

---

---

# A BILL FOR AN ACT

RELATING TO THE MARITIME INDUSTRY GRANT PROGRAM.

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

1           SECTION 1. Ship repair and boat construction are critical  
2 maritime industries in the State. Ship repair capability  
3 ensures the safe and timely operation of ships and barges  
4 supplying the State. Without this capability, many ships are  
5 required to travel to the mainland for dry docking and repair,  
6 which reduces revenues for the State. The ship repair industry  
7 provides the State with well-paying industrial and technical job  
8 opportunities in critical industrial services, including the  
9 repair of engines and generators, welding and metal fabrication,  
10 ventilation and air conditioning, and critical servicing of oil  
11 product transfer buoys. However, ship repair companies in  
12 Hawaii have a significant competitive cost disadvantage with  
13 mainland and foreign ship repair entities because of higher  
14 labor and material shipping costs. Sustaining and supporting a  
15 strong maritime repair industry are critical to the quality of  
16 life, prosperity, and security of the State.



1 Hawaii's boatbuilding and ship repair industries consist of  
2 establishments that are primarily engaged in operating small  
3 shipyards, which are fixed facilities with dry docks and boat  
4 fabrication facilities and equipment. Shipyard activities  
5 include ship construction; repair; conversion and alteration;  
6 production of prefabricated ships, boats, and barge sections;  
7 and other specialized maritime-related services. Hawaii's  
8 boatbuilding and ship repair industries use local manufacturing  
9 and other trades outside the shipyard, providing vital jobs that  
10 are economically beneficial to Hawaii.

11 The purpose of this Act is to enhance maritime productivity  
12 and workforce development by establishing a maritime industry  
13 grant program for qualified shipyards and maritime industry  
14 training providers.

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

18 "CHAPTER

19 MARITIME INDUSTRY GRANT PROGRAM

20 § -1 Definitions. As used in this chapter:



1 "Department" means the department of business, economic  
2 development, and tourism.

3 "Maritime industry training provider" means an organization  
4 that provides training to individuals so that they may be  
5 employed in the future in a qualified shipyard.

6 "Qualified shipyard" means a ship or boat building or  
7 repair facility in the State engaged in the building,  
8 construction, manufacture, repair, conversion, or alteration of  
9 ships or boats, including prefabricated ship and barge sections  
10 and heavy-duty inflatable rubber or plastic boats, comprised of  
11 not more than one thousand employees.

12 **§ -2 Maritime industry grant program; established.**

13 There is established within the department a maritime industry  
14 grant program to be developed and administered by the department  
15 and under which the department shall award grants to qualified  
16 shipyards and maritime industry training providers for eligible  
17 projects. The department shall accept applications for grants  
18 on forms prescribed and prepared by the department. The  
19 department of transportation shall assist the department with  
20 the maritime industry grant program.



1           §   -3 Eligibility for grants. (a) The department shall  
2 award grants for the maritime industry grant program only to  
3 qualified shipyards or maritime industry training providers  
4 that:

5           (1) Have applied for or received all applicable licenses  
6                or permits;

7           (2) Comply with all applicable federal, state, and local  
8                laws, rules, ordinances, and policies, including  
9                federal and state laws prohibiting discrimination  
10              against any person on the basis of race, color,  
11              national origin, religion, creed, sex, age, sexual  
12              orientation, or disability;

13          (3) Agree not to use state funds for entertainment or  
14              lobbying activities;

15          (4) Allow the department, legislative committees and their  
16              staff, and the auditor full access to grantee records,  
17              files, and other related documents and information for  
18              purposes of monitoring, measuring the effectiveness  
19              of, and ensuring the proper expenditure of the grant;  
20              and

21          (5) Are incorporated under the laws of the State.



1 No grant shall be awarded to a qualified shipyard or maritime  
2 industry training provider that has been in operation for less  
3 than ten years.

4 (b) Projects eligible to receive grants from the maritime  
5 industry grant program may include workforce development and  
6 training projects to improve employee skills in the maritime  
7 industry.

8 (c) A grant shall not exceed \$ \_\_\_\_\_ in any year, and a  
9 qualified shipyard or maritime industry training provider shall  
10 be awarded only one grant in any given year.

11 **§ -4 Reports.** The department shall submit a report to  
12 the legislature no later than twenty days prior to the convening  
13 of the regular session of 2018, and each regular session  
14 thereafter held in an even-numbered year. The report shall  
15 include:

- 16 (1) The total number of grant applications received;  
17 (2) The total number of grants awarded;  
18 (3) The actual economic and workforce development benefits  
19 realized from the awarding of each grant;  
20 (4) The total amount of money awarded for each grant; and



1 (5) Any other information about the maritime industry  
2 grant program the department deems necessary.

3 § -5 Rules. The department shall adopt rules, pursuant  
4 to chapter 91, to implement this chapter.

5 § -6 Exemption from chapters 42F, 103D, and 103F.  
6 Chapters 42F, 103D, and 103F shall not apply to the grants made  
7 pursuant to this chapter. All grants shall be made in  
8 accordance with standards and conditions specified in section  
9 -3.

10 § -7 Maritime industry grant program appropriations.  
11 Moneys appropriated for the maritime industry grant program may  
12 be used to pay for the cost of administering, operating, and  
13 marketing the grant program, as determined by the director of  
14 business, economic development, and tourism."

15 SECTION 3. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$ or so much  
17 thereof as may be necessary for fiscal year 2017-2018 and the  
18 same sum or so much thereof as may be necessary for fiscal year  
19 2018-2019 for the establishment and administration of the  
20 maritime industry grant program.



1           The sums appropriated shall be expended by the department  
2 of business, economic development, and tourism for the purposes  
3 of this Act.

4           SECTION 4. This Act shall take effect on January 7, 2059.



**Report Title:**

Workforce Development; Maritime Industry Grant Program;  
Appropriation

**Description:**

Establishes within the Department of Business, Economic Development, and Tourism the Maritime Industry Grant Program to enhance maritime productivity and workforce development. Takes effect 1/7/2059. (SD1)

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

