tower development
18 corporation holds title in its corporate capacity[+] prior to July 1, 2013;
- 19
20 (7) Land that is set aside by the governor to the
21 agribusiness development corporation; or land to which



1 the agribusiness development corporation in its
2 corporate capacity holds title; and
3 (8) Land to which the high technology development
4 corporation in its corporate capacity holds title."

5 PART III

6 SECTION 8. Chapter 206J, Hawaii Revised Statutes, is
7 repealed.

8 SECTION 9. Sections 171C-1 to 171C-20, Hawaii Revised
9 Statutes are designated as follows:

10 **"PART I. GENERAL PROVISIONS"**

11 SECTION 10. All rights, powers, functions, and duties of
12 the Aloha Tower development corporation are transferred to the
13 public land development corporation.

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

18 No officer or employee of the State having tenure shall
19 suffer any loss of salary, seniority, prior service credit,
20 vacation, sick leave, or other employee benefit or privilege as
21 a consequence of this Act, and such officer or employee may be
22 transferred or appointed to a civil service position without the



1 necessity of examination; provided that the officer or employee
2 possesses the minimum qualifications for the position to which
3 transferred or appointed; and provided that subsequent changes
4 in status may be made pursuant to applicable civil service and
5 compensation laws.

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

15 If an office or position held by an officer or employee
16 having tenure is abolished, the officer or employee shall not
17 thereby be separated from public employment, but shall remain in
18 the employment of the State with the same pay and classification
19 and shall be transferred to some other office or position for
20 which the officer or employee is eligible under the personnel
21 laws of the State as determined by the head of the department or
22 the governor.



1 SECTION 11. All appropriations, records, equipment,
2 machines, files, supplies, contracts, books, papers, documents,
3 maps, and other personal property heretofore made, used,
4 acquired, or held by the Aloha Tower development corporation
5 relating to the functions transferred to the public land
6 development corporation shall be transferred with the functions
7 to which they relate.

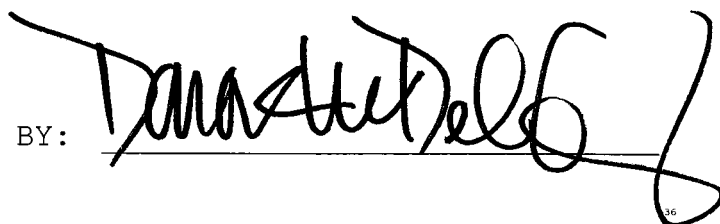
8 PART IV

9 SECTION 12. In codifying the new sections added by section
10 2 of this Act, the revisor of statutes shall substitute
11 appropriate section numbers for the letters used in designating
12 the new sections in this Act.

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

15 SECTION 14. This Act shall take effect on July 1, 2013;
16 provided that the amendments made to sections 36-27(a) and 36-
17 30(a), Hawaii Revised Statutes, by sections 4 and 5 of this Act,
18 respectively, shall not be repealed when those sections are
19 reenacted on June 30, 2015, by Act 79, Session Laws of Hawaii
20 2009.

21
INTRODUCED BY:



S.B. NO. 2929

Report Title:

Aloha Tower Development Corporation; Public Land Development Corporation

Description:

Transfers jurisdiction of Aloha Tower development corporation to public land development corporation. Eff. 7/1/2013.

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

