

ACT 148

S.B. NO. 3091

A Bill for an Act Relating to Options for Students in Department of Education Schools.

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

SECTION 1. The purpose of this Act is to provide clarity and consistency with regard to commercial enterprise activities in schools by:

- (1) Broadening the scope of profit-making operations students may engage in at schools to include commercial enterprises, while ensuring that engagement in commercial enterprises shall be related to the primary educational purposes of the school, career pathway, academy, or program as required by section 302A-448, Hawaii Revised Statutes; and
- (2) Allowing students to receive school credit, compensation, or both, when engaging in profit-making operations.

SECTION 2. Section 302A-420, Hawaii Revised Statutes, is amended to read as follows:

“§302A-420 Profits ~~to pupils~~ and school credit for students. All net profits arising from agricultural ~~and~~, industrial, or commercial enterprise pursuits ~~[under sections 302A-420 to 302A-431]~~ at any school, under the rules of the department:

- (1) Shall be used by the school to support agricultural, industrial, and commercial enterprise pursuit programs and for the purchase of equipment and ~~[material,] materials,~~ not otherwise provided for in the school budget, that will be of general benefit to the ~~[pupils;] students;~~ or
- (2) May be distributed among the ~~[pupils]~~ students actually engaged in the pursuits~~[-];~~ provided that school credit may also be granted to students engaged in the permitted operations, either in addition to, or in lieu of, any net profits distributed to the students;

provided further that the commercial enterprise does not affect the tax-exempt status of general obligation bonds and complies with the requirements of section 302A-448. The department shall provide for the keeping of simple books of account, showing the source and distribution of the money resulting from the operations carried on pursuant to this section, and for the auditing of these books of account at least quarterly.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)