

Honolulu, Hawaii

FEB 14 2025

RE: S.B. No. 582
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Transportation and Culture and the Arts and Economic Development and Tourism, to which was referred S.B. No. 582 entitled:

"A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Transfer the State Foundation on Culture and the Arts and the King Kamehameha Celebration Commission from the Department of Accounting and General Services to the Department of Business, Economic Development, and Tourism; and
- (2) Transfer the authority held by the Comptroller over the Works of Art Special Fund to the Director of Business, Economic Development, and Tourism.

Your Committees received testimony in support of this measure from the Department of Accounting and General Services; State Foundation on Culture and the Arts; Department of Business, Economic Development, and Tourism; and two individuals.

Your Committees find that the Hawaii State Foundation on Culture and the Arts is currently housed within the Department of



Accounting and General Services for administrative purposes. Your Committees further find that the transition of the State Foundation on Culture and the Arts will increase efficiencies and effectiveness for both the Department of Business, Economic Development, and Tourism; Creative Industries; and the State Foundation on Culture and the Arts.

Your Committees further recognize that Hawaii was the first state in the nation to adopt a percent-for-art law, which designated one percent of construction costs of new buildings for the acquisition of works of art. Your Committees acknowledge that maintaining fiscal integrity in the use of long-term capital funding is imperative to ensure the stability of factors that may affect the State's creditworthiness.

Your Committees also believe that ensuring a wide range of artistic creativity and expression in the State is critical to provide the fullest possible access to the highest quality aesthetic and educational experiences available across the State. Accordingly, performing arts should also be recognized as a medium to provide Hawaii's people with creative, educational, and aesthetic performances that tell meaningful stories and provide engaging experiences.

Accordingly, this measure will increase synergistic opportunities for collaboration and increase the positive economic impacts of growing the creative industries and the arts.

Accordingly, your Committees have amended this measure by:

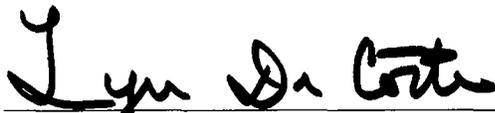
- (1) Requiring that funds from the Works of Art Special Fund be used only for costs related to the acquisition of works of art and the planning, design, construction of works of art and related appurtenances;
- (2) Inserting an appropriation from moneys in the treasury received from general revenues and federal funds to be expended by the State Foundation on Culture and the Arts to finance positions and other cost items;
- (3) Establishing the Performing Arts Grants Program to support performing arts in the State;



- (4) Requiring the State Foundation on Culture and the Arts to submit annual reports to the Legislature on the performing arts grants awarded and the outcomes of each performing arts event;
- (5) Inserting a definition of "performing arts";
- (6) Amending the definition of "arts";
- (7) Clarifying the scope of the State Foundation on Culture and the Arts' responsibilities to include the coordination, planning, promotion, marketing, and execution of performing arts events;
- (8) Making conforming amendments;
- (9) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and Culture and the Arts and Economic Development and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 582, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 582, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Culture and the Arts and
Economic Development and
Tourism,


LYNN DECOITE, Chair


CHRIS LEE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and Culture and the Arts
TCA

Bill / Resolution No.:* SB 582	Committee Referral: TCA/EDT, WAM	Date: 2-13-2025
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
KANUHA, Dru Mamo	✓			
DECORTE, Samantha			✓	
TOTAL	4		1	

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Lorraine R. Inouye

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***Only one measure per Record of Votes**

