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CHAIR, STADIUM AUTHORITY

CHRIS J. SADAYASU
INTERIM STADIUM MANAGER



An Agency of the State of Hawaii

Statement of
CHRIS J. SADAYASU
Interim Stadium Manager
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON LABOR

Thursday, March 13, 2025
9:00 AM
State Capitol, Conference Room 309

In consideration of
S.B. 583, SD2
RELATING TO NAMING RIGHTS.

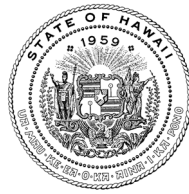
Chair Sayama, Vice Chair Lee, and members of the Committee.

The Stadium Authority supports Senate Bill 583, SD2 which allows the naming rights of any state-owned facility to be leased to any public or private entity. The ability to lease naming rights to the new Aloha Stadium will provide the Stadium Authority and/or Aloha Halawa District Partners, the entity the Stadium Authority intends to contract to operate and maintain the new Aloha Stadium, another revenue source to manage and operate the stadium. While it is my understanding the Stadium Authority currently has the authority to lease the naming rights to its stadium pursuant to HRS Section 109-2 Subsection (4), this bill specifically states such ability for all state-owned facilities.

Furthermore, this bill requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special

fund of the state agency that owns the facility. HRS Section 109-3.5 established the stadium development special fund in which such revenues will be deposited. However, the Stadium Authority pursuant to HRS Section 109-2 Subsection (5), intends to allow Aloha Halawa District Partners the authority to collect all naming rights revenue and to utilize the collected funds to operate and maintain the new stadium pursuant to a stadium development and operations agreement.

Thank you for the opportunity to testify.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON LABOR
ON
SENATE BILL NO. 583, S.D. 2

March 13, 2025
9:00 a.m.
Room 309 and Videoconference

RELATING TO NAMING RIGHTS

The Department of Budget and Finance (B&F) offers the following comments on Senate Bill No. 583, S.D. 2, which authorizes the naming rights of any State-owned facility to be leased to any public or private entity.

B&F has serious concerns that payments for naming rights for improvements financed by tax-exempt bonds will be considered private business use under the Internal Revenue Code. Federal tax law imposes restrictions on the private use of the proceeds of tax-exempt bonds and on the capital improvement program (CIP) projects financed with such proceeds. Tax-exempt bonds have been used to finance CIP projects throughout the State. Failure to comply with federal rules on the private use of bond proceeds and bond-financed property could jeopardize the tax-exempt status of the bonds, resulting in significant adverse consequences to bondholders or forcing the State to incur costly measures to remediate the tax law violations.

Thank you for your consideration of our comments.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
KA 'OIHANA HO'ONA'AUAO
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 03/13/2025

Time: 09:00 AM

Location: 309 VIA VIDEOCONFERENCE

Committee: House Labor

Department: Education

Person Testifying: Keith T. Hayashi, Superintendent of Education

Bill Title: SB 0583, SD2 RELATING TO NAMING RIGHTS.

Purpose of Bill: Allows the naming rights of any state-owned facility to be leased to any public or private entity. Requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special fund of the state agency that owns the facility or into the general fund if no appropriate special fund exists. Effective 7/1/2050. (SD2)

Department's Position:

The Hawaii State Department of Education (Department) appreciates the opportunity to offer comments on SB 583, SD 2 which allows the naming rights of any state-owned facility to be sold or leased to any public or private entity, requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special fund of the state agency that owns the facility or into the general fund if no appropriate special fund exists.

The naming of public schools and public school facilities are governed by the well-established Board of Education Policy 301-8 which provides consistency and uniformity in the naming of public schools and public school facilities and ensures that a chosen name be an appropriate representation and reflection of the school or school-community. Should this bill pass the Department would request being exempted from this mandate.

Thank you for this opportunity to provide comments on SB 583, SD 2.



TESTIMONY OF
DANIEL NĀHO'OPI'I
Interim President & Ceo
Hawaii'i Tourism Authority
before the
HOUSE COMMITTEE ON LABOR
Thursday, March 13, 2025
9:00 a.m.
State Capitol, Room 309

In consideration of
SB 583 SD 2
RELATING TO NAMING RIGHTS

Aloha Chair Sayama, Vice Chair Lee, and members of the Committee,

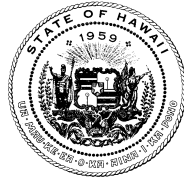
The Hawaii'i Tourism Authority (HTA) offers comments SB 583 SD 2, which allows the naming rights of any state-owned facility to be leased to any public or private entity. It also requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special fund of the state agency that owns the facility or into the general fund if no appropriate special fund exists. It also sets the effective date as July 1, 2050.

Our testimony will focus on the Hawaii'i Convention Center, which HTA manages. Over the quarter century that the Hawaii'i Convention Center has been operating, it has hosted high-profile international convenings, national and local conferences and conventions, beloved festivals and events, athletic events attracting participants locally and from abroad, and served as an essential hub for the state's response to emergencies.

This measure opens additional possibilities for funding to address the convention center's repair and maintenance needs into the future.

We also acknowledge the concerns regarding outdoor signage and its effect on the visual environment. We are committed to implementing tasteful and sensible signage and partnering with a business or company that aligns with our brand as a world-class convention center. Additionally, we will establish policies and procedures to ensure this commitment is upheld.

Mahalo for the opportunity to share our comments.



STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
'OIHANA HALE WAIHONA PUKE AUPUNI O KA MOKU'ĀINA O HAWAII
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813

HOUSE COMMITTEE ON LABOR
Thursday, March 13, 2025
9:00am
Conference Room 309 & Videoconference

By Stacey A. Aldrich
State Librarian

S.B. 583 SD2 RELATING TO NAMING RIGHTS

To: Rep. Jackson D. Sayama, Chair
Rep. Mike Lee, Vice Chair
Members of the House Committee on Labor

The Hawaii State Public Library System (HSPLS) offers **comments** on S.B.583 SD2 which allows the naming rights of any state-owned facility to be leased to any public or private entity; requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special fund of the state agency that owns the facility or into the general fund if no appropriate special fund exists.

The naming of public libraries follows current Board of Education [Policy 600-4](#) and [Policy 301-8](#) which states that the name of public libraries shall reflect the geographic area in which the library is located. The HSPLS would like to keep this long-standing tradition in recognition of the public libraries serving as community hubs in our communities.

Thank you for the opportunity to provide testimony on S.B. 583 SD2.

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Helping to keep Hawai'i
clean, green, beautiful,
livable and sustainable
since 1912



March 10th, 2025

RE: The Outdoor Circle COMPLETE OPPOSITION to SB583 SD2 related to “Naming Rights” and request that you do not give it a hearing in committee

Dear Committee Chair Sayama and Committee Members,

The Outdoor Circle stands with the overwhelming majority of Hawai'i residents in total opposition to Senate Bill 583 SD2. Whether in the form of “sponsorships” or “naming rights” or the like, it is imperative that we reject any efforts to weaken these vital and historic laws which safeguard our landscapes from over-commercialization as they have vigilantly guarded Hawai'i for over a century.

We ask that you do not pass SB 583 SD2 for the important reasons listed here.

SB 583 SD2 jeopardizes these benefits by prioritizing the specific limited corporate interests over those of our communities, undermining the very foundation of our collective environmental and economic prosperity. If SB 583 SD2 were allowed to pass, it would open the floodgates for “naming rights” across Hawai'i, paving the way for the proliferation of visual blight and over-commercialization of our collective consciousness and views, and irreversibly alter the character of our communities that we have vigilantly protected as a State.

We must not sell or lease “naming rights” to our public assets and facilities owned or controlled by the people of Hawai'i— this is simply another form of an offsite advertisement and has been prohibited by law for a century.

SB583 SD2 Puts ALL Public Facilities at Risk – With No Oversight with incumbent loss of Cultural and Historical Identity.

Last year's bill of a similar nature sought to carve out exemptions for certain public properties, yet was still overwhelmingly opposed. This new version, SB583 SD2, is even more extreme—it now includes ALL state facilities without any guardrails, limitations, or protections without exception.

This unrestricted power undermines the deeply rooted principles that have safeguarded Hawai'i's public identity from corporate intrusion for more than a century. Without clear regulations or public oversight, we face the complete erosion of our shared cultural and environmental heritage.

This means:

- Every school, hospital, park, historic site, and government building could be “named” after and sold to the highest bidder.
- The public would have no guaranteed say in which facilities are renamed, how long the names last, or what happens if a corporation defaults or has a scandal.
- Unlike traditional philanthropy, where donations support public facilities without altering their identity, this bill hands over naming rights in exchange for corporate imprint forever on public assets.

1314 S. King Street #306 | Honolulu, Hawai'i 96814

T: 808-593-0300 | mail@outdoorcircle.org | www.outdoorcircle.org

Imagine if:

- The University of Hawai'i were renamed "Standard Oil University."
- Aloha Stadium became "Aeroflot Stadium."
- The Nu'uuanu Pali Lookout were rebranded as "McDonald's Scenic Lookout."

This is not speculation—this is exactly what SB583 SD2 allows.

If any name is needed for a facility, it should be one that reflects and honors Hawai'i's unique environment, not a corporation's. This might be honoring luminaries in Hawai'i's history, those who have contributed greatly to the welfare of the state, native plants, animals or location names, etc. A corporation or outside individual buying "naming rights" is a betrayal of our values as a state that protects our assets, including those of the actual names of our public assets to reflect our values, history, and sense of place.

SB583 SD2 Destroys Native Hawaiian Cultural Identity and Place Names

Hawaiian place names are not just words; they are the embodiment of history, language, and identity. Hawai'i's place names hold meaning—they tell stories of the lands, the ali'i, the mo'olelo, and Hawaii. Names are not just labels; they are the cultural fabric of our communities. What happens when corporations dictate the names of our most treasured public sites?

Place names usually encapsulate the history, genealogy, and identity of a location. Altering or erasing these names is viewed as diminishing the identity of the place. This bill would allow corporate interests to override traditional names that have been preserved for centuries.

- Would **Akaka Falls** soon bear a corporate name?
- Would the **Le'ahi State Monument** be renamed to fit a sponsor's brand?
- Could the **Nu'uuanu Pali Lookout** be renamed under a corporate contract?

This bill would represent an erasure of cultural heritage and history. This bill does not just affect today—it would set a dangerous precedent. Once we allow corporations to buy the names of public facilities, it will become nearly impossible to stop further commercialization of Hawai'i's cherished spaces.

We currently see that Hawaii names its public facilities and places now with in a way that honors our history, its peoples and environment, such as Blaisdell Center, Queen Kaahumanu Highway, Prince Jonah Kuhio Kalaniana'ole Freeway, Le'ahi State Monument, Makapu'u Lighthouse Trail, Akaka Falls, Aloha Stadium, Daniel K Inouye Honolulu International Airport, Ellison Onizuka Kona International Airport, Queen Liliuokalani Gardens, Banyan Tree Drive in Hilo, Princess Ruth Building, and all others that are currently named for locations, history, people and culture of Hawaii. ***Now imagine any of those with a "naming right" of a corporation in front of it or replacing it, essentially branding our publicly-held assets with an implicit State endorsement and cheapening the value of the asset immeasurably.***

SB583 SD2 Violates Hawai'i's Strong Anti-Advertising Laws

Hawai'i's anti-billboard law (HRS § 445-111) explicitly states:

"No person shall erect, maintain, or use a billboard or any other outdoor advertising device."

Hawai'i's ban on offsite advertising is among the strictest in the United States and has been repeatedly upheld in court. The intent of this law is clear: to protect our state's scenic beauty, cultural integrity, and public spaces from being overtaken by commercial interests. This

bill invites legal challenges and weakens Hawai'i's strong legal precedent for protecting public spaces.

This bill also allows the “sale” or lease of these naming rights. Imagine “selling” rights to our state facilities or properties—how difficult would it be to buy those back? What mechanisms would be in place? Who makes the decisions? With recent court decisions, how would certain groups not be allowed to “buy” these names that may currently not be envisioned? If naming rights are sold, they may never be undone, forcing future generations to live under branding decisions made today.

Public Opposition is Overwhelming, Historical and Enduring

Notably, *our views are overwhelmingly shared by the public, as seen in public comments on SB3197 (2024) on the same topic.*

The sentiment of the public was also seen in the editorial in the Star Advertiser last legislative session on naming rights and SB3197, noting that the public is absolutely against any weakening of our anti-billboard and offsite advertising laws. Letters to the Editor and subsequent mention in the newspaper of record of unanimous opposition to a weakening of our laws followed. Even the straw poll of the “Big Q” asking the question on this on January 29, 2024 had 586 votes, or 83% of those who actually called the paper answered with “No—No billboard ban exemption.” This is also seen in the unanimous personal testimony to the Hawai'i Senate of individuals who opposed this bill in prior testimony in the last committee this bill was heard in this month a year ago in 2024, with at least 88 individuals counted testifying against this bill, and no one person in favor of this bill advancing.

SB583 SD2 flies in the face of this legacy and undoes a century of hard-won victories that have made Hawai'i's landscapes and public spaces free from corporate intrusion.

SB583 SD2 Poses a Serious Financial Risk – Jeopardizing Tax-Exempt Bonds

From direct testimony by Department of Budget and Finance:

“B&F has serious concerns that payments for naming rights for improvements financed by tax-exempt bonds will be considered private business use under the Internal Revenue Code. Federal tax law imposes restrictions on the private use of the proceeds of tax-exempt bonds and on the capital improvement projects (CIP) financed with such proceeds. Tax-exempt bonds have been used to finance CIPs throughout the State. Failure to comply with federal rules on the private use of bond proceeds and bond-financed property could jeopardize the tax-exempt status of the bonds, resulting in significant adverse consequences to bondholders or forcing the State to incur costly measures to remediate the tax law violations.”

If tax-exempt status is lost:

- Borrowing costs might increase for future state projects.
- Taxpayers will bear the burden of covering financial shortfalls.
- The state could face legal action over violations of bond agreements.

This massive financial risk is completely ignored by SB583 SD2.

The Betrayal of Public Investment – Selling What Taxpayers Already Own

State facilities are not private assets to be auctioned off—they are built and maintained by the people, for the people, with taxpayer dollars. The idea that a corporation can buy naming rights to a facility funded by public money is a violation of public trust.

Our state has spent billions of dollars over generations to build infrastructure that serves the people. The sale of naming rights would hand over public asset identities to private interests—at a fraction of their true value—while the community reaps none of the long-term benefits.

Additionally, once naming rights are sold, buying them back would be near impossible. Future generations would be forced to live under the branding decisions of today's lawmakers, unable to reclaim the names and identities of our spaces. The people of Hawaii deserve better. As one testifier writes: "Not everything should be up for sale....allowing advertising to assault us all everywhere....should not stand."

Alternative Funding Mechanisms Exist – Selling Naming Rights is NOT Necessary

- Corporations and individuals already donate to public facilities without demanding naming rights.
- The University of Hawai'i receives philanthropic gifts while maintaining public identity.
- Public-private partnerships can and do exist **WITHOUT** selling facility names.

If corporate donors genuinely care about Hawai'i, they can support public assets without demanding ownership over their identity.

The Outdoor Circle supports the efforts of individuals, groups or companies financially supporting in a non-visually intrusive way, non-commercially focused way. In fact, many companies and organizations do so now, with Adopt-a-Park, bequests of properties, gifts of facilities or equipment, or gifts and support to the Counties or State and their facilities.

The Path Forward – A Commitment to Preservation, Not Commercialization

Hawai'i is the **only state in the U.S.** with a complete **ban on billboards**—and for good reason. Our unique laws have **protected our scenic beauty and cultural identity** for over a century. This has contributed not only to our environmental well-being, but also to the long-term economic success of our visitor industry, which thrives on Hawai'i's natural splendor, free from corporate visual pollution.

Instead of weakening these hard-won protections, lawmakers should be **strengthening** them:

- **Protecting native place names and historical sites from corporate branding.**
- **Maintaining public ownership and control over state facility names.**
- **Exploring alternative funding mechanisms that do not commercialize Hawai'i's cultural identity.**

The beauty of Hawai'i and its public assets, as well as its residents must be protected from this sort of unnecessary and unwanted intrusion of over-commercialization, as we have done for a century. We must not despoil Hawai'i's unique beauty, supported by our signage laws, which are a source of pride for Hawaii and a role model for the world. We are special, and must respect and honor our uniqueness.

It is with this rich history and collective understanding of laws that have so benefitted Hawai'i's residents and visitors that we must once again remind all of us what is at stake with this seemingly innocuous proposed legislation of SB 583. SD2. It is dismayed and disappointing to see that we must still fight to preserve our unique environment and culture to be free of intrusive billboards, advertising and logos of corporations, including "naming rights" which are essentially advertisements, that would seek to divert our collective public minds and views from those of our beautiful state to views of corporate messages.

Hawai'i has knowingly rejected for over a century money that might come from these sorts of visual intrusions, understanding that the potential tradeoff of cheapening and degrading our public good in the collective visual space is a very poor bargain. We understand, and courts have found, that our residents and visitors greatly value a Hawai'i free of this unfettered type of visual pollution and over-commercialization of our islands, and that it is in our economic best interest to protect our laws regarding this. We know the benefits to our well-being, including, ultimately our financial well-being, by NOT having billboards, "naming rights," off-site advertisements and logos. Visitors come to see the splendor of islands free of over-commercialization intruding into the visual plane. Our value and our coffers are increased, not decreased, by our strict anti-billboard and signage laws.

Senate Bill 583 SD2 poses a major existential and practical threat to Hawai'i's environmental and cultural heritage by seeking to weaken our signage laws under the guise of naming rights. This proposed legislation not only undermines the hard-won victories made over the course of over a century of many protective laws and supporting lawsuits, but would also set a dangerous precedent for future weakening and exemptions of our laws.

This is not just a policy debate. This is about who we are as a state and a people. Hawai'i is NOT for sale. Our names, our landscapes, and our public spaces are priceless. The people of Hawai'i have long understood this, which is why we have fought—and won—the battle to keep corporate branding **out of our public consciousness and out of our sacred spaces**. We call on our lawmakers to uphold their responsibility to Hawai'i's people and reject SB583 SD2 in its entirety.

- Will you stand with the people of Hawai'i—or with corporate interests?
- Will you protect our public assets—or let them be sold to the highest bidder?

There is no amendment that can "fix" this bill—it must be rejected outright.

SB583 SD2 must be rejected in its entirety. We ask our lawmakers to stand with the people of Hawai'i, **not with corporate interests**. Protect what makes our state unique, safeguard our cultural heritage, and ensure that future generations inherit a Hawai'i that is not overrun by commercialization.

In conclusion, The Outdoor Circle urges you to stand with the people of Hawai'i and reject SB 583 SD2. Let us uphold the legacy of generations of Hawai'i's residents and lawmakers to protect what is unique, and robustly uphold our state's ban on billboards and offsite advertising, and stop this bill which is under the guise of "sponsorship" or "naming rights" for whatever reasons proffered. Stand with the overwhelming majority of Hawai'i residents to ensure that Hawai'i remains a beacon of environmental stewardship, free from over-commercialization, preserving our scenic and natural beauty. Together, we can protect our precious landscapes and preserve the unique character of our islands for future generations by never, ever considering weakening of these laws as proposed in SB 583 SD2.

Thank you for your unwavering dedication to serving our community and your thoughtful consideration of this matter in firmly rejecting SB 583 SD2.



Winston Welch
Executive Director
The Outdoor Circle