

Honolulu, Hawaii

April 23, 2010

RE: H.B. No. 865
H.D. 1
S.D. 1
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir and Madam:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 865, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to increase efficiency in the maintenance of highways in Hawaii by, among other things:

- (1) Creating a pilot project to transfer the Department of Transportation's (DOT) statutory maintenance functions, and applicable funding, for state highways on Maui, Molokai, and Lanai to the County of Maui;
- (2) Transferring officers, employees, records, and appropriations from DOT to the County of Maui Department of Public Works;



- (3) Maintaining the State's ownership of the state highways included in the pilot project during the project's duration;
- (4) Requiring DOT to create an equitable proportionate funding formula for Maui County for highway maintenance functions;
- (5) Allowing Maui County to adopt administrative rules to supersede state administrative rules when the county administrative rules are more stringent than state administrative rules regarding highway maintenance;
- (6) Creating the State and Maui County Transportation Working Group (Working Group) to plan the implementation of the pilot project;
- (7) Requiring DOT and Maui county to report to the Legislature regarding the implementation of the project; and
- (8) Establishing a sunset date of December 31, 2016, for the pilot project.

Hawaii differs from the rest of the nation because its unique geography as an island state does not lend itself to a truly intrastate or interstate highway system. This situation has resulted in a system where the State, through DOT, holds jurisdiction over all federal-aid highways while the counties hold jurisdiction over all other roadways and highways. However, it has also resulted in duplicative functions being performed, with both the State and counties sharing overlapping functions for the maintenance of highways. As a result, funds may be unnecessarily spent on routine highway maintenance. Given the fiscal crisis currently facing the State, it would be prudent to examine the elimination of duplicative state and county highway functions.

On the other hand, your Committee on Conference understands concerns raised that the implementation of such a pilot project may be premature at this time and that it would be more prudent for the working group established in this measure to conduct a feasibility study on the transfer of state highway maintenance functions to the counties. Accordingly, your Committee on Conference has amended this bill by:

- (1) Deleting all provisions relating to the creation of a pilot project and the transfer of state highway maintenance functions, including among other things, the



transfer of moneys, officers, employees, and records, to Maui County;

- (2) Mandating that the Working Group conduct a study to determine the feasibility of transferring all applicable state highway maintenance functions to counties with populations that, according to the United States Census Bureau, had a population between one hundred thousand and one-hundred thirty-five thousand in the 2000 Census, rather than planning the implementation of the pilot project;
- (3) Requiring the Working Group to submit a report to the Legislature on the feasibility study, including any problems, implementation plans, necessary legislation, and any other relevant information no later than twenty days prior to the convening of the Regular Session of 2011;
- (4) Changing the effective date from July 1, 2050, to July 1, 2010;
- (5) Deleting the sunset date of December 31, 2016; and
- (6) Making technical, nonsubstantive amendments for consistency, clarity, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 865, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 865, H.D. 1, S.D. 1, C.D. 1.

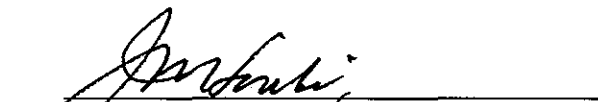
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE


ON THE PART OF THE HOUSE



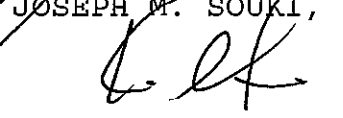
J. KALANI ENGLISH, Chair



JOSEPH M. SOUKI, Co-Chair



DONNA MERCADO KIM, Co-Chair



KEN ITO, Co-Chair



Karen Leinani Awana
KAREN LEINANI AWANA, Co-Chair



