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# A BILL FOR AN ACT

RELATING TO THE SPORTS AND ENTERTAINMENT AUTHORITY.

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

1           SECTION 1. The legislature finds that Hawaii, with its  
2 unique geographic location, as a middle point between the Asia  
3 Pacific region and the mainland United States of America, and  
4 with its natural landscape and different climates and  
5 elevations, is a prime location for training and ocean sports,  
6 including surfing and sailing. Hawaii is also a uniquely  
7 centralized venue for attracting concerts, international rugby,  
8 soccer, football, and other similar events. Furthermore,  
9 Hawaii's climate provides an ideal respite for mainland events  
10 and activities seeking alternatives to cold weather.

11           The legislature also finds that Hawaii has the potential to  
12 not only establish itself as a premier destination for  
13 entertainment and sporting events, it is also an ideal location  
14 for training facilities for youth, amateur, and professional  
15 athletes across many sports. In this regard, each venue and  
16 event must be properly evaluated to ensure that it is  
17 economically viable for the State and all participants.



1 The legislature also believes that Hawaii can build upon  
2 the success of past events, such as the Ironman Championship,  
3 the Honolulu Marathon, the NFL Pro Bowl, and the Sony Open, to  
4 develop the types of events that draw visitors and local  
5 residents and provide revenues to the State, as well as  
6 community enhancements through sponsorships and donations.

7 The legislature further finds that the State also needs to  
8 develop a comprehensive plan to ensure that it can sustain these  
9 successful events and not lose them to other destinations.

10 These plans must include the construction or rehabilitation of  
11 first-class facilities throughout the State. In a 2014 National  
12 Association of Sports Commissions study, it was estimated that  
13 national sports industry visitor spending totaled \$8,900,000,000  
14 with approximately 25,600,000 sports industry visitors.

15 According to the department of business, economic development,  
16 and tourism, Hawaii only logged 105,839 arrivals for a sporting  
17 event, out of 8,100,000 visitor arrivals to the State in 2014.

18 The purpose of this Act is to establish a sports and  
19 entertainment authority in the State. It is the legislature's  
20 intent that the sports and entertainment authority coordinate  
21 and develop a thriving entertainment and sports industry in the



1 State, including promoting and engaging Hawaii as an  
 2 entertainment and sports training and event destination for  
 3 local, national, and international events, as well as developing  
 4 state-of-the-art facilities for the benefit of professional,  
 5 amateur, and youth athletes. Through these efforts, the sports  
 6 and entertainment authority shall also provide opportunities for  
 7 residents and nonresidents to observe and participate in a  
 8 variety of amateur and professional sporting and other  
 9 entertainment events, provide for the development of local and  
 10 non-local athletic talent, promote Hawaii as an attractive  
 11 training and event destination, and encourage active lifestyles  
 12 and improve the health of our keiki and adults.

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

"CHAPTER

SPORTS AND ENTERTAINMENT AUTHORITY

18 § -1 Definitions. As used in this chapter, unless the  
 19 context clearly otherwise requires:

20 "Authority" means the sports and entertainment authority.



1 "Board" means the board of directors of the sports and  
2 entertainment authority established in section -2, and any  
3 successor thereto.

4 "Department" means the department of business, economic  
5 development, and tourism.

6 § -2 Sports and entertainment authority; establishment;  
7 board; president and chief executive officer. (a) There is  
8 established the sports and entertainment authority, which shall  
9 be a body corporate and a public instrumentality of the State,  
10 for the purpose of implementing this chapter. The authority  
11 shall be placed within the department for administrative  
12 purposes only.

13 (b) The authority shall be headed by a policymaking board  
14 of directors that shall consist of eleven appointed members;  
15 provided that:

16 (1) The members shall be appointed by the governor as  
17 provided in section 26-34, except as otherwise  
18 provided by law;

19 (2) One member shall be appointed by the governor from a  
20 list of three names submitted by the president of the  
21 senate, and one member shall be appointed by the



1 governor from a list of three names submitted by the  
2 speaker of the house of representatives; provided that  
3 if fewer than three names are submitted for each  
4 appointment, the governor may disregard the list;

5 (3) The membership shall include at least one  
6 representative from the county of Hawaii, the county  
7 of Kauai, or the county of Maui; and

8 (4) The remaining members shall be appointed at-large;  
9 provided that the at-large membership shall include at  
10 least one representative from the department,  
11 University of Hawaii, Hawaii tourism authority,  
12 stadium authority, tourism industry, and performing  
13 arts community.

14 (c) The term of each member shall be four years; provided  
15 that, of the members initially appointed, four members shall  
16 serve for four years, four members shall serve for three years,  
17 and the remaining three members shall serve for two years.

18 Vacancies shall be filled for the remainder of any  
19 unexpired term in the same manner as original appointments.

20 Notwithstanding any law to the contrary, members shall  
21 serve no more than two consecutive four-year terms; provided



1 that the members who are initially appointed to terms of three  
2 years or less pursuant to this subsection may be reappointed to  
3 one ensuing consecutive four-year term. Each member shall hold  
4 office until the member's successor is appointed and qualified.  
5 Section 26-34 shall be applicable as it relates to the number of  
6 terms and consecutive number of years a member may serve on the  
7 board.

8 (d) The members of the board shall elect a chairperson  
9 from among the members.

10 (e) Six members shall constitute a quorum and a minimum of  
11 six affirmative votes shall be necessary to validate all actions  
12 by the authority. The members shall serve without compensation,  
13 but shall be reimbursed for expenses, including traveling  
14 expenses, necessary for the performance of their duties.

15 (f) The board shall appoint one person to serve as  
16 president and chief executive officer, exempt from chapters 76  
17 and 88, who shall oversee the authority staff. The board shall  
18 set the president and chief executive officer's salary, duties,  
19 responsibilities, holidays, vacations, leaves, hours of work,  
20 and working conditions. The board may grant other benefits as  
21 it deems necessary.



1           §   -3 Powers and duties. Except as otherwise limited by  
2 this chapter, the authority may:  
3           (1) Sue and be sued;  
4           (2) Have a seal and alter the same at pleasure;  
5           (3) Adopt and amend bylaws for its organization and  
6                 internal management;  
7           (4) Adopt, amend, and repeal rules in accordance with  
8                 chapter 91 to effectuate the purposes of this chapter;  
9                 provided that no later than January 1, 2017, the  
10                 authority shall adopt interim rules, which shall be  
11                 exempt from chapter 91, to effectuate the purposes of  
12                 this chapter; provided further that the interim rules  
13                 shall remain in effect until July 1, 2019, or until  
14                 rules are adopted pursuant to chapter 91;  
15           (5) Procure insurance against any loss in connection with  
16                 its property and other assets and operations in  
17                 amounts and from insurers as it deems as it seems  
18                 necessary or desirable;  
19           (6) Contract for or accept revenues, compensation,  
20                 proceeds, and gifts or grants in any form from any  
21                 public agency or any other source;





- 1           (7) Develop, coordinate, and implement state policies and  
2           directions for sports and entertainment-related  
3           activities, taking into account the economic, social,  
4           and physical impacts of tourism on the State, Hawaii's  
5           natural environment, and areas frequented by the  
6           sports industry and other related activities;
- 7           (8) Conduct market development-related research as  
8           necessary;
- 9           (9) Coordinate all agencies and advise the private sector  
10          in the development of entertainment and sports-related  
11          activities and resources;
- 12          (10) Market and promote entertainment and sports-related  
13          activities and events; and
- 14          (11) Through the president and chief executive officer:
  - 15                (A) Make and execute contracts and other instruments  
16                necessary or convenient to exercise the  
17                authority's powers under this chapter, including  
18                entering into contracts under chapter 102 or 103D  
19                for the management of a state sports complex in a  
20                manner that is beneficial to the State. These





- 1 contracts may contain revenue sharing incentives  
2 based on increased usage of the complex;
- 3 (B) Appoint and prescribe the duties and  
4 qualifications of a sports coordinator and deputy  
5 sports coordinator subject to the approval of the  
6 board; provided that funds have been appropriated  
7 by the legislature and allotted as provided by  
8 law for these positions;
- 9 (C) Represent the authority in communications with  
10 governor and the legislature;
- 11 (D) Purchase supplies, equipment, and furniture;
- 12 (E) Allocate the space or spaces that are to be  
13 occupied by the authority and appropriate staff;
- 14 (F) Engage the services of qualified persons to  
15 implement the State's sports industry plan or  
16 portions thereof as determined by the board; and
- 17 (G) Engage the services of consultants on a  
18 contractual basis for rendering professional and  
19 technical assistance and advice.

20 § -4 Sports coordinator, deputy sports coordinator;  
21 hiring of employees. (a) The sports coordinator and deputy



1 sports coordinator shall be exempt from the requirements of  
2 chapters 76 and 89. The sports coordinator shall be paid a  
3 salary not to exceed eighty-seven per cent of the salary of the  
4 director of human resources development. The deputy sports  
5 coordinator shall be paid a salary not to exceed eighty-five per  
6 cent of the sports coordinator's salary.

7 (b) The sports coordinator and deputy sports coordinator  
8 may, subject to the approval of the board, appoint, suspend, and  
9 discharge a secretary who shall be exempt from the requirements  
10 of chapters 76 and 89, and other employees and assistants as may  
11 be necessary for the proper conduct of the business of the  
12 authority. Except for persons hired on contract or otherwise as  
13 provided in this chapter and except for the sports coordinator,  
14 deputy sports coordinator, and secretary, all appointments,  
15 suspensions, or discharges shall be made in conformity with the  
16 applicable provisions of chapter 76.

17 § -5 Exemption of the sports and entertainment authority  
18 from administrative supervision of boards and commissions.

19 Notwithstanding any law to the contrary, the authority shall be  
20 exempt from section 26-35 with the exception of section 26-35(a)  
21 (3), (7), and (8) and (b).



1           §   -6 Sports and entertainment-related activities. (a)

2 The authority may enter into contracts and agreements that  
3 include the following:

- 4           (1) Sports and entertainment promotion, marketing, and  
5           development;
- 6           (2) Sports market and entertainment development-related  
7           research;
- 8           (3) Product development and diversification issues focused  
9           on sports and entertainment;
- 10          (4) Promotion of Hawaii, through a coordinated statewide  
11          effort, as a place to host all types of sporting and  
12          entertainment events and other related activities;
- 13          (5) Reduction of barriers to travel, accommodations, and  
14          access to sports and entertainment facilities  
15          statewide; and
- 16          (6) Any and all other activities necessary to carry out  
17          the intent of this chapter;

18 provided that the authority shall periodically submit a report  
19 of the contracts and agreements entered into by the authority to  
20 the governor, the speaker of the house of representatives, and  
21 the president of the senate.



- 1 (b) The authority shall be responsible for:
- 2 (1) Creating a vision and developing a long-range
- 3 strategic plan for the sports and entertainment
- 4 industries in Hawaii;
- 5 (2) Promoting, marketing, and developing the sports and
- 6 entertainment industries in the State;
- 7 (3) Providing technical or other assistance to agencies
- 8 and private industry upon request; and
- 9 (4) Reviewing annually the expenditures of public funds by
- 10 any sports or entertainment industry organization that
- 11 contracts with the authority to perform sports
- 12 promotion, marketing, and development and making
- 13 recommendations necessary to ensure the effective use
- 14 of the funds for the development of the State's sports
- 15 and entertainment industries.

16 (c) The authority may delegate to staff the responsibility

17 for soliciting, awarding, and executing contracts and for

18 monitoring and facilitating any and all functions developed in

19 accordance with this section.

20 (d) Where public disclosure of information gathered or

21 developed by the authority may place a business at a competitive



1 disadvantage or may impair or frustrate the authority's ability  
2 to either have Hawaii compete as a sports or entertainment  
3 destination or obtain or use information for a legitimate  
4 government function, the authority may withhold from public  
5 disclosure competitively sensitive information.

6       § -7 Authority; private attorneys. (a) The board may  
7 appoint or retain by contract one or more attorneys who are  
8 independent of the attorney general to provide legal services  
9 for the board solely in cases of contract negotiations in which  
10 the attorney general lacks sufficient expertise; provided that  
11 the private attorneys shall consult and work in conjunction with  
12 the designated deputy attorney general assigned to the  
13 authority.

14       (b) The board may fix the compensation of private  
15 attorneys appointed or retained pursuant to this section.  
16 Attorneys appointed or retained by contract shall be exempt from  
17 chapters 76, 78, and 88."

18       SECTION 3. Section 28-8.3, Hawaii Revised Statutes, is  
19 amended as follows:

20       1. By amending subsection (a) to read:



1           "(a) No department of the State other than the attorney  
2 general may employ or retain any attorney, by contract or  
3 otherwise, for the purpose of representing the State or the  
4 department in any litigation, rendering legal counsel to the  
5 department, or drafting legal documents for the department;  
6 provided that the foregoing provision shall not apply to the  
7 employment or retention of attorneys:

- 8           (1) By the public utilities commission, the labor and  
9 industrial relations appeals board, and the Hawaii  
10 labor relations board;  
11           (2) By any court or judicial or legislative office of the  
12 State; provided that if the attorney general is  
13 requested to provide representation to a court or  
14 judicial office by the chief justice or the chief  
15 justice's designee, or to a legislative office by the  
16 speaker of the house of representatives and the  
17 president of the senate jointly, and the attorney  
18 general declines to provide such representation on the  
19 grounds of conflict of interest, the attorney general  
20 shall retain an attorney for the court, judicial, or



- 1 legislative office, subject to approval by the court,  
2 judicial, or legislative office;
- 3 (3) By the legislative reference bureau;
- 4 (4) By any compilation commission that may be constituted  
5 from time to time;
- 6 (5) By the real estate commission for any action involving  
7 the real estate recovery fund;
- 8 (6) By the contractors license board for any action  
9 involving the contractors recovery fund;
- 10 (7) By the office of Hawaiian affairs;
- 11 (8) By the department of commerce and consumer affairs for  
12 the enforcement of violations of chapters 480 and  
13 485A;
- 14 (9) As grand jury counsel;
- 15 (10) By the Hawaii health systems corporation, or its  
16 regional system boards, or any of their facilities;
- 17 (11) By the auditor;
- 18 (12) By the office of ombudsman;
- 19 (13) By the insurance division;
- 20 (14) By the University of Hawaii;
- 21 (15) By the Kahoolawe island reserve commission;





- 1 (16) By the division of consumer advocacy;
- 2 (17) By the office of elections;
- 3 (18) By the campaign spending commission;
- 4 (19) By the Hawaii tourism authority, as provided in
- 5 section 201B-2.5;
- 6 (20) By the division of financial institutions for any
- 7 action involving the mortgage loan recovery fund;
- 8 (21) By the office of information practices; [~~or~~]
- 9 (22) By the sports and entertainment authority; or
- 10 [~~(22)~~] (23) By a department, if the attorney general, for
- 11 reasons deemed by the attorney general to be good and
- 12 sufficient, declines to employ or retain an attorney
- 13 for a department; provided that the governor waives
- 14 the provision of this section."
- 15 2. By amending subsection (c) to read:
- 16 "(c) Every attorney employed by any department on a full-
- 17 time basis, except an attorney employed by the public utilities
- 18 commission, the labor and industrial relations appeals board,
- 19 the Hawaii labor relations board, the office of Hawaiian
- 20 affairs, the Hawaii health systems corporation or its regional
- 21 system boards, the department of commerce and consumer affairs



1 in prosecution of consumer complaints, insurance division, the  
2 division of consumer advocacy, the University of Hawaii, the  
3 Hawaii tourism authority as provided in section 201B-2.5, the  
4 office of information practices, sports and entertainment  
5 authority, or as grand jury counsel, shall be a deputy attorney  
6 general."

7 SECTION 4. There is appropriated out of the general  
8 revenues of the State of Hawaii the sum of \$750,000 or so much  
9 thereof as may be necessary for fiscal year 2016-2017 for the  
10 purposes of this Act.

11 The sum appropriated shall be expended by the sports and  
12 entertainment authority for the purposes of this Act.

13 SECTION 5. This Act does not affect rights and duties that  
14 matured, penalties that were incurred, and proceedings that were  
15 begun before its effective date.

16 SECTION 6. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 7. This Act shall take effect on July 1, 2050.



**Report Title:**

Sports and Entertainment Authority; Appropriation

**Description:**

Establishes the Sports and Entertainment Authority to coordinate and develop the entertainment and sports industry in the State, including attracting local, national, and international events, for the benefit of professional, amateur, and youth athletes. Makes an appropriation. Effective 7/1/2050. (Proposed SD1)

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

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