
A BILL FOR AN ACT

RELATING TO FERRIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 HAWAII STATE FERRY SYSTEM

6 § -1 Definitions. As used in this chapter, unless the
7 context indicates otherwise:

8 "Authority" means the Hawaii state ferry system authority.

9 "Department" means the department of transportation.

10 "Director" means the director of transportation.

11 "Ferry system" means the Hawaii state ferry system.

12 "High speed ferry vessel" means any inter-island ferry
13 vessel capable of operating at thirty knots or more that
14 transports, is designed to transport, or is intended to
15 transport per voyage at least five hundred passengers, two
16 hundred motor vehicles, and cargo between the islands of the
17 State.



1 "Vessel" means all manner of watercraft, used or capable of
2 being used as a means of transporting persons or property on or
3 in the waters of the State between the islands.

4 "Waters of the State" has the same meaning as in section
5 200-23.

6 **§ -2 Hawaii state ferry system authority; establishment;**
7 **members.** (a) There is established in the department, the
8 Hawaii state ferry system authority, which shall be a body
9 corporate and a public instrumentality of the State, for the
10 purpose of implementing this chapter.

11 (b) The authority shall comprise six public voting members
12 and one ex officio voting member, provided that:

13 (1) Public members shall be appointed by the governor as
14 provided in section 26-34, except as otherwise
15 provided by law;

16 (2) Four public members shall represent the counties of
17 Maui, Hawaii, and Kauai, and the City and County of
18 Honolulu, with each county being represented by one
19 public member;

20 (3) Two public members shall have knowledge, experience,
21 and expertise in the area of maritime industry
22 management, operations, and marketing; and



1 (4) The director of transportation or the director's
2 designee shall be an ex officio voting member and
3 chairperson of the authority.

4 **§ -3 Powers.** (a) Except as otherwise limited by this
5 chapter, the authority may:

- 6 (1) Sue and be sued;
- 7 (2) Have a seal and alter the same at pleasure;
- 8 (3) Through the director, make and execute contracts and
9 all other instruments necessary or convenient for the
10 exercise of its powers and functions under this
11 chapter; provided that the authority may enter into
12 contracts and agreements for a period of up to five
13 years, subject to the availability of funds; and
14 provided further that the authority may enter into
15 financing, lease, and similar agreements for the
16 provisions of vessels for normal and usual commercial
17 terms;
- 18 (4) Make and alter bylaws for its organization and
19 internal management;
- 20 (5) Unless otherwise provided in this chapter, adopt rules
21 in accordance with chapter 91 with respect to its
22 projects, operations, properties, and facilities;



- 1 (6) Through the director, represent the authority in
2 communications with the governor and the legislature;
- 3 (7) Through the director, provide for the appointment of
4 officers, agents, and employees, subject to the
5 approval of the authority, prescribing their duties
6 and qualifications, and fixing their salaries, without
7 regard to chapters 76 and 78;
- 8 (8) Through the director, purchase supplies, equipment,
9 and furniture;
- 10 (9) Through the director, allocate the space or spaces
11 that are to be occupied by the authority and
12 appropriate staff;
- 13 (10) Through the director, engage the services of
14 consultants on a contractual basis for rendering
15 professional and technical assistance and advice;
- 16 (11) Procure insurance against any loss in connection with
17 its property and other assets and operations in
18 amounts and from insurers as it deems desirable;
- 19 (12) Contract for or accept revenues, compensation,
20 proceeds, and gifts or grants in any form from any
21 public agency or any other source;



- 1 (13) Develop, coordinate, and implement state policies and
2 directions for safe transportation of persons and
3 property between the islands, taking into account the
4 economic, social, and physical impacts of its
5 operations on the State and each of the counties;
- 6 (14) Work to eliminate or reduce barriers to travel between
7 the islands and provide a positive and competitive
8 business environment, including coordinating with the
9 department on issues affecting other water carriers
10 and airlines and air route development;
- 11 (15) Set and collect rents, fees, charges, or other
12 payments for the lease, use, occupancy, or disposition
13 of any facilities under its control, including wharves
14 and terminals, without regard to chapter 91;
- 15 (16) Notwithstanding chapter 171, acquire, lease as lessee
16 or lessor, own, rent, hold, and dispose of the
17 facilities in the exercise of its powers and the
18 performance of its duties under this chapter; and
- 19 (17) Acquire by purchase, lease, or otherwise, and develop,
20 construct, operate, own, manage, repair, reconstruct,
21 enlarge, or otherwise effectuate, either directly or



1 through developers, any required facilities, including
2 terminal facilities.

3 (b) At minimum, the authority shall operate one high speed
4 ferry vessel and other small vessels, as needed, for service to
5 and between the islands of Maui, Molokai, and Lanai and other
6 routes.

7 (c) The authority shall do any and all things necessary to
8 carry out its purposes, exercise the powers and responsibilities
9 given in this chapter, and perform other functions required or
10 authorized by law.

11 **§ -4 Initial operations.** (a) The authority, as soon as
12 practicable, shall engage in communications with the United
13 States Department of Transportation and the United States
14 Maritime Administration relating to federal funding assistance
15 and the possible purchase or lease of the former high speed
16 ferry vessel that operated in waters of the State or other
17 available suitable vessels to commence its operations.

18 (b) The authority shall have full access to all the waters
19 of the State for the routes and schedules of the operations of
20 the ferry system.

21 (c) The authority shall have access on a priority basis
22 into all harbors and small boat facilities operated by the



1 department and the department of land and natural resources for
2 discharging and receiving of passengers and property, wharfage,
3 mooring, terminal, and other support facilities.

4 (d) To the extent practicable, the authority shall use
5 facilities used by the former operator of a high speed ferry
6 vessel that operated in waters of the State for its ferry system
7 operations, including but not limited to terminal facilities,
8 ramps, moorage facilities, and equipment.

9 § -5 **Improvements and harbor facilities.** Through the
10 director, the authority shall have all the rights and powers
11 afforded the department with regard to section 266-19.5 and
12 sections 266-51 to 266-55.

13 § -6 **Common carrier.** The authority shall have all the
14 rights, obligations, and duties of a common carrier of persons
15 and property in its ferry system operations, including the right
16 to a certificate of public convenience and necessity; provided
17 that the authority shall be subject to the provisions of
18 chapters 269 and 271G.

19 § -7 **Rates, fares, and charges; Hawaii state ferry**
20 **system special fund.** (a) There is established the Hawaii state
21 ferry system special fund, into which shall be deposited:



- 1 (1) All rates, fares, charges, and revenue collected
2 pursuant to subsection (b);
- 3 (2) Appropriations by the legislature to the Hawaii state
4 ferry system;
- 5 (3) Gifts, grants, and other funds accepted by the
6 authority; and
- 7 (4) All interest and revenues or receipts derived by the
8 authority from any project or project agreements.
- 9 (b) All rates, fares, charges, and other revenue collected
10 by the authority in the operation of the ferry system, including
11 but not limited to the carriage of persons and property and the
12 lease of terminal areas, shall be deposited into the Hawaii
13 state ferry system special fund.
- 14 (c) Moneys in the Hawaii state ferry system special fund
15 may be:
- 16 (1) Placed in interest-bearing accounts; provided that the
17 depository in which the money is deposited furnishes
18 security under the same terms as required by section
19 38-3; or
- 20 (2) Otherwise invested by the authority until the moneys
21 may be needed; provided that the authority shall limit
22 its investments to those listed in section 36-21.



1 All interest accruing from the investment of these moneys shall
2 be credited to the Hawaii state ferry system special fund.

3 (d) Moneys in the Hawaii state ferry system special fund
4 shall be used by the authority for the operations of the Hawaii
5 state ferry system and for the purposes of this chapter.

6 **§ -8 Rules.** The authority shall adopt, amend, and
7 repeal rules in accordance with chapter 91 to implement this
8 chapter."

9 SECTION 2. Chapter 268, Hawaii Revised Statutes, is
10 repealed.

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2011-2012 and the
14 same sum or so much thereof as may be necessary for fiscal year
15 2012-2013 for the start-up and operations of the Hawaii state
16 ferry system.

17 The sums appropriated shall be expended by the department
18 of transportation for the purposes of this Act.

19 SECTION 4. This Act shall take effect on July 1, 2030.



Report Title:

Transportation; State Ferry System

Description:

Establishes the Hawaii State Ferry System and the Hawaii State Ferry System Special Fund for the operation of a system to ferry people and cargo between the islands. Appropriates funds for start-up and operations of the Hawaii State Ferry System. Effective July 1, 2030. (HB1239 HD1)

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