
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 or invited, as applicable, by the
15 director:

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

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

19 (3) Native Hawaiian cultural practitioners; and

20 (4) Representatives of nonprofit organizations from the
21 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 prior to 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 that 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
8 only if:

9 (1) The taxpayer made a monetary contribution during the
10 taxable year to the Hawaii cultural trust established
11 pursuant to section 201-B; and

12 (2) The taxpayer made a monetary contribution during the
13 taxable year to one or more qualified Hawaii cultural
14 organization.

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

20 (d) The credit claimed under this section shall not
21 exceed:



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

3 (2) \$1,000 for taxpayers filing a joint return; and

4 (3) \$2,500 for a corporation subject to tax under this
5 chapter.

6 (e) If the tax credit under this section exceeds the
7 taxpayer's income tax liability, the excess of the credit over
8 liability may be used as a credit against the taxpayer's income
9 tax liability in subsequent years until exhausted.

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

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

19 (h) The proof required pursuant to subsection (g) may
20 include receipts or written acknowledgments from the Hawaii
21 cultural trust and from qualified Hawaii cultural organizations,



1 including the organization's name, the organization's federal
2 employer identification number, and the amount and date of the
3 contribution.

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

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

11 (k) As used in this section, "qualified Hawaii cultural
12 organization":

13 (1) Means an organization that:

14 (A) Is organized and operated in the State as a
15 nonprofit organization exempt from taxation under
16 section 501(c)(3) of the Internal Revenue Code of
17 1986, as amended;

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



- 1 (C) Has a primary purpose of providing cultural
- 2 programs, services, or education that advances
- 3 one or more of the following:
- 4 (i) Arts and arts education, including visual
- 5 arts, performing arts, music, dance,
- 6 theater, literary arts, media arts, and arts
- 7 learning;
- 8 (ii) Native Hawaiian culture, language, 'ike
- 9 kupuna, cultural practice, and cultural
- 10 perpetuation;
- 11 (iii) History, heritage, and preservation,
- 12 including museums, archives, historic sites,
- 13 and cultural heritage programs; and
- 14 (iv) Humanities and cultural literacy, including
- 15 storytelling, community-based cultural
- 16 education, and cultural research and
- 17 interpretation; and
- 18 (D) Meets any additional criteria established by the
- 19 department and adopted by rule pursuant to
- 20 chapter 91; and
- 21 (2) Shall not include any organization that is:



- 1 (A) Primarily organized for religious worship,
- 2 political campaign activity, or lobbying;
- 3 (B) Primarily a private foundation, as defined under
- 4 section 509(a) of the Internal Revenue Code of
- 5 1986, as amended; or
- 6 (C) Not in good standing under state law."

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

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

17 (b) The director of finance of the city and county of
18 Honolulu, in consultation with the directors of finance of the
19 counties of Kauai, Maui, and Hawaii; chiefs of police of the
20 city and county of Honolulu and the counties of Kauai, Maui, and



1 Hawaii; and director of business, economic development, and
2 tourism, shall establish a special number plate design that:

3 (1) Contains words, images, or both, that indicate the
4 special number plate is issued to support the Hawaii
5 cultural trust;

6 (2) Is similar in shape and size to the uniform state
7 number plate prescribed by law; and

8 (3) Does not obstruct the visibility of the numbers or
9 letters or any other information that is required by
10 law to be on a number plate and is readily
11 identifiable and distinguishable under actual traffic
12 conditions.

13 (c) The special number plate design shall not:

14 (1) Infringe upon or otherwise violate any trademark,
15 trade name, service mark, copyright, or other
16 proprietary or property right;

17 (2) Represent any obscene or degrading image, idea, word,
18 or phrase;

19 (3) Advertise or endorse a product, brand, or service that
20 is provided for sale;

21 (4) Promote any religious belief; or



1 (5) Promote any philosophy based on prejudice or that is
2 contrary to state civil rights laws.

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

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

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



1 (g) The revenue generated by the fundraising fees, or a
2 portion of the revenue generated by the fundraising fees as
3 determined by the director of finance, shall be deposited in the
4 name of the Hawaii cultural trust into the Hawaii cultural trust
5 account. The director of finance shall determine the most
6 efficient means of directing the revenue generated by the
7 fundraising fees to the Hawaii cultural trust.

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

13 (i) Nothing in this section shall be construed to apply to
14 any plates issued pursuant to sections 249-9.2, 249-9.5,
15 249-9.6, 249-9.7, 249-9.8, and 249-9.9.

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

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



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

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



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



1 and each judge of the circuit court; one secretary for
2 the judicial council; one deputy administrative
3 director of the courts; three law clerks for the chief
4 justice of the supreme court, two law clerks for each
5 associate justice of the supreme court and each judge
6 of the intermediate appellate court, one law clerk for
7 each judge of the circuit court, two additional law
8 clerks for the civil administrative judge of the
9 circuit court of the first circuit, two additional law
10 clerks for the criminal administrative judge of the
11 circuit court of the first circuit, one additional law
12 clerk for the senior judge of the family court of the
13 first circuit, two additional law clerks for the civil
14 motions judge of the circuit court of the first
15 circuit, two additional law clerks for the criminal
16 motions judge of the circuit court of the first
17 circuit, and two law clerks for the administrative
18 judge of the district court of the first circuit; and
19 one private secretary for the administrative director
20 of the courts, the deputy administrative director of
21 the courts, each department head, each deputy or first



- 1 assistant, and each additional deputy, or assistant
2 deputy, or assistant defined in paragraph (16);
- 3 (10) First deputy and deputy attorneys general, the
4 administrative services manager of the department of
5 the attorney general, one secretary for the
6 administrative services manager, an administrator and
7 any support staff for the criminal and juvenile
8 justice resources coordination functions, and law
9 clerks;
- 10 (11) (A) Teachers, principals, vice-principals, complex
11 area superintendents, deputy and assistant
12 superintendents, other certificated personnel,
13 and no more than twenty noncertificated
14 administrative, professional, and technical
15 personnel not engaged in instructional work;
- 16 (B) Effective July 1, 2003, teaching assistants,
17 educational assistants, bilingual or bicultural
18 school-home assistants, school psychologists,
19 psychological examiners, speech pathologists,
20 athletic health care trainers, alternative school
21 work study assistants, alternative school



1 educational or supportive services specialists,
2 alternative school project coordinators, and
3 communications aides in the department of
4 education;

5 (C) The special assistant to the state librarian and
6 one secretary for the special assistant to the
7 state librarian; and

8 (D) Members of the faculty of the university of
9 Hawaii, including research workers, extension
10 agents, personnel engaged in instructional work,
11 and administrative, professional, and technical
12 personnel of the university;

13 (12) Employees engaged in special, research, or
14 demonstration projects approved by the governor;

15 (13) (A) Positions filled by inmates, patients of state
16 institutions, and persons with severe physical or
17 mental disabilities participating in the work
18 experience training programs;

19 (B) Positions filled with students in accordance with
20 guidelines for established state employment
21 programs; and



1 (C) Positions that provide work experience training
2 or temporary public service employment that are
3 filled by persons entering the workforce or
4 persons transitioning into other careers under
5 programs such as the federal Workforce Investment
6 Act of 1998, as amended, or the Senior Community
7 Service Employment Program of the Employment and
8 Training Administration of the United States
9 Department of Labor, or under other similar state
10 programs;

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

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

20 (16) Positions of first deputies or first assistants of
21 each department head appointed under or in the manner



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



1 charge of the correctional institutions,
2 rehabilitation services and programs, and
3 administration or other functions within the
4 department of corrections and rehabilitation as may be
5 assigned by the director of corrections and
6 rehabilitation, with the approval of the governor; two
7 administrative assistants to the state librarian; and
8 an administrative assistant to the superintendent of
9 education;

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

12 (A) Any exemption created after July 1, 2014, shall
13 expire three years after its enactment unless
14 affirmatively extended by an act of the
15 legislature; and

16 (B) All of the positions defined by paragraph (9)
17 shall be included in the position classification
18 plan;

19 (18) Positions in the state foster grandparent program and
20 positions for temporary employment of senior citizens



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



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



1 analyst, information technology implementation
 2 manager, assistant information technology
 3 implementation manager, resource manager, community or
 4 project development director, policy director, special
 5 assistant to the director, and limited English
 6 proficiency project manager or coordinator;

7 (31) The Alzheimer's disease and related dementia services
 8 coordinator in the executive office on aging;

9 (32) In the Hawaii emergency management agency, the
 10 executive officer, public information officer, civil
 11 defense administrative officer, branch chiefs, and
 12 emergency operations center state warning point
 13 personnel; provided that for state warning point
 14 personnel, the director shall determine that
 15 recruitment through normal civil service recruitment
 16 procedures would result in delay or noncompliance;

17 (33) The executive director and seven full-time
 18 administrative positions of the school facilities
 19 authority;

20 (34) Positions in the Mauna Kea stewardship and oversight
 21 authority;



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



1 The director shall determine the applicability of this
2 section to specific positions.

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

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

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

11 SECTION 8. This Act shall take effect on July 1, 3050;
12 provided that section 3 of this Act shall apply to taxable years
13 beginning after December 31, 2026.



Report Title:

DBEDT; Hawaii Cultural Trust; Income Tax Credit; Special Number 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 both the Hawaii Cultural Trust and at least one qualified Hawaii cultural organization, 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 7/1/3050. (SD1)

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