
A BILL FOR AN ACT

RELATING TO AN AIRPORT AUTHORITY.

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

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PART I

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SECTION 1. The legislature finds that Hawaii's air transportation planning, management, marketing, and development functions are currently spread out among a number of agencies, including the department of transportation's airports division, Hawaii tourism authority, department of health with respect to environmental concerns, and office of Hawaiian affairs when ceded lands issues arise.

This multijurisdictional situation has resulted in inefficiencies and conflicts that are difficult to resolve between agencies. In addition, this situation sometimes leads to conflicting plans of action among the different agencies seeking to implement differing goals.

The economic well-being of the State depends in part on the efficient use of all of its air transportation resources, which will enhance and complement efforts to revitalize and sustain Hawaii's economy. The legislature believes that coordinated



1 planning and development of air transportation would be
2 implemented more effectively by a single entity having overall
3 consolidated jurisdiction.

4 The legislature further finds that the establishment of an
5 airport authority will assist in the following important
6 statewide objectives:

- 7 (1) Increasing security for the State;
- 8 (2) Providing an appropriate forum for all affected
9 interests;
- 10 (3) Increasing efficiency in land use and related lease
11 processes;
- 12 (4) Improving administrative efficiency by streamlining
13 administrative processes;
- 14 (5) Coordinating environmental issues affecting the
15 airports, particularly relating to alien invasive
16 species, as an airport authority will be able to
17 oversee everything that enters the State by air,
18 thereby allowing that entity to serve as the agency
19 responsible for comprehensive alien invasive species
20 protection and control;



- 1 (6) Increasing economic opportunities for the State in
- 2 collaboration with the Hawaii tourism authority;
- 3 (7) Making possible more responsive planning;
- 4 (8) Increasing financial flexibility;
- 5 (9) Increasing responsiveness to customer needs and
- 6 economic demands; and
- 7 (10) Improving the efficiency and expedience of the
- 8 airports capital improvement program implementation.

9 The legislature finds that the rational allocation and
 10 administration of scarce and increasingly valuable airport
 11 resources through the establishment of an airport authority is
 12 vital for the well-being of the people and the economy of the
 13 State.

14 The purpose of this part is to authorize the governor to
 15 establish the Hawaii airport authority.

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

19 "CHAPTER

20 HAWAII AIRPORT AUTHORITY

21 § -1 Definitions. As used in this chapter:



1 "Administrator" means the administrator of the Hawaii
2 airport authority.

3 "Aeronautics" shall have the same meaning as defined in
4 section 261-1.

5 "Air navigation facility" shall have the same meaning as
6 defined in section 261-1.

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

13 "Airport authority" or "authority" means the Hawaii airport
14 authority.

15 **§ -2 Airport authority; establishment; members and**
16 **administrator.** (a) On a date certain as specified by an
17 executive order of the governor and after notification to the
18 legislature, there shall be established the Hawaii airport
19 authority, which shall be a body politic and corporate,
20 constituting a public instrumentality for the performance of an
21 essential public and governmental function as provided in this



1 chapter. The authority shall be established and shall operate
2 as a subdivision of the State for the purpose of developing and
3 implementing management structures, policies, and procedures
4 based on airport industry best practices and expressly
5 configured to support the efficient development, management, and
6 operation of the State's airports and aeronautical facilities.
7 The airport authority shall be placed within the department of
8 transportation for administrative purposes only.

9 (b) The department of transportation shall complete a
10 feasibility study and an implementation plan which shall
11 include, but not be limited to:

12 (1) Identification of amendments to this Act as may be
13 required to fully empower the airport authority to
14 develop, manage, and operate the State's airports and
15 aeronautical facilities;

16 (2) The specific actions necessary to transfer
17 jurisdiction, powers, rights, functions, employees,
18 and assets to the airport authority;

19 (3) A timetable for the transfer under paragraph (2);



1 (4) Specific actions necessary to establish water
2 reclamation programs for State facilities located at
3 each airport statewide; and

4 (5) Specific actions necessary to limit the transmission
5 of invasive species through airports, including the
6 hiring of any necessary additional staff.

7 A qualified consultant shall be engaged to assist in the
8 development of the feasibility study and implementation plan and
9 to identify related issues such as procurement and employment.

10 (c) The powers of the airport authority shall be vested in
11 and exercised by a board of directors, which shall consist of
12 five voting members, who shall be appointed as follows:

13 (1) Three members appointed by the governor pursuant to
14 section 26-34;

15 (2) One member appointed by the speaker of the house of
16 representatives; and

17 (3) One member appointed by the president of the senate.

18 All members shall be appointed for terms of four years;
19 provided that the initial terms of the members appointed by the
20 governor shall be staggered. Members shall be removed from
21 office by the appointing authority only for inefficiency,



1 neglect of duty, turpitude, or misconduct in office after giving
2 the member a copy of the charges against the member and allowing
3 the member an opportunity to be heard, in person or by counsel,
4 upon not less than ten days notice.

5 Members shall have business and management experience,
6 including experience in one or more of the following areas:
7 financial planning, budgeting, hospitality, tourism, commercial
8 development, construction program management, marketing, law,
9 and aviation.

10 All members shall continue in office until their respective
11 successors have been appointed.

12 Except as provided in this chapter, no member appointed
13 under this section shall be an officer or employee of the State
14 or the counties.

15 (d) The airport authority shall be headed by a single
16 executive to be known as the administrator of the Hawaii airport
17 authority, who shall:

- 18 (1) Not be a member of the board;
- 19 (2) Serve at the pleasure of the board; and
- 20 (3) Receive such compensation as shall be fixed by the
21 board.



- 1 (e) The administrator:
- 2 (1) Shall be selected based on criteria approved by the
- 3 board, including experience in airport management at
- 4 an executive level, management of significant scale
- 5 capital programs, domestic and international air
- 6 service development, and knowledge of the unique
- 7 requirements of the State's airport system;
- 8 (2) Shall be appointed by the vote of not less than three
- 9 members of the board;
- 10 (3) Shall be employed subject to a formal contract, the
- 11 terms of which shall be approved by the board;
- 12 (4) May be removed from office only by a vote of not less
- 13 than three members of the board; provided that the
- 14 basis for removal is consistent with the terms of the
- 15 applicable employment contract;
- 16 (5) May establish management organization structures;
- 17 (6) May appoint such deputy administrators as the
- 18 administrator deems appropriate. Each deputy
- 19 administrator shall exercise those powers that may be
- 20 delegated by the administrator;



- 1 (7) Shall have such powers as described in this chapter
2 and as may be delegated by the members of the board;
- 3 (8) Shall attend all meetings of the board, keep a record
4 of the proceedings, and shall maintain and be the
5 custodian of all books, records, documents, and papers
6 filed with the authority, of the minute book of the
7 authority, and of its official seal;
- 8 (9) Shall be the chief administrative officer of the
9 authority and shall direct and supervise the
10 administrative affairs and technical activities in
11 accordance with the directives of the board;
- 12 (10) Shall approve all accounts for salaries and allowable
13 expenses of the authority or of any employee or
14 consultant thereof;
- 15 (11) Shall perform such other duties as may be directed by
16 the board in carrying out the purpose of the
17 authority; and
- 18 (12) May hire staff and employees to fill positions that
19 may be provided for in the airport authority's annual
20 budget; provided that the functions and duties of all



1 positions shall be provided for in the bylaws of the
2 airport authority.

3 (f) The airport authority shall establish bylaws providing
4 for, upon the vacancy of the position of administrator, the
5 automatic succession of a deputy administrator on an interim
6 basis until a permanent administrator is appointed.

7 (g) The number of members of the authority necessary to
8 constitute a quorum to do business shall be a majority of the
9 members.

10 § -3 Powers; generally. Except as otherwise provided in
11 this chapter, the airport authority:

12 (1) Shall exercise power and control over airports, air
13 navigation facilities, buildings, and other facilities
14 belonging to, or controlled by, the airport authority;

15 (2) Shall provide for the landing, taking-off, and
16 servicing of aircraft, and the loading and unloading
17 of passengers and cargo;

18 (3) Shall provide for the comfort, accommodation, and
19 convenience of air travelers;



- 1 (4) Shall establish performance targets and performance
2 standards to achieve the highest levels of customer
3 service;
- 4 (5) Shall exercise general supervision over aeronautics
5 within the State and, in connection therewith,
6 encourage, foster, and assist in the development of
7 aeronautics in the State, and encourage the
8 establishment of airports and air navigation
9 facilities;
- 10 (6) Shall cooperate with and assist the federal government
11 and other persons in the development of aeronautics;
- 12 (7) Shall seek to coordinate the aeronautical activities
13 of the State with those activities of the federal
14 government;
- 15 (8) Shall ensure that appropriate mission statements,
16 business plans, minimum development standards, and
17 strategic goals are established and that progress
18 towards their accomplishment is regularly assessed and
19 reported;



- 1 (9) Shall develop an organization and management structure
- 2 to best accomplish the goals of the Hawaii airport
- 3 system and the authority;
- 4 (10) Shall develop and implement policies and procedures
- 5 for the timely and efficient procurement of
- 6 professional services; planning, engineering, and
- 7 construction services; and such other services and
- 8 materiel as may be required for the development,
- 9 management, and operation of the airport system,
- 10 consistent with accepted standards of probity,
- 11 transparency, and accountability for a public body and
- 12 consistent with chapter 103D;
- 13 (11) Shall employ staff subject to public employment laws;
- 14 (12) Shall appoint officers, agents, and employees through
- 15 the administrator, prescribe their duties and
- 16 qualifications, and fix their salaries;
- 17 (13) May use the facilities and services of any department,
- 18 board, commission, or agency of the State or counties,
- 19 subject to the provisions of memoranda of
- 20 understanding approved by the board;
- 21 (14) May sue and be sued;



- 1 (15) Shall have a seal and may alter the seal at its
2 pleasure;
- 3 (16) May make and execute contracts and all other
4 instruments necessary or convenient for the exercise
5 of its powers and functions under this chapter;
- 6 (17) Shall establish bylaws for its organization and
7 internal management;
- 8 (18) Shall adopt rules pursuant to chapter 91 to carry out
9 the purpose of this chapter;
- 10 (19) Shall adopt an annual budget for its operations,
11 maintenance, and capital improvements;
- 12 (20) May own, sell, lease, hold, clear, improve, and
13 rehabilitate real, personal, or mixed property, and
14 assign, exchange, transfer, convey, lease, sublease,
15 or encumber any airport, or any project, improvement,
16 or facility related thereto;
- 17 (21) Shall develop, construct, reconstruct, rehabilitate,
18 improve, alter, or repair, or provide for the
19 development, construction, reconstruction,
20 rehabilitation, improvement, alteration, or repair of,



- 1 any airport, or any project, improvement, or facility
2 related thereto;
- 3 (22) May own, hold, assign, transfer, convey, exchange,
4 lease, sublease, or encumber any airport or any
5 project, improvement, or facility related thereto;
- 6 (23) Shall arrange or initiate appropriate action for the
7 planning, opening, grading, relocating, or closing of
8 streets, roads, roadways, alleys, easements, or other
9 places; the furnishing of facilities; the acquisition
10 of property or property rights; and the furnishing of
11 property, development rights, or services in
12 connection with any airport or any project,
13 improvement, or facility related thereto;
- 14 (24) May grant options or renew any lease entered into by
15 it in connection with any project, on terms and
16 conditions as it deems advisable;
- 17 (25) May engage the services of consultants on a
18 contractual basis for rendering professional and
19 technical assistance and advice;
- 20 (26) 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 (27) 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 airport
6 authority purposes;
- 7 (28) May pledge or assign all or any part of the moneys,
8 fees, rents, charges, or other revenues and proceeds
9 derived by the airport 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 airport authority;
- 13 (29) Shall impose, prescribe, and collect rates, rentals,
14 fees, or charges for the lease, use, and services of
15 its airport facilities at least sufficient to pay the
16 costs of operation, maintenance, and repair, if any,
17 and the required payments of the principal of, and
18 interest on, all bonds issued or assumed by the
19 airport authority and reserves therefor;
- 20 (30) 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 (31) May take all actions necessary under emergencies such
4 as hurricanes, tsunamis, and other natural disasters;
- 5 (32) Shall plan, construct, operate, and maintain all
6 airport facilities in the State;
- 7 (33) May issue revenue bonds and special facility revenue
8 bonds in its name pursuant to chapter 39, but not in
9 excess of such principal amounts as are necessary for
10 its purposes or specified in covenants with
11 bondholders;
- 12 (34) May invest and secure its moneys in accordance with
13 chapters 36 and 38;
- 14 (35) May take public and private property for use in
15 furthering any of the purposes of the airport
16 authority; provided that all proceedings for
17 condemnation shall be conducted in accordance with
18 chapter 101;
- 19 (36) May provide compensation, allowance, or other
20 assistance to any person for relocation or



1 displacement caused by the acquisition of land for
2 airport purposes;

3 (37) May hire or contract law enforcement personnel; and

4 (38) May do any and all things necessary to carry out its
5 purposes and exercise the powers given to it in this
6 chapter."

7 SECTION 3. Section 261-2, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§261-2 Development of aeronautics, general. The
10 department of transportation shall have general supervision over
11 aeronautics within the State[-]; provided that beginning on the
12 date specified by executive order of the governor pursuant to
13 section -2(a), this general supervision shall be transferred
14 to the Hawaii airport authority. It shall encourage, foster,
15 and assist in the development of aeronautics in the State and
16 encourage the establishment of airports and air navigation
17 facilities. It shall cooperate with and assist the federal
18 government and other persons in the development of aeronautics
19 and shall seek to coordinate the aeronautical activities of the
20 State with those of the federal government. Municipalities may



1 cooperate with the department in the development of aeronautics
2 and aeronautics facilities in the State."

3 SECTION 4. The Hawaii airport authority shall be a
4 successor agency, and jurisdiction over aeronautics and
5 airports, including airport functions under the department of
6 transportation's airports division, shall be transferred to the
7 Hawaii airport authority on the date specified by executive
8 order of the governor pursuant to section -2(a), Hawaii
9 Revised Statutes.

10 To the extent that the Hawaii airport authority is
11 authorized in this Act to exercise powers and duties which are
12 also granted to other departments, offices, or boards of the
13 State, with respect to airports and aeronautical facilities, the
14 Hawaii airport authority shall exercise such powers and perform
15 such duties in lieu of any other departments, offices, and
16 boards.

17 SECTION 5. The Hawaii airport authority and the State
18 shall enter into one or more memoranda of understanding to
19 facilitate the authority's governance over airports and provide
20 an orderly transition of ownership, jurisdiction, and authority
21 to control, operate, develop, and maintain airports and



1 aeronautical facilities from the department of transportation to
2 the authority. Such memoranda of understanding shall include,
3 but not be limited to:

- 4 (1) The administrative support functions to be provided by
5 the department of transportation, as mutually agreed;
- 6 (2) Those powers that will be exercised and duties that
7 will be performed by each party;
- 8 (3) Those assets, funds, accounts, contracts, and
9 liabilities that will be transferred to the Hawaii
10 airport authority, and when such transfers will be
11 made;
- 12 (4) Transfer of employees and when such transfers will be
13 made;
- 14 (5) The time when services will be provided under the
15 memorandum of understanding; and
- 16 (6) Reimbursement to the State for the services provided
17 under the memoranda of understanding; provided that
18 the memoranda of understanding shall provide for the
19 lease, assignment, or transfer of ownership
20 jurisdiction or authority to control the airports
21 together with all assets, funds, accounts, contracts,



1 and assumption of liabilities and the manner and
2 timing of any such lease, assignment or transfer;
3 provided further that the department of transportation
4 shall receive no compensation in consideration of any
5 such leases, assignments, or transfers.

6 SECTION 6. On the date specified by executive order of the
7 governor pursuant to section -2(a), Hawaii Revised Statutes,
8 the revisor of statutes shall substitute the phrase "Hawaii
9 airport authority" in chapter 261, Hawaii Revised Statutes,
10 wherever the word "department" appears, except for the
11 amendments made to section 261-2, Hawaii Revised Statutes, in
12 section 3 of this Act.

13 SECTION 7. It is the intent of this Act not to jeopardize
14 the receipt of any federal aid nor to impair the obligation of
15 the State or any agency thereof to the holders of any bond
16 issued by the State or by any such agency, and to the extent,
17 and only to the extent, necessary to effectuate this intent, the
18 governor may modify the strict provisions of this Act, but shall
19 promptly report any such modification with reasons therefor to
20 the legislature at its next session thereafter for review by the
21 legislature.



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

4 SECTION 9. If any provision of this Act, or the
5 application thereof to any person or circumstance, is held
6 invalid, the invalidity shall not affect the other provisions or
7 applications of this Act that can be given effect without the
8 invalid provision or application, and to this end the provisions
9 of this Act are severable.

10 SECTION 10. All rights, powers, functions, and duties of
11 the department of transportation's airports division are
12 transferred to the Hawaii airport authority on the date
13 specified by executive order of the governor pursuant to section
14 -2(a), Hawaii Revised Statutes.

15 The Hawaii airport authority shall be a successor employer
16 to the State, and shall recognize all bargaining units and
17 collective bargaining agreements existing at the time of
18 transfer to the authority. The employees of the authority shall
19 be considered employees of the State as provided in this
20 section.



1 All employees who occupy civil service positions and whose
2 functions are transferred to the Hawaii airport authority by
3 this Act shall retain their civil service status, whether
4 permanent or temporary. Employees shall be transferred without
5 loss of salary, seniority (except as prescribed by applicable
6 collective bargaining agreements), retention points, prior
7 service credit, any vacation and sick leave credits previously
8 earned, and other rights, benefits, and privileges, in
9 accordance with state personnel laws and this Act; provided that
10 the employees possess the minimum qualifications and public
11 employment requirements for the class or position to which
12 transferred or appointed, as applicable; provided further that
13 subsequent changes in status may be made pursuant to applicable
14 civil service and compensation laws.

15 Any employee who, prior to this Act, is exempt from civil
16 service and is transferred as a consequence of this Act may
17 retain the employee's exempt status, but shall not be appointed
18 to a civil service position as a consequence of this Act. An
19 exempt employee who is transferred by this Act shall not suffer
20 any loss of prior service credit, vacation or sick leave credits
21 previously earned, or other employee benefits or privileges as a



1 consequence of this Act; provided that the employees possess
2 legal and public employment requirements for the position to
3 which transferred or appointed, as applicable; provided further
4 that subsequent changes in status may be made pursuant to
5 applicable employment and compensation laws. The administrator
6 of the Hawaii airport authority may prescribe the duties and
7 qualifications of these employees and fix their salaries without
8 regard to chapter 76, Hawaii Revised Statutes.

9 No employee covered by a collective bargaining unit as an
10 employee of the department of transportation shall be laid off
11 as a result of the creation of the Hawaii airport authority.
12 Employees who are offered the opportunity to transfer to the
13 Hawaii airport authority may decline to do so. An employee who
14 elects not to transfer to the Hawaii airport authority shall be
15 retained by the department of transportation or assigned with
16 the employee's position and seniority to another State agency.

17 The officers and all other employees of the Hawaii airport
18 authority shall be State employees for the purposes of benefits
19 and retirement. The authority shall reimburse the appropriate
20 State agencies for all costs incurred by such designation.



1 SECTION 11. On the date specified by executive order of
 2 the governor pursuant to section -2(a), Hawaii Revised
 3 Statutes, all appropriations, records, equipment, machines,
 4 files, supplies, contracts, books, papers, documents, maps, and
 5 other personal property heretofore made, used, acquired, or held
 6 by the department of transportation relating to the functions
 7 transferred to the Hawaii airport authority shall be transferred
 8 with the functions to which they relate.

9 PART II

10 SECTION 12. There is appropriated out of the general
 11 revenues of the State of Hawaii the sum of \$ or so much
 12 thereof as may be necessary for fiscal year 2016-2017 for
 13 construction of a radar facility and a 100 foot by 150 foot
 14 concrete pad for the installation of a radar unit at Kalaeloa
 15 Airport.

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

18 PART III

19 SECTION 13. Statutory material to be repealed is bracketed
 20 and stricken. New statutory material is underscored.

21 SECTION 14. This Act shall take effect on July 1, 2076.



Report Title:

Tourism; Transportation; Hawaii Airport Authority

Description:

Authorizes the governor to establish the Hawaii Airport Authority within the Department of Transportation. Sets out appointment of members to the board of directors and powers and duties of the Hawaii Airport Authority. Transfers the aeronautics functions of DOT to the Hawaii Airport Authority. Appropriates funds for a radar facility and a concrete pad for radar installation at Kalaeloa Airport. (SB3072 HD1)

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

