

ACT 158

S.B. NO. 1578

A Bill for an Act Relating to International Affairs.

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

SECTION 1. The legislature finds that the Center for Cultural and Technical Interchange Between East and West Act of 1960, Public Law 86-472, authorized the establishment in Hawaii of a center for cultural and technical interchange between East and West, and Act 82, Session Laws of Hawaii 1975 (Act 82), established an educational non-profit public corporation, the Center for Cultural and Technical Interchange Between East and West, Inc., better known and referred to as the "East-West Center", to administer and operate the center. Act 82 specifies the purposes of the East-West Center, which include, among other things, the promotion of better relations and understanding between the United States and the nations of the East through the administration and operation of the East-West Center as an educational institution operating in furtherance of the objectives of Public Law 86-472 and the promotion, among the nations of the East and West, of the use of the East-West Center by qualified persons for cooperative study, training, and research in matters of East-West significance, thus leading to better relations and understanding as to such matters.

The legislature further finds that the East-West Center has become a pivotal institution in fostering understanding and cooperation between the United States and the nations of Asia and the Pacific. Hawaii's unique geographical location and multicultural heritage make it an ideal location for promoting international relations, particularly within the Asia-Pacific region. For over six decades, the East-West Center has significantly contributed to the State's role as a bridge between the East and West, enhancing the State's position in international affairs.

The legislature further finds that the East-West center's programs in research, education, and exchange have directly benefited the State's economy, culture, and diplomatic relations. While the federal government has provided significant funding to the East-West center, this federal support has fluctuated over the years. The legislature recognizes that the center would benefit from regular, predictable state resources to support the development of programs and initiatives that align with the State's strategic goals in international relations, education, and economic development.

The legislature finds that the East-West center has served and continues to serve a public purpose of promoting better relations and understanding between the United States and the nations of the East and that granting authorization to the East-West center to receive appropriations of state funds exempt from the requirements of chapter 42F, Hawaii Revised Statutes, complies with the public purpose requirement of article VII, section 4, of the Hawaii State Constitution.

The legislature further finds that strong sister-state, sister-school, and similar relationships benefit the State's businesses and economy, improve access to flights and transportation, expand high school and college student educational exchanges, broaden access to Pacific culture and arts, preserve the State's relationships to the places of origin of its immigrant communities, and spur sub-national government collaborations to address common priorities, including the eradication of invasive species, promotion of economic development, advancement of clean energy, and preservation of peace between nations. Further, it is appropriate for the State to explore and take advantage of additional ways that Hawaii can benefit from international partnerships, including generating revenue abroad similar to many other jurisdictions. For example, hosting facilities abroad for local farmers and retailers to more easily sell Hawaii products in key markets, or investing in projects that generate a return, could create revenue to support Hawaii programs and services without additional expense to local taxpayers.

The legislature also finds that international relations across the Pacific have been rapidly changing. Additionally, previous generations of the State's key community, business, and government leaders who have carefully fostered and maintained these important relationships are retiring or passing on. In order for residents to continue to benefit from the State's international ties, and for Hawaii to take advantage of international business and revenue opportunities abroad, as so many other jurisdictions currently do, it is critical that the State adjust its engagement strategy, ensure continuity with its sister-state communities and partners, and plan for the future.

Therefore, the legislature finds that in celebration of the fiftieth anniversary of the establishment of the East-West center, the State must update its international engagement strategy and reaffirm its commitment to building and maintaining the international partnerships that have benefitted the State over the years so they can continue to benefit local residents for generations to come.

Accordingly, the purpose of this Act is to:

- (1) Establish the official designation of the East-West center as the center for cultural and technical interchange between East and West, Inc., and exempt state fund appropriations to the East-West center from chapter 42F, Hawaii Revised Statutes;
- (2) Rename the Hawaii sister-state committee as the Hawaii sister-state and international partnerships commission and amends its functions and membership;
- (3) Require the office of international affairs to provide support to the Hawaii sister-state and international partnerships commission;
- (4) Expand the department of business, economic development, and tourism's authority to establish out-of-state offices to include out-of-state facilities to support sister-state or province partnerships and other partnerships that promote and enrich the people, cultures, environments, and economies of the State and its international partners, generate revenue for the State, and buy property; and
- (5) Appropriate funds.

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

“§201- East-West center. (a) The official designation of the East-West center shall be the center for cultural and technical interchange between East and West, Inc.

(b) The qualifying standards and conditions related to the receipt of funds under chapter 42F shall not apply to funds received by the East-West center, or center for cultural and technical interchange between East and West, Inc.; provided that if the center for cultural and technical interchange between East and West, Inc. contracts with a recipient or provider, then the qualifying standards, conditions, and other provisions of chapter 42F shall apply to the recipient or provider and the contract.

(c) To receive state funds, the center for cultural and technical interchange between East and West, Inc., shall:

- (1) Be licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which state funds are appropriated;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use the funds for entertainment or lobbying activities in the State;
- (4) Be incorporated under the laws of the State;
- (5) Have bylaws or policies that describe the manner in which the activities or services for which funds are appropriated shall be conducted or provided;
- (6) Have been determined and designated to be a tax-exempt organization by the Internal Revenue Service; and
- (7) Have a governing board whose members shall have no material conflict of interest and serve without compensation.

(d) The comptroller and state auditor may examine the use of funds appropriated to the center for cultural and technical interchange between East and West, Inc.

(e) The allocation of state support shall neither impinge on the autonomy of the center for cultural and technical interchange between East and West, Inc., nor imply state control over its programs or policies, except as provided in this section.

(f) The center for cultural and technical interchange between East and West, Inc., shall submit a report to the legislature no later than twenty days prior to the convening of each regular session, which shall include an explanation of the facility maintenance and other functions accomplished by state fund expenditures in the previous fiscal year.”

SECTION 3. Section 201-17, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The office shall:

- (1) Develop policies that promote and strengthen relations with other countries in the areas of international business, economy, culture, and the arts;
- (2) Develop policies that promote transportation between, and tourism with, other countries;
- (3) Develop and promote international telecommunications and high technology exchanges;
- (4) Encourage the development of international sister-city programs, pairing Hawaii cities with cities around the globe for artistic, cultural, economic, educational, and faith-based exchanges;
- (5) Develop and promote Hawaii as the economic, trade, commerce, transportation, banking, and tourism hub of the Pacific;
- (6) Develop an international affairs and peace education curriculum that includes studies of international affairs and peace initiatives and takes a proactive, strategic approach to the development of policies that promote the prevention of national and international conflict, nonviolent intervention, mediation, peaceful resolution of conflict, and structured mediation of conflict; ~~[and]~~
- (7) Provide for exchanges of individuals between Hawaii and other nations to develop international and peace-based initiatives~~[-]; and~~
- (8) Provide support to the Hawaii sister-state and international partnerships commission.”

SECTION 4. Section 201-81, Hawaii Revised Statutes, is amended to read as follows:

“**§201-81 Establishment of out-of-state offices; purposes.** The department of business, economic development, and tourism may establish and operate offices and facilities 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]~~ including hiring or contracting for consultants~~[-];~~

- (6) Support sister-state or province relationships, as defined in section 229-1, and other partnerships that promote and enrich the people, cultures, environments, and economies of the State and its international partners; and
- (7) Generate revenue for the State.”

SECTION 5. Section 201-82, Hawaii Revised Statutes, is amended to read as follows:

“§201-82 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 and facilities 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]~~ any terms as the department may deem appropriate, using competitive procurement practices, to the extent practicable, in accordance with rules adopted by the policy board;
- (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 buy, 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]~~ any 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 part, provided that the department shall not obligate any funds of the State not appropriated to the department.”

SECTION 6. Section 229-1, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§229-1]] [Definition.] Definitions.~~ For the purposes of this chapter, unless the context otherwise requires~~[-“sister-state”]~~:

“Commission” means the Hawaii sister-state and international partnerships commission established under section 229-2.

“Sister-state or province [relationship”] partnership” means a [relationship] partnership between the State of Hawaii and the state or province or similar governmental or political subdivision of a foreign nation.”

SECTION 7. Section 229-2, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§229-2]] Hawaii sister-state [committee] and international partnerships commission.~~ ~~[[a)]—There shall be established the Hawaii sister-state committee, to be placed within the department of business, economic develop-~~

ment, and tourism for administrative purposes only, consisting of five members appointed by the governor as provided in section 26-34.

The purpose of the committee shall be to advise the governor and the legislature on matters relating to sister-state or province relations and relations, in general, between the State and the states or provinces of foreign countries.

~~[(b)]~~ The governor shall appoint five members, one member from each of five lists of nominees submitted respectively by the following:

- (1) Speaker of the house of representatives;
- (2) President of the senate;
- (3) Native Hawaiian cultural organization;
- (4) East-West Center; and
- (5) Hawaii State Association of Counties.

A chair and vice chair of the committee shall be appointed by the committee members from among themselves. Members shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.]

(a) There is established within the department of business, economic development, and tourism, for administrative purposes only, the Hawaii sister-state and international partnerships commission.

(b) The commission shall support the governor, legislature, and office of international affairs in building and maintaining strategic long-term sister-state or province partnerships that promote and enrich the people, cultures, environments, and economies of the State and its international partners.

(c) The commission shall consist of the following members:

- (1) Three members appointed by the governor, with the advice and consent of the senate; provided that two of the three members appointed by the governor shall be from a list of at least three nominees submitted respectively by the:

(A) Office of Hawaiian affairs; and

(B) Center for cultural and technical interchange between East and West, Inc.;

- (2) One member appointed by the president of the senate;
- (3) One member appointed by the speaker of the house of representatives; and

- (4) The chairs of the respective senate and house committees with jurisdiction over international affairs or intergovernmental affairs, who shall serve as ex-officio, non-voting members of the commission.

(d) The commission shall elect from among its members a chairperson and vice chairperson.

(e) Members of the commission shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties."

SECTION 8. Section 229-3, Hawaii Revised Statutes, is amended to read as follows:

"[H§229-3] Initiating sister-state relationships. The [Hawaii-sister-state committee] commission shall evaluate and develop recommendations for the initiation of all sister-state or province [relationships] partnerships and forward its recommendation to the legislature. The legislature, if it so chooses, shall

implement the recommendation to initiate a sister-state or province ~~[relationship]~~ partnership by either adopting a concurrent resolution or by enacting session law to that effect.”

SECTION 9. Section 229-4, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~**§229-4**~~]]~~ **Maintaining sister-state relationships.** The ~~[Hawaii sister-state committee]~~ commission shall periodically evaluate established sister-state ~~[relationships]~~ or province partnerships and forward its recommendations on maintaining sister-state ~~[relationships]~~ or province partnerships to the governor and to the legislature.”

SECTION 10. Section 229-5, Hawaii Revised Statutes, is amended to read as follows:

“~~[[~~**§229-5**~~]]~~ **Dissolving sister-state relationships.** The ~~[Hawaii sister-state committee]~~ commission may make a recommendation to terminate a sister-state ~~[relationship]~~ or province partnership it deems to be defunct, moribund, or not beneficial and forward its recommendation to the legislature. The legislature, if it so chooses, shall implement the recommendation to terminate a sister-state ~~[relationship]~~ or province partnership either by adopting a concurrent resolution or by enacting session law to that effect.”

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the office of international affairs to develop an:

- (1) Updated strategy for the State’s international engagement in the twenty-first century; and
- (2) Analysis of potential investment and revenue generation abroad.

The sums appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the sum of \$4,000,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 for the center for cultural and technical interchange between East and West, Inc. to assist in the development and maintenance of the State’s international relationships, programs, and partnerships.

The sums appropriated shall be expended by the university of Hawaii for the purposes of this Act.

SECTION 13. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

SECTION 14. This Act shall take effect on July 1, 2025.

(Approved June 3, 2025.)

Notes

1. Should be stricken.

2. Edited pursuant to HRS §23G-16.5.