

JAN 22 2016

A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

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

1 SECTION 1. The legislature finds that the department of
2 business, economic development, and tourism plays a vital and
3 strategic role in moving Hawaii's economy forward. The
4 legislature further finds that the department should be included
5 in all discussions related to the economy, job creation, and
6 housing. Although the department is a member of many
7 administratively-attached state corporations, there are other
8 state corporations, of which the department is not a member,
9 that are critical to the State's economy.

10 Accordingly, the purpose of this Act is to add the
11 department of business, economic development, and tourism as a
12 member of the board of state corporations that have state agency
13 representation.

14 SECTION 2. Section 206E-3, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:



1 "(b) The authority shall consist of the director of
2 finance or the director's designee; the director of
3 transportation or the director's designee; the director of
4 business, economic development, and tourism or the director's
5 designee; a cultural specialist; an at-large member; an at-large
6 member nominated by the senate president; an at-large member
7 nominated by the speaker of the house; three representatives of
8 the Heeia community development district, comprising two
9 residents of that district or the Koolaupoko district, which
10 consists of sections 1 through 9 of zone 4 of the first tax map
11 key division, and one owner of a small business or one officer
12 or director of a nonprofit organization in the Heeia community
13 development district or Koolaupoko district, nominated by the
14 county council of the county in which the Heeia community
15 development district is located; three representatives of the
16 Kalaeloa community development district, comprising two
17 residents of the Ewa zone (zone 9, sections 1 through 2) or the
18 Waianae zone (zone 8, sections 1 through 9) of the first tax map
19 key division, and one owner of a small business or one officer
20 or director of a nonprofit organization in the Ewa or Waianae
21 zone, nominated by the county council of the county in which the



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1 Kalaeloa community development district is located; three
2 representatives of the Kakaako community development district,
3 comprising two residents of the district and one owner of a
4 small business or one officer or director of a nonprofit
5 organization in the district, nominated by the county council of
6 the county in which the Kakaako community development district
7 is located; the director of planning and permitting of each
8 county in which a community development district is located or
9 the director's designee, who shall serve in an ex officio,
10 nonvoting capacity; and the chairperson of the Hawaiian homes
11 commission or the chairperson's designee, who shall serve in an
12 ex officio, nonvoting capacity.

13 All members except the director of finance, director of
14 transportation, director of business, economic development, and
15 tourism, county directors of planning and permitting, and
16 chairperson of the Hawaiian homes commission or their designees
17 shall be appointed by the governor pursuant to section 26-34.

18 The two at-large members nominated by the senate president and
19 speaker of the house and the nine representatives of the
20 respective community development districts shall each be
21 appointed by the governor from a list of three nominees



1 submitted for each position by the nominating authority
2 specified in this subsection.

3 The authority shall be organized and shall exercise
4 jurisdiction as follows:

5 (1) For matters affecting the Heeia community development
6 district, the following members shall be considered in
7 determining quorum and majority and shall be eligible
8 to vote:

9 (A) The director of finance or the director's
10 designee;

11 (B) The director of transportation or the director's
12 designee;

13 (C) The director of business, economic development,
14 and tourism or the director's designee;

15 [~~(C)~~] (D) The cultural specialist;

16 [~~(D)~~] (E) The three at-large members; and

17 [~~(E)~~] (F) The three representatives of the Heeia
18 community development district;

19 provided that the director of planning and permitting
20 of the relevant county or the director's designee
21 shall participate in these matters as an ex officio,



1 nonvoting member and shall not be considered in
2 determining quorum and majority;

3 (2) For matters affecting the Kalaeloa community
4 development district, the following members shall be
5 considered in determining quorum and majority and
6 shall be eligible to vote:

7 (A) The director of finance or the director's
8 designee;

9 (B) The director of transportation or the director's
10 designee;

11 (C) The director of business, economic development,
12 and tourism or the director's designee;

13 ~~(C)~~ (D) The cultural specialist;

14 ~~(D)~~ (E) The three at-large members; and

15 ~~(E)~~ (F) The three representatives of the Kalaeloa
16 community development district;

17 provided that the director of planning and permitting
18 of the relevant county and the chairperson of the
19 Hawaiian homes commission, or their respective
20 designees, shall participate in these matters as ex



1 officio, nonvoting members and shall not be considered
2 in determining quorum and majority;

3 (3) For matters affecting the Kakaako community
4 development district, the following members shall be
5 considered in determining quorum and majority and
6 shall be eligible to vote:

7 (A) The director of finance or the director's
8 designee;

9 (B) The director of transportation or the director's
10 designee;

11 (C) The director of business, economic development,
12 and tourism or the director's designee;

13 [~~(C)~~] (D) The cultural specialist;

14 [~~(D)~~] (E) The three at-large members; and

15 [~~(E)~~] (F) The three representatives of the Kakaako
16 community development district;

17 provided that the director of planning and permitting
18 of the relevant county or the director's designee
19 shall participate in these matters as an ex officio,
20 nonvoting member and shall not be considered in
21 determining quorum and majority.



1 In the event of a vacancy, a member shall be appointed to
2 fill the vacancy in the same manner as the original appointment
3 within thirty days of the vacancy or within ten days of the
4 senate's rejection of a previous appointment, as applicable.

5 The terms of the director of finance, director of
6 transportation, director of business, economic development, and
7 tourism, county directors of planning and permitting, and
8 chairperson of the Hawaiian homes commission or their respective
9 designees shall run concurrently with each official's term of
10 office. The terms of the appointed voting members shall be for
11 four years, commencing on July 1 and expiring on June 30;
12 provided that the initial terms of all voting members initially
13 appointed pursuant to Act 61, Session Laws of Hawaii 2014, shall
14 commence on March 1, 2015. The governor shall provide for
15 staggered terms of the initially appointed voting members so
16 that the initial terms of four members selected by lot shall be
17 for two years, the initial terms of four members selected by lot
18 shall be for three years, and the initial terms of the remaining
19 five members shall be for four years.

20 The governor may remove or suspend for cause any member
21 after due notice and public hearing.



1 Notwithstanding section 92-15, a majority of all eligible
2 voting members as specified in this subsection shall constitute
3 a quorum to do business, and the concurrence of a majority of
4 all eligible voting members as specified in this subsection
5 shall be necessary to make any action of the authority valid.

6 All members shall continue in office until their respective
7 successors have been appointed and qualified. Except as herein
8 provided, no member appointed under this subsection shall be an
9 officer or employee of the State or its political subdivisions.

10 For purposes of this section, "small business" means a
11 business which is independently owned and which is not dominant
12 in its field of operation."

13 SECTION 3. Section 323F-3, Hawaii Revised Statutes, is
14 amended by amending subsections (a) and (b) to read as follows:

15 "(a) The corporation shall be governed by [~~an eighteen-~~
16 ~~member~~] a nineteen-member board of directors that shall carry
17 out the duties and responsibilities of the corporation other
18 than those duties and responsibilities relating to the
19 establishment of any captive insurance company pursuant to
20 section 323F-7(c)(20) and the operation thereof.



- 1 (b) The members of the corporation board shall be
2 appointed as follows:
- 3 (1) The director of health and director of business,
4 economic development, and tourism as [~~an~~] ex officio,
5 voting [~~member,~~] members;
- 6 (2) The five regional chief executive officers as ex
7 officio, nonvoting members;
- 8 (3) Three members who reside in the county of Maui, two of
9 whom shall be appointed by the Maui regional system
10 board and one of whom shall be appointed by the
11 governor, all of whom shall serve as voting members;
- 12 (4) Two members who reside in the eastern section of the
13 county of Hawaii, one of whom shall be appointed by
14 the East Hawaii regional system board and one of whom
15 shall be appointed by the governor, both of whom shall
16 serve as voting members;
- 17 (5) Two members who reside in the western section of the
18 county of Hawaii, one of whom shall be appointed by
19 the West Hawaii regional system board and one of whom
20 shall be appointed by the governor, both of whom shall
21 serve as voting members;



1 (6) Two members who reside on the island of Kauai, one of
2 whom shall be appointed by the Kauai regional system
3 board and one of whom shall be appointed by the
4 governor, both of whom shall serve as voting members;

5 (7) Two members who reside on the island of Oahu, one of
6 whom shall be appointed by the Oahu regional system
7 board and one of whom shall be appointed by the
8 governor, both of whom shall serve as voting members;
9 and

10 (8) One member who shall be appointed by the governor and
11 serve as an at-large voting member.

12 The appointed board members who reside in the county of
13 Maui, eastern section of the county of Hawaii, western section
14 of the county of Hawaii, on the island of Kauai, and on the
15 island of Oahu shall each serve for a term of four years;
16 provided that the terms of the initial appointments of the
17 members who are appointed by their respective regional system
18 boards shall be as follows: one of the initial members from the
19 county of Maui shall be appointed to serve a term of two years
20 and the other member shall be appointed to serve a term of four
21 years; the initial member from East Hawaii shall be appointed to



1 serve a term of two years; the initial member from West Hawaii
2 shall be appointed to serve a term of four years; the initial
3 member from the island of Kauai shall be appointed to serve a
4 term of two years; and the initial member from the island of
5 Oahu shall be appointed to serve a term of four years; and
6 provided further that the terms of the initial appointments of
7 the members who are appointed by the governor shall be four
8 years. The at-large member appointed by the governor shall
9 serve a term of two years.

10 Any vacancy shall be filled in the same manner provided for
11 the original appointments. The corporation board shall elect
12 its own chair from among its members. Appointments to the
13 corporation board shall be as representative as possible of the
14 system's stakeholders as outlined in this subsection. The board
15 member appointments shall strive to create a board that includes
16 expertise in the fields of medicine, finance, health care
17 administration, government affairs, human resources, and law."

18 SECTION 4. Section 356D-3, Hawaii Revised Statutes, is
19 amended by amending subsections (a) and (b) to read as follows:

20 "(a) There is created a board of directors consisting of
21 [~~eleven~~] twelve members, of whom nine shall be public members



1 appointed by the governor as provided in section 26-34. Public
2 members shall be appointed from each of the counties of
3 Honolulu, Hawaii, Maui, and Kauai. At least one public member
4 shall be a person who is directly assisted by the authority
5 under the federal low-rent public housing or federal section 8
6 tenant-based housing assistance payments program while serving
7 on the board. One public member shall be an advocate for low-
8 income or homeless persons. One public member shall be a person
9 with a disability or an advocate for persons with disabilities.
10 The public members of the board shall serve four-year staggered
11 terms; provided that the initial appointments shall be as
12 follows: four members shall be appointed for four years; three
13 members shall be appointed for three years; and two members
14 shall be appointed for two years. The director of human
15 services, or a designated representative[~~7~~]; the director of
16 business, economic development, and tourism, or a designated
17 representative; and a representative of the governor's office,
18 shall be ex officio[+], [+]voting members. The authority shall
19 be headed by the board.

20 (b) The board of directors shall select a chairperson and
21 vice-chairperson from among its members. The director of human



1 services, director of business, economic development, and
 2 tourism, and the governor's representative shall be ineligible
 3 to serve as chairperson of the board."

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

6 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

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S.B. NO. 2526

Report Title:

Department of Business, Economic Development, and Tourism; State Corporations; Economy; Job Creation; Housing; Hawaii Community Development Authority; Hawaii Health Systems Corporation; Hawaii Public Housing Authority

Description:

Adds a department of business, economic development, and tourism representative as a member of the board to certain state corporations that focus on the economy, job creation, and housing, including the Hawaii community development authority, Hawaii health systems corporation, and Hawaii public housing authority.

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