
A BILL FOR AN ACT

RELATING TO THE HAWAII CULTURAL TRUST.

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

1 SECTION 1. The legislature finds that Hawaii's arts and
2 cultural organizations preserve the history, language, and
3 traditions that shape the State's communities and strengthen
4 learning, connection, and opportunity for residents across the
5 islands. The legislature further finds that stable and
6 predictable funding is necessary to expand access to cultural
7 programs and ensure that these organizations can continue
8 serving future generations.

9 Therefore, the purpose of this Act is to establish the
10 Hawaii cultural trust and related incentives to encourage
11 charitable giving and to provide long-term support for Hawaii's
12 arts, culture, and heritage.

13 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
14 amended by adding a new part to be appropriately designated and
15 to read as follows:

16 **"PART . HAWAII CULTURAL TRUST**



1 **§201-A Definitions.** As used in this part, unless the
2 context otherwise requires:

3 "Advisory committee" means the Hawaii cultural trust
4 advisory committee.

5 "Coordinator" means the Hawaii cultural trust coordinator.

6 "County" includes the city and county of Honolulu, county
7 of Hawaii, county of Kauai, and county of Maui.

8 "Department" means the department of business, economic
9 development, and tourism.

10 "Director" means the director of business, economic
11 development, and tourism.

12 "Trust" means the Hawaii cultural trust.

13 "Trust account" means the Hawaii cultural trust account.

14 **§201-B Hawaii cultural trust; Hawaii cultural trust**

15 **coordinator.** (a) There is established within the department
16 the Hawaii cultural trust.

17 (b) The Hawaii cultural trust shall be administered by the
18 Hawaii cultural trust coordinator, who shall be appointed and
19 supervised by the director, and shall be employed without regard
20 to chapter 76. The coordinator shall be assisted by the Hawaii
21 cultural trust advisory committee.



1 **§201-C Hawaii cultural trust account.** (a) There is
2 established within the state treasury the Hawaii cultural trust
3 account, to be administered by the trust.

4 (b) Funds in the trust account shall be used solely for
5 the purposes of the trust, as set forth in subsection (d), and
6 shall not lapse at the end of each fiscal year.

7 (c) The trust account may receive appropriations, grants,
8 gifts, and other income from:

9 (1) The legislature;

10 (2) The federal government or a county government;

11 (3) Funds received from the issuance of special number
12 plates issued pursuant to section 249- ;

13 (4) Private sources, including businesses, other
14 organizations, and individuals; and

15 (5) Interest earned on funds in the trust account.

16 (d) Funds in the trust account shall be allocated annually
17 as follows:

18 (1) Fifty per cent shall be allocated to the state
19 foundation on culture and the arts to expand arts
20 programs and programs that foster creativity and
21 cultural expression; and



1 (2) Fifty per cent shall be allocated to the office of
2 Hawaiian affairs for cultural preservation, education,
3 and community-based cultural advancement.

4 **§201-D Hawaii cultural trust advisory committee. (a)**

5 There is established within the trust the Hawaii cultural trust
6 advisory committee.

7 (b) The advisory committee shall advise the trust
8 regarding:

9 (1) Priorities for the distribution of funds within the
10 trust account;

11 (2) Program criteria for the trust; and

12 (3) Community input and impact.

13 (c) The advisory committee shall consist of the following
14 individuals, to be appointed by the director:

15 (1) A representative of the state foundation on culture
16 and the arts;

17 (2) A representative of the office of Hawaiian affairs;

18 (3) Native Hawaiian cultural practitioners; and

19 (4) Representatives of nonprofit organizations from the
20 arts, humanities, and heritage communities;



1 provided that there shall be no more than members on the
2 advisory committee.

3 **§201-E Reports.** No later than twenty days before the
4 convening of each regular session, the trust shall submit a
5 report to the legislature and advisory committee regarding:

- 6 (1) The total amount of funds collected by and disbursed
7 from the trust account;
- 8 (2) The recipient and purpose of each grant, award, or
9 other disbursement made by the trust account;
- 10 (3) Measured impacts on cultural preservation and the
11 arts;
- 12 (4) Evaluation metrics aligned with the goals of economic
13 development and cultural vitality; and
- 14 (5) Recommendations, including proposed legislation, if
15 any, to improve the programs and operations of the
16 trust.

17 **§201-F Rules.** The department shall adopt rules pursuant
18 to chapter 91 to implement this part."

19 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§235- Hawaii cultural trust; income tax credit;
2 administration. (a) There shall be allowed to each taxpayer
3 subject to the taxes imposed by this chapter an income tax
4 credit which shall be deductible from the taxpayer's net income
5 tax liability, if any, imposed by this chapter for the taxable
6 year in which the credit is properly claimed.

7 (b) A taxpayer may claim the credit under this section if
8 the taxpayer made a monetary contribution during the taxable
9 year to:

10 (1) The Hawaii cultural trust established pursuant to
11 section 201-B; and

12 (2) One or more qualified Hawaii cultural organizations.

13 (c) The credit shall be equal to the amount of
14 contributions made to the Hawaii cultural trust or the total
15 amount of contributions made to one or more qualified Hawaii
16 cultural organizations during the taxable year, whichever is
17 less, subject to the limits set forth in subsection (d).

18 (d) The credit claimed under this section shall not
19 exceed:

20 (1) \$500 for a taxpayer filing any return other than a
21 joint return;



1 (2) \$1,000 for taxpayers filing a joint return; and
2 (3) \$2,500 for a corporation subject to tax under this
3 chapter.

4 (e) The credit allowed under this section shall be
5 nonrefundable and shall be claimed only to the extent of the
6 taxpayer's net income tax liability for the taxable year.

7 (f) All claims for a tax credit under this section,
8 including any amended claims, shall be filed on or before the
9 end of the twelfth month following the close of the taxable year
10 for which the credit may be claimed. Failure to comply with the
11 foregoing provision shall constitute a waiver of the right to
12 claim the credit.

13 (g) The director of taxation shall prepare forms and may
14 require proof, in a form prescribed by the director, of the
15 contributions made pursuant to subsection (b).

16 (h) The proof required pursuant to subsection (g) may
17 include receipts or written acknowledgments from the Hawaii
18 cultural trust and from qualified Hawaii cultural organizations,
19 including the organization's name, the organization's federal
20 employer identification number, and the amount and date of the
21 contribution.



1 (i) The state foundation on culture and the arts shall
2 work with the office of Hawaiian affairs to maintain a list of
3 qualified Hawaii cultural organizations for purposes of
4 administering the tax credit. The list shall be posted on each
5 respective agency's official website and shall be updated
6 annually.

7 (j) The director of taxation may adopt rules pursuant to
8 chapter 91 to implement this section.

9 (k) As used in this section, "qualified Hawaii cultural
10 organization":

11 (1) Means an organization that:

12 (A) Is organized and operated in the State as a
13 nonprofit organization exempt under section
14 501(c)(3) of the Internal Revenue Code of 1986,
15 as amended;

16 (B) Is registered and in good standing with the
17 department of the attorney general pursuant to
18 chapter 467B;

19 (C) Has a primary purpose of providing cultural
20 programs, services, or education that advances
21 one or more of the following:



- 1 (i) Arts and arts education, including visual
- 2 arts, performing arts, music, dance,
- 3 theater, literary arts, media arts, and arts
- 4 learning;
- 5 (ii) Native Hawaiian culture, language, ‘ike
- 6 kupuna, cultural practice, and cultural
- 7 perpetuation;
- 8 (iii) History, heritage, and preservation,
- 9 including museums, archives, historic sites,
- 10 and cultural heritage programs; and
- 11 (iv) Humanities and cultural literacy, including
- 12 storytelling, community-based cultural
- 13 education, and cultural research and
- 14 interpretation; and
- 15 (D) Meets any additional criteria established by the
- 16 department and adopted by rule pursuant to
- 17 chapter 91; and
- 18 (2) Shall not include any organization that is:
- 19 (A) Primarily organized for religious worship,
- 20 political campaign activity, or lobbying;



1 (B) Primarily a private foundation, as defined under
2 section 509(a) of the Internal Revenue Code of
3 1986, as amended; or

4 (C) Not in good standing under state law."

5 SECTION 4. Chapter 249, Hawaii Revised Statutes, is
6 amended by adding a new section to be appropriately designated
7 and to read as follows:

8 "§249- Special number plates; Hawaii cultural trust;
9 authorized. (a) Notwithstanding any law to the contrary, the
10 director of finance shall issue to any registered owner of a
11 motor vehicle, who is a resident of the State, upon completed
12 application and payment of the required fees, a special number
13 plate for the registered owner's motor vehicle supporting the
14 Hawaii cultural trust established pursuant to section 201-B.

15 (b) The director of finance of the city and county of
16 Honolulu, in consultation with the directors of finance of the
17 counties of Kauai, Maui, and Hawaii; chiefs of police of the
18 city and county of Honolulu and the counties of Kauai, Maui, and
19 Hawaii; and director of business, economic development, and
20 tourism, shall establish a special number plate design that:



- 1 (1) Contains words, images, or both, that indicate the
2 special number plate is issued to support the Hawaii
3 cultural trust;
- 4 (2) Is similar in shape and size to the uniform state
5 number plate prescribed by law; and
- 6 (3) Does not obstruct the visibility of the numbers or
7 letters or any other information that is required by
8 law to be on a number plate and is readily
9 identifiable and distinguishable under actual traffic
10 conditions.
- 11 (c) The special number plate design shall not:
- 12 (1) Infringe upon or otherwise violate any trademark,
13 trade name, service mark, copyright, or other
14 proprietary or property right;
- 15 (2) Represent any obscene or degrading image, idea, word,
16 or phrase;
- 17 (3) Advertise or endorse a product, brand, or service that
18 is provided for sale;
- 19 (4) Promote any religious belief; or
- 20 (5) Promote any philosophy based on prejudice or that is
21 contrary to state civil rights laws.



1 (d) Each special number plate shall be securely fastened
2 to the motor vehicle in lieu of the uniform state number plate.

3 (e) The director of finance shall charge a special number
4 plate fee at least equal to the county's cost of providing the
5 special number plate and administrative costs, if any, plus a
6 fundraising fee to be determined by the director of finance in
7 consultation with the director of business, economic
8 development, and tourism. The fundraising fee shall be in
9 addition to any other state or county fees collected for a motor
10 vehicle registration or license plate.

11 (f) The director of finance may charge an additional
12 fundraising fee of the same or a different amount as the
13 fundraising fee established pursuant to subsection (e), for the
14 renewal of a special number plate. If an additional fundraising
15 fee is implemented pursuant to this subsection, the director of
16 finance shall revoke the special number plate of any registered
17 owner of a motor vehicle who fails to pay the additional
18 fundraising fee imposed by this subsection.

19 (g) The revenue generated by the fundraising fees, or a
20 portion of the revenue generated by the fundraising fees as
21 determined by the director of finance, shall be deposited in the



1 name of the Hawaii cultural trust into the Hawaii cultural trust
2 account. The director of finance shall determine the most
3 efficient means of directing the revenue generated by the
4 fundraising fees to the Hawaii cultural trust.

5 (h) The director of finance may revoke all special number
6 plates issued pursuant to this section if the total number of
7 registered owners of motor vehicles that obtain the special
8 number plates is less than one hundred fifty within three years
9 of issuance of the first special number plate.

10 (i) Nothing in this section shall be construed to apply to
11 any plates issued pursuant to sections 249-9.2, 249-9.5, 249-
12 9.6, 249-9.7, 249-9.8, and 249-9.9.

13 (j) As used in this section, unless a different meaning
14 appears from the context, "special number plate" means a license
15 plate that represents the Hawaii cultural trust."

16 SECTION 5. Section 76-16, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) The civil service to which this chapter applies shall
19 comprise all positions in the State now existing or hereafter
20 established and embrace all personal services performed for the
21 State, except the following:



- 1 (1) Commissioned and enlisted personnel of the Hawaii
2 National Guard and positions in the Hawaii National
3 Guard that are required by state or federal laws or
4 regulations or orders of the National Guard to be
5 filled from those commissioned or enlisted personnel;
- 6 (2) Positions filled by persons employed by contract where
7 the director of human resources development has
8 certified that the service is special or unique or is
9 essential to the public interest and that, because of
10 circumstances surrounding its fulfillment, personnel
11 to perform the service cannot be obtained through
12 normal civil service recruitment procedures. Any
13 contract may be for any period not exceeding one year;
- 14 (3) Positions that must be filled without delay to comply
15 with a court order or decree if the director
16 determines that recruitment through normal recruitment
17 civil service procedures would result in delay or
18 noncompliance, such as the Felix-Cayetano consent
19 decree;
- 20 (4) Positions filled by the legislature or by either house
21 or any committee thereof;



- 1 (5) Employees in the office of the governor and office of
2 the lieutenant governor, and household employees at
3 Washington Place;
- 4 (6) Positions filled by popular vote;
- 5 (7) Department heads, officers, and members of any board,
6 commission, or other state agency whose appointments
7 are made by the governor or are required by law to be
8 confirmed by the senate;
- 9 (8) Judges, referees, receivers, masters, jurors, notaries
10 public, land court examiners, court commissioners, and
11 attorneys appointed by a state court for a special
12 temporary service;
- 13 (9) One bailiff for the chief justice of the supreme court
14 who shall have the powers and duties of a court
15 officer and bailiff under section 606-14; one
16 secretary or clerk for each justice of the supreme
17 court, each judge of the intermediate appellate court,
18 and each judge of the circuit court; one secretary for
19 the judicial council; one deputy administrative
20 director of the courts; three law clerks for the chief
21 justice of the supreme court, two law clerks for each



1 associate justice of the supreme court and each judge
2 of the intermediate appellate court, one law clerk for
3 each judge of the circuit court, two additional law
4 clerks for the civil administrative judge of the
5 circuit court of the first circuit, two additional law
6 clerks for the criminal administrative judge of the
7 circuit court of the first circuit, one additional law
8 clerk for the senior judge of the family court of the
9 first circuit, two additional law clerks for the civil
10 motions judge of the circuit court of the first
11 circuit, two additional law clerks for the criminal
12 motions judge of the circuit court of the first
13 circuit, and two law clerks for the administrative
14 judge of the district court of the first circuit; and
15 one private secretary for the administrative director
16 of the courts, the deputy administrative director of
17 the courts, each department head, each deputy or first
18 assistant, and each additional deputy, or assistant
19 deputy, or assistant defined in paragraph (16);
20 (10) First deputy and deputy attorneys general, the
21 administrative services manager of the department of



1 the attorney general, one secretary for the
2 administrative services manager, an administrator and
3 any support staff for the criminal and juvenile
4 justice resources coordination functions, and law
5 clerks;

6 (11) (A) Teachers, principals, vice-principals, complex
7 area superintendents, deputy and assistant
8 superintendents, other certificated personnel,
9 and no more than twenty noncertificated
10 administrative, professional, and technical
11 personnel not engaged in instructional work;

12 (B) Effective July 1, 2003, teaching assistants,
13 educational assistants, bilingual or bicultural
14 school-home assistants, school psychologists,
15 psychological examiners, speech pathologists,
16 athletic health care trainers, alternative school
17 work study assistants, alternative school
18 educational or supportive services specialists,
19 alternative school project coordinators, and
20 communications aides in the department of
21 education;



- 1 (C) The special assistant to the state librarian and
2 one secretary for the special assistant to the
3 state librarian; and
- 4 (D) Members of the faculty of the university of
5 Hawaii, including research workers, extension
6 agents, personnel engaged in instructional work,
7 and administrative, professional, and technical
8 personnel of the university;
- 9 (12) Employees engaged in special, research, or
10 demonstration projects approved by the governor;
- 11 (13) (A) Positions filled by inmates, patients of state
12 institutions, and persons with severe physical or
13 mental disabilities participating in the work
14 experience training programs;
- 15 (B) Positions filled with students in accordance with
16 guidelines for established state employment
17 programs; and
- 18 (C) Positions that provide work experience training
19 or temporary public service employment that are
20 filled by persons entering the workforce or
21 persons transitioning into other careers under



1 programs such as the federal Workforce Investment
 2 Act of 1998, as amended, or the Senior Community
 3 Service Employment Program of the Employment and
 4 Training Administration of the United States
 5 Department of Labor, or under other similar state
 6 programs;

7 (14) A custodian or guide at Iolani Palace, the Royal
 8 Mausoleum, and Hulihee Palace;

9 (15) Positions filled by persons employed on a fee,
 10 contract, or piecework basis, who may lawfully perform
 11 their duties concurrently with their private business
 12 or profession or other private employment and whose
 13 duties require only a portion of their time, if it is
 14 impracticable to ascertain or anticipate the portion
 15 of time to be devoted to the service of the State;

16 (16) Positions of first deputies or first assistants of
 17 each department head appointed under or in the manner
 18 provided in section 6, article V, of the Hawaii State
 19 Constitution; three additional deputies or assistants
 20 either in charge of the highways, harbors, and
 21 airports divisions or other functions within the



1 department of transportation as may be assigned by the
2 director of transportation, with the approval of the
3 governor; one additional deputy in the department of
4 human services either in charge of welfare or other
5 functions within the department as may be assigned by
6 the director of human services; four additional
7 deputies in the department of health, each in charge
8 of one of the following: behavioral health,
9 environmental health, hospitals, and health resources
10 administration, including other functions within the
11 department as may be assigned by the director of
12 health, with the approval of the governor; two
13 additional deputies in charge of the law enforcement
14 programs, administration, or other functions within
15 the department of law enforcement as may be assigned
16 by the director of law enforcement, with the approval
17 of the governor; three additional deputies each in
18 charge of the correctional institutions,
19 rehabilitation services and programs, and
20 administration or other functions within the
21 department of corrections and rehabilitation as may be



1 assigned by the director of corrections and
2 rehabilitation, with the approval of the governor; two
3 administrative assistants to the state librarian; and
4 an administrative assistant to the superintendent of
5 education;

6 (17) Positions specifically exempted from this part by any
7 other law; provided that:

8 (A) Any exemption created after July 1, 2014, shall
9 expire three years after its enactment unless
10 affirmatively extended by an act of the
11 legislature; and

12 (B) All of the positions defined by paragraph (9)
13 shall be included in the position classification
14 plan;

15 (18) Positions in the state foster grandparent program and
16 positions for temporary employment of senior citizens
17 in occupations in which there is a severe personnel
18 shortage or in special projects;

19 (19) Household employees at the official residence of the
20 president of the university of Hawaii;



- 1 (20) Employees in the department of education engaged in
2 the supervision of students during meal periods in the
3 distribution, collection, and counting of meal
4 tickets, and in the cleaning of classrooms after
5 school hours on a less than half-time basis;
- 6 (21) Employees hired under the tenant hire program of the
7 Hawaii public housing authority; provided that no more
8 than twenty-six per cent of the authority's workforce
9 in any housing project maintained or operated by the
10 authority shall be hired under the tenant hire
11 program;
- 12 (22) Positions of the federally funded expanded food and
13 nutrition program of the university of Hawaii that
14 require the hiring of nutrition program assistants who
15 live in the areas they serve;
- 16 (23) Positions filled by persons with severe disabilities
17 who are certified by the state vocational
18 rehabilitation office that they are able to perform
19 safely the duties of the positions;
- 20 (24) The sheriff;



- 1 (25) A gender and other fairness coordinator hired by the
2 judiciary;
- 3 (26) Positions in the Hawaii National Guard youth and adult
4 education programs;
- 5 (27) In the Hawaii state energy office in the department of
6 business, economic development, and tourism, all
7 energy program managers, energy program specialists,
8 energy program assistants, and energy analysts;
- 9 (28) Administrative appeals hearing officers in the
10 department of human services;
- 11 (29) In the Med-QUEST division of the department of human
12 services, the division administrator, finance officer,
13 health care services branch administrator, medical
14 director, and clinical standards administrator;
- 15 (30) In the director's office of the department of human
16 services, the enterprise officer, information security
17 and privacy compliance officer, security and privacy
18 compliance engineer, security and privacy compliance
19 analyst, information technology implementation
20 manager, assistant information technology
21 implementation manager, resource manager, community or



- 1 project development director, policy director, special
2 assistant to the director, and limited English
3 proficiency project manager or coordinator;
- 4 (31) The Alzheimer's disease and related dementia services
5 coordinator in the executive office on aging;
- 6 (32) In the Hawaii emergency management agency, the
7 executive officer, public information officer, civil
8 defense administrative officer, branch chiefs, and
9 emergency operations center state warning point
10 personnel; provided that for state warning point
11 personnel, the director shall determine that
12 recruitment through normal civil service recruitment
13 procedures would result in delay or noncompliance;
- 14 (33) The executive director and seven full-time
15 administrative positions of the school facilities
16 authority;
- 17 (34) Positions in the Mauna Kea stewardship and oversight
18 authority;
- 19 (35) In the office of homeland security of the department
20 of law enforcement, the statewide interoperable
21 communications coordinator;



- 1 (36) In the social services division of the department of
- 2 human services, the business technology analyst;
- 3 (37) The executive director and staff of the 911 board;
- 4 (38) The software developer supervisor and senior software
- 5 developers in the department of taxation;
- 6 (39) In the department of law enforcement, five Commission
- 7 on Accreditation for Law Enforcement Agencies, Inc.,
- 8 coordinator positions;
- 9 (40) The state fire marshal and deputy state fire marshal
- 10 in the office of the state fire marshal;
- 11 (41) The administrator for the law enforcement standards
- 12 board;
- 13 (42) In the office of the director of taxation, the data
- 14 privacy officer and tax business analysts; [and]
- 15 [+] (43) [+] All positions filled by the Hawaii tourism
- 16 authority within the department of business, economic
- 17 development, and tourism[-]; and
- 18 (44) The Hawaii cultural trust coordinator.
- 19 The director shall determine the applicability of this
- 20 section to specific positions.



1 Nothing in this section shall be deemed to affect the civil
2 service status of any incumbent as it existed on July 1, 1955."

3 SECTION 6. In codifying the new sections added by section
4 2 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

7 SECTION 7. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 8. This Act shall take effect on July 1, 3000;
10 provided that section 3 of this Act shall apply to taxable years
11 beginning after December 31, 2026.



Report Title:

Hawaii Cultural Trust; Income Tax Credit; Special License Plate

Description:

Establishes the Hawaii Cultural Trust within the Department of Business, Economic Development, and Tourism. Establishes an income tax credit for contributions made to the Hawaii Cultural Trust and qualified Hawaii cultural organizations, under certain conditions. Establishes a special number plate for motor vehicles to support the Hawaii Cultural Trust. Applies the income tax credit to taxable years beginning after 12/31/2026. Effective 7/1/3000. (HD2)

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

