

ACT 366

H.B. NO. 3563

A Bill for an Act Relating to Out-Of-State Offices of the Department of Business and Economic Development.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 201, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

“PART . OUT-OF-STATE OFFICES

§201- Establishment of out-of-state offices; purposes. The department of business and economic development may establish and operate offices in out-of-state locations, including foreign nations, to effectuate the following purposes:

- (1) Develop programs to reach targeted companies or industries in the respective area and surrounding regions;
- (2) Monitor out-of-state government policies and regulations that have an impact on business, markets, sales, tourism, and related activities;
- (3) Host government and business officials at conferences, meetings and social occasions, or other events on matters pertaining to business opportunities and attraction of investments for the State;
- (4) Develop and conduct advertising efforts, promotional events, media coverage, and educational programs regarding commerce in the State; and
- (5) Conduct related operations as needed, such as hiring or contracting for consultants.

§201- Powers of the department. The department, subject to the approval of the director of budget and finance, shall have the following general powers to operate out-of-state offices established:

- (1) To enter into contracts, leases, or cooperative agreements, or perform other transactions with any person, firm, partnership, association, company, corporation, or foreign nation, as may be necessary in the conduct of its business and on such terms as the department may deem appropriate, notwithstanding the provisions of chapter 103;
- (2) To establish operational bank accounts in out-of-state locations, including foreign denomination accounts, as may be necessary in the conduct of its business, notwithstanding the provisions of chapter 38;
- (3) To receive by gifts, grants, devises, bequests, or otherwise from private sources or a foreign nation, any property, real, personal, or mixed, intangible or tangible, absolutely or in trust, to be used and disposed of, either the principal or the income therefrom, in accordance with the conditions under which it was received;
- (4) To sell, lease, rent, hold, maintain, use, and operate any property, real, personal, or mixed, tangible or intangible, in accordance with the conditions under which it was received;
- (5) To hire such personnel as may be necessary in the conduct of its business and on such terms as the department may deem appropriate; and

- (6) To do any or all other acts reasonably necessary to carry out the objects and purposes of this chapter, provided that the department shall not obligate any funds of the state not appropriated to the department.

§201- Rules. The department may adopt rules in accordance with chapter 91 for the purposes of this chapter.

§201- Annual report. The department of business and economic development shall submit an annual report to the legislature on the operations of its out-of-state offices. For each out-of-state office the report shall describe and include, but not be limited to:

- (1) The programs developed to reach targeted companies or industries in the respective area or surrounding region, and the result of these programs;
- (2) The major out-of-state government policies and regulations affecting business and economic development in Hawaii;
- (3) The major advertising efforts, promotional events, media coverage, and educational programs developed and conducted regarding business opportunities in the State; and
- (4) An expenditure report which shall include a detailed description of expenditures involving staffing and contracted personal services."

SECTION 2. The department is authorized to hire employees necessary to staff its out-of-state offices subject to chapters 76 and 77 and legislative appropriations.

The department may also appoint such other employees exempt from chapters 76 and 77 as may be necessary to administer the affairs of its out-of-state offices. The initial appointment shall not exceed three years, during which time the department shall submit to the legislature a request for approval prior to continuation of the position. The department shall set the duties, responsibilities, salaries, holidays, vacations, leaves, hours of work, and working conditions for these employees.

Subject to the approval of the director of budget and finance, the department may be exempted from the following state laws only to the extent necessary for the conduct of its business in operating out-of-state offices:

- (1) Sections 36-27 and 36-30, relating to special fund transfers and reimbursements to the general fund;
- (2) Section 103, relating to advertising for bids and purchases to be made in Hawaii whenever public moneys are expended;
- (3) Chapter 36, relating to management of state funds;
- (4) Chapter 38, relating to deposits of public funds;
- (5) Chapter 40, relating to audit and accounting, except that the department shall comply with section 40-81;
- (6) Chapter 76, relating to civil service;
- (7) Chapter 77, relating to compensation;
- (8) Section 78-1, relating to public employment, except when expressly hiring personnel subject to section 78-1; and
- (9) Section 171-30, relating to acquisition of real property.

Notwithstanding any other law to the contrary, the department may establish a special fund for the deposit of moneys received from the legislature for the purpose of establishing and operating its out-of-state offices and for the deposit of other sources of income or revenue.

SECTION 3. The legislative auditor shall review the department's use of the special powers provided in Section 2 of this Act and shall make recommendations

ACT 366

to the legislature on the continuation of the authority granted to the department by this Act no later than twenty days before the convening of the Regular Session of 1990.

SECTION 4. This Act shall take effect upon approval.

(Approved June 14, 1988.)