
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that modernization and
2 improvements at Hawaii's airports concessions have not kept pace
3 with passenger needs and demands. A recent study by the State
4 indicates that various areas at our public airports are lacking
5 in concession space by as much as forty per cent. In addition
6 to areas covered by this study, the legislature expresses the
7 need for the department of transportation to conduct a similar
8 assessment of other areas at our public airports.

9 The recent study also indicates that Hawaii's public
10 airports are not maximizing revenues they could be receiving if
11 additional concession spaces and other related improvements were
12 made. These improvements reportedly would not only pay for
13 themselves but would also generate additional revenues for
14 Hawaii's public airports, provide critically-needed jobs, and
15 stimulate Hawaii's economy.

16 In light of these benefits, the legislature finds that the
17 department of transportation must fast-track the implementation
18 of these improvements. The legislature will consider and



1 support the department of transportation's requests to meet
2 these goals.

3 While the legislature recognizes the importance of fast-
4 tracking such improvements, it also recognizes that fast-paced
5 construction and related matters will result in hardship to
6 existing airport concessions, including inconveniences such as
7 temporary barricades, re-routing of passengers, and temporary
8 relocation of concession operations, among other issues. In
9 addition, the legislature recognizes the financial hardships
10 existing concessions will face when asked by the department of
11 transportation to make and pay for improvements such as newly-
12 added concession spaces or improved fixtures, lighting,
13 flooring, partitioning, and equipment, among other expenditures.
14 Further, the legislature recognizes that concessions may not be
15 able to afford these improvements for various reasons. In a
16 typical scenario, a concession may not be able to recoup the
17 money it paid for improvements because the existing or remaining
18 term of its lease or permit is too short.

19 Thus, the legislature finds that it is important for the
20 department of transportation and concessions to work together to
21 achieve the improvements contemplated by this Act in an
22 expeditious but fair and equitable manner, including amendments



1 extending the term of a concession lease or permit at the
2 department of transportation's discretion. Since such
3 amendments or changes cannot simply be granted by the department
4 of transportation, legislative direction and authorization are
5 necessary.

6 The purpose of this Act is to provide the department of
7 transportation with the authority and discretion to reach an
8 agreement with an airport concession to extend the term of the
9 concession and to modify and amend terms of any concession
10 contract, lease, or permit in exchange for revenue-enhancing
11 improvements that are made or paid for by the concession.

12 SECTION 2. Notwithstanding any laws or provisions to the
13 contrary, including but not limited to chapters 102 and 261,
14 Hawaii Revised Statutes, the department of transportation, in
15 its sole discretion and authority, upon mutual agreement with a
16 concession and in exchange for revenue-enhancing improvements
17 that are made or paid by a concession and deemed acceptable by
18 the department of transportation, may extend, modify, alter, or
19 amend the terms of concession contracts, leases, and permits.

20 SECTION 3. The authority provided to the department of
21 transportation by this Act shall remain valid as long as and to
22 the extent that such authority does not violate any applicable



1 federal laws and regulations and does not jeopardize the receipt
2 of federal aid or impair the obligation of the department of
3 transportation to the holders of any bond issued by the
4 department of transportation.

5 SECTION 4. To the extent necessary to take action,
6 effectuate, and fulfill the purpose and intentions of this Act,
7 including the authority provided, section 171-13 and chapters
8 102 and 261, Hawaii Revised Statutes, as well as any other
9 statutory provisions or rules that may be in conflict with this
10 Act, shall be deemed waived and not applicable.

11 SECTION 5. If any provision of this Act, or the
12 application thereof to any person or circumstance is held
13 invalid, the invalidity shall not affect other provisions or
14 applications of the Act, which can be given effect without the
15 invalid provisions or application, and to this end the
16 provisions of this Act are severable.

17 SECTION 6. This Act shall take effect on July 1, 2030, and
18 shall be repealed on July 1, 2014.



Report Title:

Department of Transportation; Airport; Concessions

Description:

Temporarily authorizes the Department of Transportation to extend the term of an airport concession, and to modify and amend the terms of any concession contract, lease, or permit in exchange for revenue-enhancing improvements that are made or paid for by the concession. Effective July 1, 2030. (HB2004 HD2)

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