

JAN 22 2016

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 numerous small
2 business owners have been struggling with economic losses
3 because of rail construction in the State. The purpose of this
4 Act is to protect and support small business viability and
5 growth along transit corridors by providing financial assistance
6 to eligible small businesses that have experienced a loss of
7 business revenue from transit development.

8 SECTION 2. (a) There is established within the state
9 treasury a rail business interruption fund to provide financial
10 assistance to small businesses that:

- 11 (1) Abut or face a rail transit corridor; and
12 (2) Are able to produce relevant financial records
13 including but not limited to gross receipts, payroll
14 taxes, bank statements, or other financial
15 documentation, that demonstrate a loss of business
16 revenue of at least twenty-five per cent or greater or



1 substantial hardship directly related to the
2 construction of rail.

3 The fund shall be administered by the office of planning.

4 (b) The fund shall consist of the following sources of
5 revenue in equal amounts:

6 (1) No less than \$2,000,000 in the aggregate from
7 contractors involved in rail construction;

8 (2) No less than \$2,000,000 from any county of the State
9 with a population of over seven hundred thousand; and

10 (3) No less than \$2,000,000 from the general fund,
11 to provide financial assistance to eligible small businesses.

12 (c) The fund shall be used to provide financial assistance
13 to eligible small businesses to cover fixed operating expenses,
14 such as utility, insurance, rent or mortgage, payroll, and other
15 types of eligible documented business related expenses, as
16 determined by the office of planning or an independent
17 accounting firm under contract as set forth in subsection (d).

18 The total amount of financial assistance a small business may be
19 eligible for from the fund shall be the lesser amount of
20 \$25,000, or sixty per cent of annual business losses.



1 (d) The office of planning may contract with an
2 independent accounting firm to ascertain and confirm the losses
3 of an applicant small business and to assist in determining the
4 eligibility of a small business for financial assistance from
5 the fund.

6 (e) The office of planning shall require all rail transit
7 construction contractors to contribute to the fund. The office
8 of planning shall designate the method by which the
9 contributions from rail transit construction contractors shall
10 be calculated and collected.

11 (f) The office of planning may adopt rules in accordance
12 with chapter 91 for the purposes of this section.

13 (g) For the purposes of this section:

14 "Fund" means the rail business interruption fund.

15 "Small business" means a for profit business:

16 (1) With at least two years of continuous operation

17 history;

18 (2) With twenty-five or fewer employees; and

19 (3) That is in good standing with local, state, and

20 federal taxing and licensing authorities.



1 SECTION 3. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$150,000 or so much
 3 thereof as may be necessary for fiscal year 2016-2017 to be
 4 deposited into the rail business interruption fund established
 5 by this Act.

6 SECTION 4. There is appropriated out of the rail business
 7 interruption fund the sum of \$150,000 or so much thereof as may
 8 be necessary for fiscal year 2016-2017 to provide financial
 9 assistance to eligible small businesses pursuant to this Act.

10 The sum appropriated shall be expended by the office of
 11 planning for the purposes of this Act.

12 SECTION 5. On the date of the repeal of this Act, any
 13 unencumbered balance remaining in the rail business interruption
 14 fund shall lapse to the credit of the general fund.

15 SECTION 6. This Act shall take effect upon its approval;
 16 provided that sections 3 and 4 shall take effect on July 1,
 17 2016; provided further that this Act shall be repealed on July
 18 1, 2019.

19

INTRODUCED BY: Will Eyo
Lorraine L. Inoué
Cherise A. Nishida



S.B. NO. 2633

Report Title:

Rail Business Interruption Fund; Appropriation

Description:

Establishes a Rail Business Interruption Fund to help small businesses struggling with economic loss directly related to rail construction. Appropriates funds for the implementation of the Fund.

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

