
A BILL FOR AN ACT

RELATING TO A PORT AUTHORITY.

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

1 SECTION 1. The legislature finds that there is a
2 compelling interest in protecting consumers from the effects of
3 the high prices of travel and transporting goods between the
4 islands. The legislature further finds that to promote
5 commerce, the State must create a multimodal transportation
6 network to encourage competition and lower the cost of
7 conducting business in the State.

8 The legislature finds that Hawaii's air transportation
9 planning, management, and development functions are currently
10 spread out among a number of agencies, including the department
11 of transportation's airports division, as well as the department
12 of health with respect to environmental concerns, and the office
13 of Hawaiian affairs when ceded lands issues arise.

14 This multijurisdictional situation has resulted in
15 inefficiencies and conflicts that are difficult to resolve
16 between agencies. In addition, this situation sometimes leads



1 to conflicting plans of action among the different agencies
2 seeking to implement differing goals.

3 Recent problems experienced by the medevac night services
4 on the neighbor islands could grow and lead to the loss of air
5 travel options on Molokai and Lanai if the current
6 multijurisdictional system is allowed to persist.

7 The economic well-being of the State depends in part on the
8 efficient use of all of its air transportation resources, which
9 will enhance and complement efforts to improve Hawaii's economy.
10 The legislature believes that coordinated planning and
11 development of small air transportation would be implemented
12 more effectively by a single entity having overall consolidated
13 jurisdiction.

14 Nearly a decade ago, in response to Senate Concurrent
15 Resolution No. 214, H.D. 1 (1996), the governor convened the
16 Hawaii maritime industry policy advisory task force within the
17 office of the governor to examine several issues including
18 "establishing a port authority to implement and administer
19 maritime policy under the port authority." Subsequently, the
20 task force submitted to the legislature its report that
21 determined that the advantages of establishing a port authority



1 outweighed the disadvantages of doing so. The advantages of
2 establishing a port authority include:

- 3 (1) Providing an institutional mechanism to promote
4 efficient allocation of waterfront resources;
- 5 (2) Focusing control and responsibility for small-scale
6 resources within a single entity, thereby eliminating
7 multi-agency oversight and jurisdiction;
- 8 (3) Providing an appropriate forum for all affected
9 interests;
- 10 (4) Increasing efficiency in land utilization and related
11 lease processes;
- 12 (5) Streamlining administrative processes;
- 13 (6) Making possible more responsive planning;
- 14 (7) Increasing financial flexibility; and
- 15 (8) Increasing responsiveness to customer needs and
16 economic demands.

17 The legislature believes that it is time to reexamine
18 placing small airports under a single jurisdiction, rather than
19 retaining its placement in the department of transportation
20 under the current system. This will help to preserve small



1 airports and will provide a vital transportation network among
2 all islands.

3 In addition, the legislature finds that the establishment
4 of a port authority will assist in the following important
5 statewide objectives:

- 6 (1) Increased security for the State. The legislature
7 finds that coordination of all state security
8 interests for small airports at entry-points into the
9 State is in the best interest of the State;
- 10 (2) Improved administrative efficiency. Consolidating
11 small airport functions into a single entity will help
12 to streamline administrative processes, thereby making
13 possible more responsive planning, increasing
14 financial flexibility, and increasing responsiveness
15 to customer needs and economic demands; and
- 16 (3) Increased economic opportunities for the State
17 relating to custom tours, increased tourism, and niche
18 transportation options. A port authority will enable
19 the State to develop improved infrastructure and issue
20 bonds to assist transportation industries that form a
21 logical nexus to air transportation sectors.



1 The legislature finds that the rational allocation and
2 administration of scarce and increasingly valuable airport
3 resources through the establishment of a port authority is vital
4 for the well-being of the people and the economy of the State.
5 A port authority will create new access to cargo options, lower
6 the cost of travel, increase medical flight services, provide
7 increased flexibility for civil defense, and expand tourism
8 options.

9 It is the intent of the legislature that the employees of
10 the department of transportation charged with the
11 responsibilities of managing small airports be eventually
12 transferred to the Hawaii port authority without loss of
13 seniority or benefits and that future employees of the port
14 authority be state employees.

15 Accordingly, the purpose of this Act is to establish the
16 Hawaii port authority, an independent public entity to set
17 statewide policy on all matters relating to small airports and
18 to provide for the orderly transfer of the functions of the
19 department of transportation with regard to small airports to
20 the Hawaii port authority.



1 SECTION 2. 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 PORT AUTHORITY

6 § -1 Definitions. As used in this chapter:

7 "Administrator" means the administrator of the port
8 authority.

9 "Port authority" means the Hawaii port authority.

10 "Small airport" means any of the following airports or
11 portions of the following airports:

12 (1) The general aviation commuter portion of the:

13 (A) Hilo international airport;

14 (B) Honolulu international airport;

15 (C) Kahului airport;

16 (D) Kona international airport at Keahole; and

17 (E) Lihue airport;

18 (2) Dillingham airfield;

19 (3) Hana airport;

20 (4) Kalaeloa airport;

21 (5) Kalaupapa airport;



- 1 (6) Kapalua airport;
- 2 (7) Lanai airport;
- 3 (8) Molokai airport;
- 4 (9) Port Allen airport;
- 5 (10) Upolu airport; and
- 6 (11) Waimea-Kohala airport,

7 and any area of land or water in those portions of the airports
 8 or airports that is used, or intended for use, for the landing
 9 and departure of aircraft, and any appurtenant areas that are
 10 used or intended for use for airport buildings or other airport
 11 facilities or rights-of-way, including approaches, together with
 12 all airport buildings and facilities located thereon.

13 § -2 Hawaii port authority; established. (a) There is
 14 established within the department of budget and finance for
 15 administrative purposes the Hawaii port authority to serve as an
 16 independent public entity to establish statewide policy on all
 17 matters relating to small airports in Hawaii.

18 (b) The port authority, shall be a body corporate and a
 19 special political subdivision of the State.

20 § -3 Hawaii port authority; members. (a) The port
 21 authority shall consist of four voting members as follows:



1 (1) The administrator, who shall be an ex-officio voting
2 member of the port authority; and

3 (2) Three members who shall represent a background in
4 light aircraft or small airports; provided that one of
5 these members shall be a resident of a county with a
6 population of less than five hundred thousand
7 residents.

8 (b) The members of the port authority shall be appointed
9 by the governor pursuant to section 26-34, except as
10 specifically provided this section. The president of the senate
11 and the speaker of the house of representatives shall jointly
12 submit the names of six persons with a background in light
13 aircraft or small airports; provided that three persons shall be
14 selected by the president of the senate and three persons shall
15 be selected by the speaker of the house of representatives.
16 Initial appointments shall be for staggered terms, as determined
17 by the governor. Appointment of the members of the port
18 authority by the governor shall be exempt from the advise and
19 consent authority of the senate.



1 (c) Except as provided in this chapter, no member of the
2 port authority appointed under this section shall be an officer
3 or employee of the State or any of the counties.

4 § -4 Administrator of the Hawaii port authority. (a)
5 The port authority shall be headed by a single executive to be
6 known as the administrator of the port authority.

7 (b) The administrator:

- 8 (1) Shall report directly to the governor;
- 9 (2) Shall be appointed by the vote of not less than three
10 members of the port authority, excluding the
11 administrator;
- 12 (3) Shall be a voting member of the port authority;
- 13 (4) May be removed from office by a vote of not less than
14 three members of the port authority, excluding the
15 administrator;
- 16 (5) Shall have the powers described in this chapter and as
17 may be delegated by the port authority;
- 18 (6) Shall appoint, with the majority consent of the
19 members voting thereon, a division head for the port
20 authority's airport responsibilities;



1 (7) May appoint, with the majority consent of the members
2 voting thereon, a deputy administrator for each county
3 as the administrator deems appropriate; and

4 (8) May hire staff and employees to fill positions that
5 may be provided for in the port authority's annual
6 budget.

7 (c) The port authority shall adopt bylaws providing for
8 the automatic succession of a deputy administrator to the vacant
9 post of administrator on an interim basis and until a permanent
10 administrator is appointed.

11 § -5 Staff. (a) Each division head shall exercise the
12 authority and discharge the duties delegated to that division
13 head by the port authority and the administrator. Each division
14 head shall report to, and be under the supervision of, the
15 administrator.

16 (b) Each deputy administrator shall exercise those powers
17 that may be delegated by the administrator, whether or not in
18 the administrator's presence.

19 (c) The functions, duties, and compensation of all
20 positions, and the discharge of any staff or employee hired by



1 the administrator, shall be provided for in the bylaws of the
2 port authority.

3 § -6 Hawaii port authority; powers and duties. (a)

4 Except as otherwise provided in this chapter, the port
5 authority:

6 (1) Shall exercise power and control over small airports
7 and related facilities and buildings to provide for:

8 (A) The landing, taking-off, and servicing of
9 aircraft, and the loading and unloading of
10 passengers and cargo;

11 (B) The comfort, accommodation, and convenience of
12 air travelers; and

13 (C) Any matter related to the foregoing;

14 (2) Shall:

15 (A) Exercise general supervision over aeronautics at
16 small airports within the State and, in
17 connection therewith, encourage, foster, and
18 assist in the development of aeronautics in the
19 State, and encourage the establishment of small
20 airports and air navigation facilities;



- 1 (B) Cooperate with and assist the federal government,
2 including the Federal Aviation Administration,
3 and other persons in the development of
4 aeronautics; and
- 5 (C) Seek to coordinate the aeronautical activities of
6 the State with those activities of the federal
7 government;
- 8 (3) May use the facilities and services of any department,
9 board, commission, or agency of the State or counties;
- 10 (4) May sue and be sued;
- 11 (5) Shall have a seal and may alter the seal at its
12 pleasure;
- 13 (6) May make and execute contracts and all other
14 instruments necessary or convenient for the exercise
15 of its powers and functions under this chapter;
- 16 (7) Shall establish bylaws for its organization and
17 internal management;
- 18 (8) Shall establish bylaws for the adoption of rules and
19 shall adopt rules, through the administrator, to
20 effectuate this chapter;



- 1 (9) Shall adopt an annual budget for its operations and
2 maintenance program and its capital facilities
3 program;
- 4 (10) Shall appoint officers, agents, and employees through
5 the administrator, prescribe their duties and
6 qualifications, and fix their salaries;
- 7 (11) May own, sell, lease, hold, clear, improve, and
8 rehabilitate real, personal, or mixed property, and
9 assign, exchange, transfer, convey, lease, sublease,
10 or encumber any small airport or any project,
11 improvement, or facility related thereto;
- 12 (12) Shall develop, construct, reconstruct, rehabilitate,
13 improve, alter, or repair, or provide for the
14 development, construction, reconstruction,
15 rehabilitation, improvement, alteration, or repair of,
16 any small airport or any project, improvement, or
17 facility related thereto, and designate a qualified
18 person as its agent for that purpose; and own, hold,
19 assign, transfer, convey, exchange, lease, sublease,
20 or encumber any small airport or any project,
21 improvement, or facility related thereto;



- 1 (13) Shall arrange or initiate appropriate action for the
2 planning, replanning, opening, grading, relocating, or
3 closing of streets, roads, roadways, alleys,
4 easements, or other places; the furnishing of
5 facilities; the acquisition of property or property
6 rights; and the furnishing of property, development
7 rights, or services in connection with any small
8 airport, or any project, improvement, or facility
9 related thereto;
- 10 (14) May grant options or renew any lease entered into by
11 it in connection with any project, on terms and
12 conditions as it deems advisable;
- 13 (15) May provide advisory, consultative, training, and
14 educational services; technical assistance; and
15 advice, to any person, either public or private, to
16 carry out the purposes of this chapter, and engage the
17 services of consultants on a contractual basis for
18 rendering professional and technical assistance and
19 advice;
- 20 (16) Shall procure insurance against any loss in connection
21 with its property and other assets and operations, in



- 1 such amounts and from such insurers as it deems
- 2 desirable, or provide for self-insurance;
- 3 (17) May accept and receive gifts or grants in any form
- 4 from any person, public entity, or source; provided
- 5 that the grants and gifts shall be used for port
- 6 authority purposes;
- 7 (18) May pledge or assign all or any part of the moneys,
- 8 fees, rents, charges, or other revenues and proceeds
- 9 derived by the port authority from the proceeds of
- 10 insurance or condemnation awards for the loss of
- 11 revenues or incurring of costs and expenses because of
- 12 any action taken by the port authority;
- 13 (19) Shall impose, prescribe, and collect rates, rentals,
- 14 fees, or charges for the lease, use, and services of
- 15 its small airport facilities at least sufficient to
- 16 pay the costs of operation, maintenance, and repair,
- 17 if any, and the required payments of the principal of,
- 18 and interest on, all bonds issued or assumed by the
- 19 port authority and reserves therefor;
- 20 (20) May engage in economic development programs and
- 21 contract with the department of business, economic



- 1 development, and tourism or nonprofit corporations in
2 the furtherance of economic development;
- 3 (21) May take all actions necessary under emergencies such
4 as hurricanes, tsunamis, and other natural disasters;
- 5 (22) Shall plan, construct, operate, and maintain all small
6 airports in the State, including the acquisition and
7 use of lands necessary to stockpile dredged spoils.
8 without the approval of county agencies,
9 notwithstanding any other law to the contrary;
- 10 (23) May issue revenue bonds and special facility revenue
11 bonds in its name pursuant to chapter 39 without
12 limitations, but not in excess of the principal
13 amounts necessary for its purposes or specified in
14 covenants with bondholders;
- 15 (24) May invest and secure its moneys in accordance with
16 chapters 36 and 38;
- 17 (25) May take public and private property for use in
18 furthering any of the purposes of the port authority
19 or as otherwise provided by law; provided that all
20 proceedings for condemnation shall be conducted in
21 accordance with chapter 101;



- 1 (26) May provide compensation, allowance, or other
- 2 assistance to any person for relocation or
- 3 displacement caused by the acquisition of land for
- 4 small airport purposes;
- 5 (27) May hire or contract law enforcement personnel,
- 6 notwithstanding any other law to the contrary;
- 7 (28) May use funds appropriated to the port authority to
- 8 fund services on a seven days a week basis regardless
- 9 of any appropriation stating otherwise;
- 10 (29) Explore niche ideas for the expansion or improvement
- 11 of transportation in Hawaii, including the use of
- 12 seaplanes;
- 13 (30) May do any and all things necessary to carry out its
- 14 purposes and exercise the powers given to it in this
- 15 chapter; and

16 (31) Adopt rules pursuant to chapter 91.

17 (b) No county shall adopt any ordinance or rule that
18 interferes with or obstructs the operations of the port
19 authority.

20 § -7 Hawaii port authority; powers and duties. No later
21 than twenty days prior to the convening of each regular session,



1 the port authority shall submit to the legislature an annual
2 report of its activities and finances."

3 SECTION 3. Jurisdiction over aeronautics and small
4 airports, including related small airport functions under the
5 department of transportation's airports division, shall be
6 transferred to the port authority on July 1, 2017.

7 SECTION 4. At least twenty days prior to the convening of
8 the regular session of 2017, the department of transportation
9 shall submit to the legislature a report recommending statutes
10 that must be amended to transfer the authority and corresponding
11 employees to the port authority under this Act.

12 SECTION 5. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so much
14 thereof as may be necessary for fiscal year 2016-2017 for
15 implementation of the Hawaii port authority.

16 The sum appropriated shall be expended by the department of
17 budget and finance for the purposes of this Act.

18 SECTION 6. It is the legislature's intent that this Act
19 not jeopardize the receipt of any federal aid nor impair the
20 obligation of the State or any agency thereof to the holders of
21 any bond issued by the State or by any such agency, and to the



1 extent, and only to the extent, necessary to effectuate this
2 intent, the governor may modify the strict provisions of this
3 Act, but shall promptly report any such modification with
4 reasons therefor to the legislature at its next session
5 thereafter for review by the legislature.

6 SECTION 7. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun, before its effective date.

9 SECTION 8. This Act shall be liberally construed to
10 accomplish the purposes set forth herein. If any provision of
11 this Act, or the application thereof to any person or
12 circumstance, is held invalid, the invalidity shall not affect
13 the other provisions or applications of this Act that can be
14 given effect without the invalid provision or application, and
15 to this end the provisions of this Act are severable.

16 SECTION 9. This Act shall take effect on July 1, 2116;
17 provided that section 2 shall take effect on July 1, 2017, and
18 section 5 shall take effect on July 1, 2116.



Report Title:

Port Authority; Establishment; Appropriation

Description:

Establishes the Hawaii Port Authority. Empowers the Authority to administer a statewide system of small airports.

Appropriates funds. (HB2756 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

