



GOV. MSG. NO. 1368

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

July 7, 2023

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB475, without my approval and with the statement of objections relating to the measure.

HB475

RELATING TO THE STATE FOUNDATION ON
CULTURE AND THE ARTS.

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 7, 2023

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 475

Honorable Members
Thirty-Second Legislature
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 475, entitled "A Bill for an Act Relating to the State Foundation on Culture and the Arts."

The purpose of this bill is to establish the Art in Private Places Pilot Program and the Art in Private Places Special Account within the State Foundation on Culture and the Arts.

Under the pilot program, the Executive Director of the State Foundation on Culture and the Arts may loan State-owned art to non-State individuals, businesses, or entities for reasonable financial consideration. Moneys received from the pilot program would be deposited into the Art in Private Places Special Account.

This bill is objectionable because the intent of the works of art program is to provide works of art for new and renovated State buildings funded from one percent of the amount appropriated for the project's construction cost element. Using State-purchased works of art for non-State individuals, businesses, or entities does not fulfill the intent of the works of art program and denies the public the opportunity to enjoy works of art in public buildings. It may result in public property being used for a non-public purpose in violation of Section 4 of Article VII of the Constitution of the State of Hawai'i.

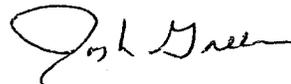
Further, given that some of the art pieces may have been purchased using tax-exempt bond proceeds, there could be adverse tax consequences to the State if the amount of revenues generated from the loan program are significant when compared to the amount of tax-exempt bond proceeds used to acquire the works of art. Also, this bill would have a negative impact on Hawaii's creative economy as businesses and

STATEMENT OF OBJECTIONS
HOUSE BILL NO. 475
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individuals could rent works of art from the State rather than purchase art pieces from the artists.

For the foregoing reasons, I am returning House Bill No. 475 without my approval.

Respectfully,

A handwritten signature in black ink that reads "Josh Green". The signature is written in a cursive style with a large initial "J" and a long horizontal stroke at the end.

JOSH GREEN, M.D.
Governor of Hawai'i

A BILL FOR AN ACT

RELATING TO THE STATE FOUNDATION ON CULTURE AND THE ARTS.

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

1 SECTION 1. Chapter 9, Hawaii Revised Statutes, is amended
2 by adding two new sections to be appropriately designated and to
3 read as follows:

4 "§9-A Art in private places pilot program. (a) There is
5 established an art in private places pilot program to be placed
6 within the foundation for administrative purposes.

7 (b) Under the pilot program, the executive director shall
8 enter into agreements to loan state-owned art to non-state
9 individuals, businesses, or entities for reasonable financial
10 consideration.

11 (c) State-owned art loaned to non-state individuals,
12 businesses, or entities pursuant to this section shall be
13 displayed in non-state owned publicly accessible areas and
14 county-owned buildings.

15 (d) The executive director may void any loan agreement
16 made pursuant to this section and collect the loaned art if any
17 non-state individual, business, or entity violates subsection



1 (c). A non-state individual, business, or entity shall not be
2 entitled to the return of any financial consideration received
3 by the State if a loan agreement is voided by the executive
4 director pursuant to this section or rule.

5 (e) Any revenues received by the State pursuant to
6 subsection (b) shall be deposited into the art in private places
7 special account.

8 (f) The executive director shall submit annual reports of
9 the status of the art in private places pilot program,
10 including:

11 (1) Details of each loan agreement currently entered into
12 pursuant to this section, including but not limited to
13 the parties to the agreement, location of the
14 displayed art, revenue generated by the agreement, and
15 length of the agreement; and

16 (2) The total revenue generated from the pilot program,
17 to the legislature no later than twenty days prior to the
18 convening of each regular session beginning with the regular
19 session of 2024.



1 §9-B Art in private places special account. (a) There is
2 established in the state treasury the art in private places
3 special account into which shall be deposited:

4 (1) Revenues from the art in private places pilot program
5 established pursuant to section 9-A;

6 (2) Appropriations by the legislature to the art in
7 private places special account; and

8 (3) All interest earned or accrued on moneys deposited in
9 the special account.

10 (b) The foundation may expend moneys in the art in private
11 places special account for the administration and implementation
12 of the art in private places pilot program pursuant to
13 section 9-A."

14 SECTION 2. Chapter 9, Hawaii Revised Statutes, is amended
15 by amending the title of part III to read as follows:

16 "[+]PART III. [+] ART IN PUBLIC PLACES AND RELOCATABLE WORKS OF
17 [+]ART[+] PROGRAMS, ART IN PRIVATE PLACES PILOT PROGRAM, AND
18 STATE ART MUSEUM"

19 SECTION 3. Section 9-21, Hawaii Revised Statutes, is
20 amended to read as follows:



1 "[+]§9-21[+] **Purpose.** The foundation shall administer the
2 art in public places and relocatable works of art programs,
3 pursuant to section 103-8.5, the art in private places pilot
4 program established pursuant to section 9-A, and the state art
5 museum to achieve the following purposes:

6 (1) Replace in public state buildings the natural beauty
7 displaced in construction with works of art expressive
8 of the State's cultural, creative, and traditional
9 arts of its various ethnic groups;

10 (2) Support, promote, and recognize excellence of the
11 State's diverse cultural, creative, and traditional
12 artists; and

13 (3) Create, display, and maintain in public places, non-
14 state owned publicly accessible areas and county-owned
15 buildings, and the state art museum a collection of
16 works of art that:

17 (A) Represents the diversity and excellence of the
18 State's artistic expression; and

19 (B) Provides to all the citizens of the State the
20 fullest possible access to the highest quality
21 aesthetic and educational experiences available."



1 SECTION 4. In codifying the new sections added by section
2 1 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

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

7 SECTION 6. This Act shall take effect on July 1, 2023;
8 provided that on June 30, 2026, this Act shall be repealed and
9 section 9-21 and the title of part III of chapter 9, Hawaii
10 Revised Statutes, shall be reenacted in the form in which they
11 read on the day prior to the effective date of this Act.

APPROVED this day of , 2023

GOVERNOR OF THE STATE OF HAWAII



HB No. 475, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2023
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.



Scott K. Saiki
Speaker
House of Representatives

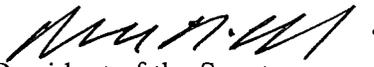


Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 2, 2023
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.


President of the Senate


Clerk of the Senate