
A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM.

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

1 SECTION 1. Section 8-5, Hawaii Revised Statutes, is
2 amended as follows:

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

4 "(a) There shall be a commission to be known as the King
5 Kamehameha celebration commission placed within the department
6 of [~~accounting and general services~~] business, economic
7 development, and tourism for administrative purposes. The
8 commission shall consist of fifteen members to be appointed by
9 the governor in the manner provided by section 26-34. The
10 appointments shall be made from the following organizations,
11 with one member from each organization:

- 12 (1) Royal Order of Kamehameha I;
13 (2) 'Ahahui Ka'ahumanu;
14 (3) Hale O Nā Ali'i O Hawai'i 'Ahahui Po'o;
15 (4) Daughters and Sons of Hawaiian Warriors Māmakakaua;
16 (5) Kamehameha Schools Alumni Association;



- 1 (6) Association of Hawaiian Civic Clubs;
- 2 (7) Waimānalo Hawaiian Homes Association;
- 3 (8) Daughters of Hawaii;
- 4 (9) Kapahulu Music Club; and
- 5 (10) Papakōlea Community Association.

6 Each organization shall maintain a certificate of good
7 standing issued by the department of commerce and consumer
8 affairs and an active membership list. Each organization may
9 recommend for appointment to the commission persons capable of
10 providing administrative guidance to the commission with regard
11 to knowledge of Hawaiian culture, history and protocols, legal
12 issues, business, accounting, marketing, philanthropy, or public
13 relations.

14 In addition, the governor shall appoint one member to the
15 commission from each of the following islands: Kaua'i, Lāna'i,
16 Maui, Moloka'i, and Hawai'i. Each of these members shall be a
17 resident of the respective island that the member represents.
18 The governor shall appoint persons capable of providing
19 administrative guidance with regard to legal issues, business,
20 accounting, marketing, philanthropy, or public relations."

21 2. By amending subsections (c) and (d) to read:



1 "(c) The members of the King Kamehameha celebration
2 commission shall serve without compensation, but shall be
3 entitled to reimbursement for travel and necessary expenses
4 while attending meetings and while in discharge of their duties.
5 The [~~comptroller~~] director of business, economic development,
6 and tourism shall reimburse the members of the King Kamehameha
7 celebration commission for all necessary expenses incurred
8 during the discharge of their duties.

9 (d) The commission may appoint and dismiss an arts program
10 specialist and a part-time clerk typist, without regard to
11 chapter 76, who shall serve at the commission's pleasure, and
12 whose salaries shall be provided through fees, public
13 contributions, and private donations. The commission, by
14 majority vote, shall appoint an executive director who shall be
15 familiar with the people and culture of Hawai`i, and shall serve
16 without regard to chapter 76 for a term to be determined by the
17 commission. Except for matters undertaken by the [~~comptroller~~]
18 director of business, economic development, and tourism pursuant
19 to subsection (f), the executive director shall be responsible
20 for all fiscal and administrative matters, including securing
21 public contributions and private foundation grants or donations.



1 The executive director shall also be responsible for developing
2 and administering programs as the commission may direct. The
3 executive director may be removed for cause at any time by a
4 two-thirds vote of all commission members."

5 3. By amending subsection (f) to read:

6 "(f) The [~~comptroller~~] director of business, economic
7 development, and tourism shall account for all moneys
8 appropriated by the legislature, may raise funds to defray
9 administrative costs, and may accept donations of money and
10 personal property on behalf of the commission; provided that all
11 donations accepted from private sources shall be expended in the
12 manner prescribed by the contributor, and all moneys received
13 from all sources shall be deposited into the commission's trust
14 account."

15 SECTION 2. Section 9-2, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) There is hereby created a state foundation on culture
18 and the arts, which shall be placed within the department of
19 [~~accounting and general services~~] business, economic
20 development, and tourism for administrative purposes."



1 SECTION 3. Section 26-6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§26-6 Department of accounting and general services. (a)

4 The department of accounting and general services shall be
5 headed by a single executive to be known as the comptroller.

6 (b) The department shall:

7 (1) Preaudit and conduct after-the-fact audits of the
8 financial accounts of all state departments to
9 determine the legality of expenditures and the
10 accuracy of accounts;

11 (2) Report to the governor and to each regular session of
12 the legislature as to the finances of each department
13 of the State;

14 (3) Administer the state risk management program;

15 (4) Establish and manage motor pools;

16 (5) Manage the preservation and disposal of all records of
17 the State;

18 (6) Undertake the program of centralized engineering and
19 office leasing services, including operation and
20 maintenance and lease buyback processing pursuant to



1 subsection (d) of public buildings, for departments of
2 the State;

3 (7) Undertake the functions of the state surveyor;

4 (8) Establish accounting and internal control systems;

5 (9) Under the direction of the chief information officer,
6 provide centralized computer information management
7 and processing services;

8 (10) Establish a program to provide a means for public
9 access to public information and develop an
10 information network for state government;

11 (11) Assume administrative responsibility for the office of
12 information practices; and

13 (12) Approve state fleet acquisitions; provided that:

14 (A) Beginning January 1, 2022, all new light-duty
15 motor vehicles that are passenger cars purchased
16 for the State's fleet shall be zero-emission
17 vehicles;

18 (B) Beginning as soon as practicable but no later
19 than January 1, 2030, all new light-duty motor
20 vehicles that are multipurpose passenger vehicles



1 and trucks for the State's fleet shall be zero-
2 emission vehicles; and

3 (C) The comptroller may authorize an exemption for
4 new fleet vehicle purchases if zero-emission
5 vehicles are demonstrated to be cost-prohibitive
6 on a lifecycle basis or unsuitable for the
7 vehicles' planned purpose, or if funds are
8 unavailable.

9 For the purposes of this subsection:

10 "Light-duty motor vehicle" shall have the same meaning as
11 contained in title 10 Code [†]of[†] Federal Regulations part
12 490.

13 "Multipurpose passenger vehicle" shall have the same
14 meaning as contained in title 49 Code of Federal Regulations
15 section 571.3.

16 "Passenger car" shall have the same meaning as contained in
17 title 49 Code of Federal Regulations section 571.3.

18 "Truck" shall have the same meaning as contained in title
19 49 Code of Federal Regulations section 571.3.



1 "Zero-emission vehicle" shall have the same meaning as
2 contained in title 40 Code of Federal Regulations section
3 88.102-94.

4 (c) The state communication system shall be established
5 to:

6 (1) Facilitate implementation of the State's distributed
7 information processing and information resource
8 management plans;

9 (2) Improve data, voice, and video communications in state
10 government;

11 (3) Provide a means for connectivity among the state,
12 university, and county computer systems; and

13 (4) Provide a long-term means for public access to public
14 information.

15 (d) The department shall establish, coordinate, and manage
16 a program to facilitate facility agreements between the State
17 and private investors for the sale of facilities, excluding
18 facilities managed or controlled by the department of
19 transportation, to private investors; provided that each
20 facility agreement contains the following requirements:



- 1 (1) The State shall sell the facility to the private
2 investor, who shall:
 - 3 (A) Renovate, improve, or construct a facility for
4 the State and may maintain the facility; and
 - 5 (B) Lease the facility to the State, pursuant to a
6 building lease;
- 7 (2) The land upon which the facility rests shall not be
8 sold to the private investor; provided that the land
9 may be leased at a nominal rate to the private
10 investor for a term that would, at a minimum, allow
11 the private investor to recover the capital investment
12 that has been made to the facility, including
13 depreciation; and
- 14 (3) The State shall have the option of purchasing the
15 facility from the private investor for the remaining
16 balance of the debt service costs incurred by the
17 private investor at any time.

18 For purposes of this subsection:

19 "Building lease" means a contract between the department of
20 accounting and general services and a private investor in which

1 the private investor leases an improved facility to the
2 department for a specified period of time.

3 "Facility" means a building under the management and
4 control of any state department.

5 "Facility agreement" means an agreement between the State
6 and a private investor that, at a minimum, includes a
7 description of the work to be done, the sale price for the
8 facility, the duration of the agreement, the roles and
9 responsibilities of the State and the private investor, and the
10 terms and conditions for the lease.

11 "Private investor" means a nongovernmental entity.

12 (e) The department may adopt rules as may be necessary or
13 desirable for the operation and maintenance of public buildings;
14 for the operation and implementation of a program to provide a
15 means for public access to the State's information network
16 system and public information; and for the implementation of
17 facility agreements pursuant to subsection (d). The rules shall
18 be adopted pursuant to chapter 91.

19 ~~[(f) The King Kamehameha celebration commission shall be~~
20 ~~placed within the department of accounting and general services~~
21 ~~for administrative purposes. The functions, duties, and powers,~~



1 ~~subject to the administrative control of the comptroller, and~~
2 ~~the composition of the commission shall be as heretofore~~
3 ~~provided by law.~~

4 ~~(g)~~ (f) The functions and authority [~~heretofore~~]
5 exercised by the comptroller, board of commissioners of public
6 archives, the archivist, the disposal committee, and the
7 insurance management, surplus property management, and central
8 purchasing functions of the bureau of the budget and the
9 nonhighway functions of the department of public works as
10 [~~heretofore~~] constituted are transferred to the department of
11 accounting and general services established by this chapter.

12 ~~(h)~~ (g) The department of accounting and general
13 services shall preserve and protect Washington Place, including
14 the grounds and the historic residence situated on its premises
15 at Miller and Beretania Streets in Honolulu. The department
16 shall administer, manage, operate, and maintain Washington Place
17 and the trust fund created under subsection [~~(i)~~] (h).

18 ~~(i)~~ (h) There is established a trust fund in the state
19 treasury to be known as the Washington Place trust fund, into
20 which shall be deposited:



- 1 (1) All rents and fees collected for the use of Washington
- 2 Place and from activities conducted on the premises;
- 3 (2) All other money received for the fund from any other
- 4 source; and
- 5 (3) All income and interest earned or accrued on moneys
- 6 deposited into the trust fund.

7 All moneys deposited into the trust fund shall be expended
 8 by the department of accounting and general services and used
 9 exclusively to implement the provisions of subsection [~~(h)~~],
 10 (g), including for staff salaries and fringe benefits, and shall
 11 not be transferred, nor subject to transfer, to the general fund
 12 or any other fund in the state treasury."

13 SECTION 4. All appropriations, records, equipment,
 14 machines, files, supplies, contracts, books, papers, documents,
 15 maps, and other personal property heretofore made, used,
 16 acquired, or held by the department of accounting and general
 17 services relating to the functions transferred to the department
 18 of business, economic development, and tourism shall be
 19 transferred with the functions to which they relate.

20 SECTION 5. All rights, powers, functions, and duties of
 21 the department of accounting and general services are



1 transferred to the department of business, economic development,
2 and tourism.

3 All officers and employees whose functions are transferred
4 by this Act shall be transferred with their functions and shall
5 continue to perform their regular duties upon their transfer,
6 subject to the state personnel laws and this Act.

7 No officer or employee of the State having tenure shall
8 suffer any loss of salary, seniority, prior service credit,
9 vacation, sick leave, or other employee benefit or privilege as
10 a consequence of this Act, and such officer or employee may be
11 transferred or appointed to a civil service position without the
12 necessity of examination; provided that the officer or employee
13 possesses the minimum qualifications for the position to which
14 transferred or appointed; and provided that subsequent changes
15 in status may be made pursuant to applicable civil service and
16 compensation laws.

17 An officer or employee of the State who does not have
18 tenure and who may be transferred or appointed to a civil
19 service position as a consequence of this Act shall become a
20 civil service employee without the loss of salary, seniority,
21 prior service credit, vacation, sick leave, or other employee



1 benefits or privileges and without the necessity of examination;
2 provided that such officer or employee possesses the minimum
3 qualifications for the position to which transferred or
4 appointed.

5 If an office or position held by an officer or employee
6 having tenure is abolished, the officer or employee shall not
7 thereby be separated from public employment, but shall remain in
8 the employment of the State with the same pay and classification
9 and shall be transferred to some other office or position for
10 which the officer or employee is eligible under the personnel
11 laws of the State as determined by the head of the department or
12 the governor.

13 SECTION 6. All rules, policies, procedures, guidelines,
14 and other material adopted or developed by the department of
15 accounting and general services to implement provisions of the
16 Hawaii Revised Statutes that are reenacted or made applicable to
17 the department of business, economic development, and tourism by
18 this Act shall remain in full force and effect until amended or
19 repealed by the department of business, economic development,
20 and tourism pursuant to chapter 91, Hawaii Revised Statutes.



1 In the interim, every reference to the department of
 2 accounting or general services or comptroller in those rules,
 3 policies, procedures, guidelines, and other material is amended
 4 to refer to the department of business, economic development,
 5 and tourism or director of business, economic development, and
 6 tourism, as appropriate.

7 SECTION 7. All deeds, leases, contracts, loans,
 8 agreements, permits, or other documents executed or entered into
 9 by or on behalf of the department of accounting and general
 10 services, pursuant to the provisions of the Hawaii Revised
 11 Statutes, that are reenacted or made applicable to the
 12 department of business, economic development, and tourism by
 13 this Act shall remain in full force and effect. Upon the
 14 effective date of this Act, every reference to the department of
 15 accounting and general services or the comptroller therein shall
 16 be construed as a reference to the department of business,
 17 economic development, and tourism or the director of business,
 18 economic development, and tourism, as appropriate.

19 SECTION 8. Statutory material to be repealed is bracketed
 20 and stricken. New statutory material is underscored.

21 SECTION 9. This Act shall take effect on January 1, 2050.



Report Title:

SFCA; DBEDT; State Foundation on Culture and the Arts
Commission; King Kamehameha Celebration Commission; Transfer

Description:

Transfers the State Foundation on Culture and the Arts and the
King Kamehameha Celebration Commission to the Department of
Business, Economic Development, and Tourism. Requires the
Governor to select the Executive Director of the State
Foundation on Culture and the Arts, with the advice and consent
of the Senate. Takes effect 1/1/2050. (SD1)

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

