

JAN 20 2017

A BILL FOR AN ACT

RELATING TO WORKFORCE DEVELOPMENT.

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

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



1 critical to the quality of life, prosperity, and security of the
2 State.

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

15 The purpose of this Act is to establish a maritime industry
16 grant program to enhance maritime productivity and workforce
17 development.

18 SECTION 2. The Hawaii Revised Statutes is amended by
19 adding a new chapter to be appropriately designated and to read
20 as follows:

21 "CHAPTER



MARITIME INDUSTRY GRANT PROGRAM

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

"Department" means the department of labor and industrial relations.

"Qualified shipyard" means a shipyard facility engaged in shipyard activities located in Honolulu comprised of not more than one thousand employees.

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

There is established within the department a maritime industry grant program to be developed and administered by the department and under which the department shall award grants to qualified shipyards for eligible projects. The department shall prescribe and produce forms and procedures necessary for grant applications.

§ -3 **Eligibility for grants.** (a) The department shall award grants for the maritime industry grant program only to qualified shipyards that:

- (1) Have applied for or received all applicable licenses or permits;
- (2) Comply with all applicable federal, state, and local laws, rules, ordinances, and policies;



1 (3) Agree not to use state funds for entertainment or
2 lobbying purposes;

3 (4) Allow the department, legislative committees and their
4 staff, and the auditor full access to the shipyard's
5 records, files, and other related documents and
6 information for the purposes of monitoring, measuring
7 the effectiveness of, and ensuring the proper
8 expenditure of the grant; and

9 (5) Are incorporated under the laws of the State;

10 provided that no grant shall be awarded to a qualified shipyard
11 that has been in operation for less than ten years.

12 (b) Projects eligible to receive grants from the maritime
13 industry grant program may include:

14 (1) Capital improvement projects to foster efficiency;
15 competitive operations; and quality boat construction,
16 repair, and reconfiguration by qualified shipyards;
17 and

18 (2) Workforce development and training projects to improve
19 employee skills related to maritime industry.

20 Grants may also be awarded by the department for the purchase of
21 machinery and equipment; provided that the machinery and



1 equipment are used in ship repair, boat construction, or boat
2 reconfiguration.

3 (c) A grant shall not exceed \$ in any calendar
4 year, and a qualified shipyard shall be awarded only one grant
5 in any given calendar year.

6 § -4 **Biennial report.** The department shall submit a
7 report to the legislature no later than twenty days prior to the
8 convening of each regular session held in an even-numbered year.
9 The report shall include:

- 10 (1) The total number of grant applications received;
- 11 (2) The total number of grants awarded;
- 12 (3) The actual economic and workforce development benefits
13 realized from the award of each grant;
- 14 (4) The total amount of money awarded for each grant; and
- 15 (5) Any other information about the maritime industry
16 grant program that the department deems necessary.

17 § -5 **Rules.** The department shall adopt rules pursuant
18 to chapter 91 to implement this chapter.

19 § -6 **Exemptions.** Grants made pursuant to this chapter
20 shall be exempt from chapters 42F, 103D, and 103F. All grants



1 shall be made in accordance with standards and conditions
2 specified in section -3.

3 § -7 Appropriations; administrative expenditures.

4 Moneys appropriated for the maritime industry grant program may
5 be used to pay for the cost of administering, operating, and
6 marketing the grant program, as determined by the director."

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2017-2018 and
10 the same sum or so much thereof as may be necessary for fiscal
11 year 2018-2019 for the maritime industry grant program
12 established pursuant to this Act.

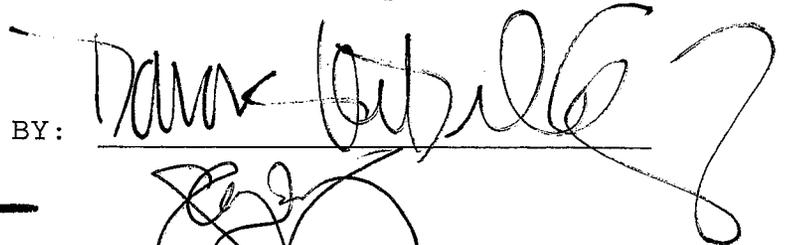
13 The sums appropriated shall be expended by the department
14 of labor and industrial relations for the purposes of this Act.

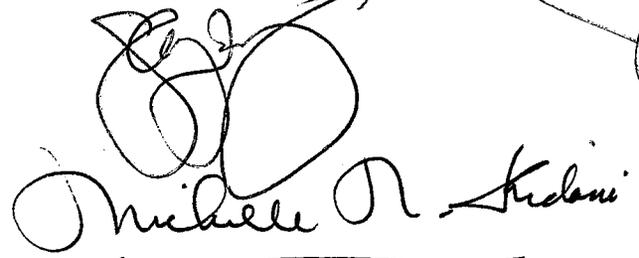
15 SECTION 4. This Act shall take effect on July 1, 2017.

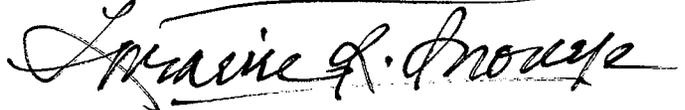
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INTRODUCED BY:






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S.B. NO. 615

Report Title:

Workforce Development; Maritime Industry Grant Program;
Appropriation

Description:

Establishes the maritime industry grant program. Appropriates
moneys to fund the grant program.

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

