
A BILL FOR AN ACT

RELATING TO OPTIONS FOR STUDENTS IN DEPARTMENT OF EDUCATION
SCHOOLS.

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

1 SECTION 1. The purpose of this Act is to provide clarity
2 and consistency with regard to commercial enterprise activities
3 in schools. This Act will broaden the scope of profit-making
4 operations students may engage in at schools to include
5 commercial enterprises, while ensuring that engagement in
6 commercial enterprises shall be related to the primary
7 educational purposes of the school, career pathway, academy, or
8 program as set forth in chapter 302A, Hawaii Revised Statutes.
9 This Act will allow students to receive school credit,
10 compensation, or both, when engaging in profit-making
11 operations.

12 SECTION 2. Section 302A-420, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "§302A-420 Profits [to pupils.] and school credit for
15 students. All net profits arising from agricultural [and],
16 industrial, or commercial enterprise pursuits [under sections



1 ~~302A-420 to 302A-431~~ at any school~~[7]~~; provided that the
2 commercial enterprise does not affect the tax exempt status of
3 general obligation bonds, under the rules of the department:

4 (1) Shall be used by the school to support agricultural,
5 industrial, and commercial enterprise pursuit programs
6 and for the purchase of equipment and [material~~7~~]
7 materials, not otherwise provided for in the school
8 budget, that will be of general benefit to the
9 [pupils~~7~~] students; or

10 (2) May be distributed among the ~~[pupils]~~ students
11 actually engaged in the pursuits~~[7]~~; provided further
12 that school credit may also be granted to students
13 engaged in the permitted operations.

14 The department shall provide for the keeping of simple books of
15 account, showing the source and distribution of the money
16 resulting from the operations carried on pursuant to this
17 section, and for the auditing of these books of account at least
18 quarterly."

19 SECTION 3. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Department of Education; Profit and School Credit for Students;
School Commercial Enterprises

Description:

Broadens the scope of profit-making operations students may engage in at schools to include commercial enterprises, while ensuring that engagement in commercial enterprises shall be related to the primary educational purposes of the school, career pathway, academy, or program. Allows students to receive school credit, compensation, or both, when they engage in profit-making operations. (SD1)

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