
A BILL FOR AN ACT

RELATING TO AN AIRPORT AUTHORITY.

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

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

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

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



1 implemented more effectively by a single entity having overall
2 consolidated jurisdiction.

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

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

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

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

12 The purpose of this Act is to authorize the governor to
 13 trigger the establishment of the Hawaii airport authority.

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

17 "CHAPTER

18 HAWAII AIRPORT AUTHORITY

19 § -1 Definitions. As used in this chapter:

20 "Administrator" means the administrator of the Hawaii
 21 airport authority.



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

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

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

11 "Airport authority" or "authority" means the Hawaii airport
12 authority.

13 § -2 Airport authority; establishment; members and
14 administrator. (a) On a date certain as specified by an
15 executive order of the governor and after notification of the
16 legislature, there shall be established the Hawaii airport
17 authority, which shall be a body politic and corporate,
18 constituting a public instrumentality for the performance of an
19 essential public and governmental function, as provided in this
20 chapter. The authority shall be established and shall operate
21 as a subdivision of the State, for the purpose of developing and



1 implementing management structures, policies, and procedures
2 based on airport industry best practices, and expressly
3 configured to support the efficient development, management, and
4 operation of the State's airports and aeronautical facilities.

5 The department of transportation shall complete a
6 feasibility study and an implementation plan which shall
7 include, but not be limited to:

- 8 (1) Identification of amendments to this Act as may be
9 required to fully empower the airport authority to
10 develop, manage, and operate the State's airports and
11 aeronautical facilities;
- 12 (2) The specific actions necessary to transfer
13 jurisdiction, powers, rights, functions, employees,
14 and assets to the airport authority; and
- 15 (3) A timetable for the transfer under paragraph (2). A
16 qualified consultant shall be engaged to assist in the
17 development of the feasibility study and
18 implementation plan and to identify related issues
19 such as procurement and employment.



1 (b) The powers of the airport authority shall be vested in
2 and exercised by a board of directors, which shall consist of
3 five voting members, who shall be appointed as follows:

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

6 (2) One member appointed by the speaker of the house of
7 representatives; and

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

9 All members shall be appointed for terms of four years;
10 provided that the initial terms of the members appointed by the
11 governor shall be staggered. Members shall be removed from
12 office by the appointing authority only for inefficiency,
13 neglect of duty, turpitude, or misconduct in office, after
14 giving the member a copy of the charges against the member and
15 allowing the member an opportunity to be heard, in person or by
16 counsel, upon not less than ten days notice.

17 Members shall have business and management experience,
18 including experience in one or more of the following areas:
19 financial planning, budgeting, hospitality, tourism, commercial
20 development, construction program management, marketing, law,
21 and aviation.



1 All members shall continue in office until their respective
2 successors have been appointed.

3 Except as provided in this chapter, no member appointed
4 under this section shall be an officer or employee of the State
5 or the counties.

6 (c) The airport authority shall be headed by a single
7 executive to be known as the administrator of the Hawaii airport
8 authority, who shall:

9 (1) Not be a member of the board;

10 (2) Serve at the pleasure of the board; and

11 (3) Receive such compensation as shall be fixed by the
12 board.

13 (d) The administrator:

14 (1) Shall be selected based on criteria approved by the
15 board, including experience in airport management at
16 an executive level, management of significant scale
17 capital programs, domestic and international air
18 service development, and knowledge of the unique
19 requirements of the State's airport system;

20 (2) Shall be appointed by the vote of not less than three
21 members of the board;



- 1 (3) Shall be employed subject to a formal contract, the
2 terms of which shall be approved by the board;
- 3 (4) May be removed from office only by a vote of not less
4 than three members of the board; provided that the
5 basis for removal is consistent with the terms of the
6 applicable employment contract;
- 7 (5) May establish management organization structures;
- 8 (6) May appoint such deputy administrators as the
9 administrator deems appropriate. Each deputy
10 administrator shall exercise those powers that may be
11 delegated by the administrator;
- 12 (7) Shall have such powers as described in this chapter
13 and as may be delegated by the members of the board;
- 14 (8) Shall attend all meetings of the board, keep a record
15 of the proceedings, and shall maintain and be the
16 custodian of all books, records, documents, and papers
17 filed with the authority, of the minute book of the
18 authority, and of its official seal;
- 19 (9) Shall be the chief administrative officer of the
20 authority and shall direct and supervise the



1 administrative affairs and technical activities in
2 accordance with the directives of the board;

3 (10) Shall approve all accounts for salaries and allowable
4 expenses of the authority or of any employee or
5 consultant thereof;

6 (11) Shall perform such other duties as may be directed by
7 the board in carrying out the purpose of the
8 authority; and

9 (12) May hire staff and employees to fill positions that
10 may be provided for in the airport authority's annual
11 budget; provided that the functions and duties of all
12 positions shall be provided for in the bylaws of the
13 airport authority.

14 (e) The airport authority shall establish bylaws providing
15 for, upon the vacancy of the position of administrator, the
16 automatic succession of a deputy administrator on an interim
17 basis until a permanent administrator is appointed.

18 (f) The number of members of the authority necessary to
19 constitute a quorum to do business shall be a majority of the
20 members.



1 § -3 Powers; generally. Except as otherwise provided in
2 this chapter, the airport authority:

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

6 (2) Shall provide for the landing, taking-off, and
7 servicing of aircraft, and the loading and unloading
8 of passengers and cargo;

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

11 (4) Shall establish performance targets and performance
12 standards to achieve the highest levels of customer
13 service;

14 (5) Shall exercise general supervision over aeronautics
15 within the State and, in connection therewith,
16 encourage, foster, and assist in the development of
17 aeronautics in the State, and encourage the
18 establishment of airports and air navigation
19 facilities;

20 (6) Shall cooperate with and assist the federal government
21 and other persons in the development of aeronautics;



- 1 (7) Shall seek to coordinate the aeronautical activities
2 of the State with those activities of the federal
3 government;
- 4 (8) Shall ensure that appropriate mission statements,
5 business plans, minimum development standards, and
6 strategic goals are established and that progress
7 towards their accomplishment is regularly assessed and
8 reported;
- 9 (9) Shall develop an organization and management structure
10 to best accomplish the goals of the Hawaii airport
11 system and the authority;
- 12 (10) Shall develop and implement policies and procedures
13 for the timely and efficient procurement of
14 professional services; planning, engineering, and
15 construction services; and such other services and
16 materiel as may be required for the development,
17 management, and operation of the airport system,
18 consistent with accepted standards of probity,
19 transparency, and accountability for a public body and
20 consistent with chapter 103D;
- 21 (11) Shall employ staff subject to public employment laws;



- 1 (12) Shall appoint officers, agents, and employees through
2 the administrator, prescribe their duties and
3 qualifications, and fix their salaries;
- 4 (13) May use the facilities and services of any department,
5 board, commission, or agency of the State or counties,
6 subject to the provisions of memoranda of
7 understanding approved by the board;
- 8 (14) May sue and be sued;
- 9 (15) Shall have a seal and may alter the seal at its
10 pleasure;
- 11 (16) May make and execute contracts and all other
12 instruments necessary or convenient for the exercise
13 of its powers and functions under this chapter;
- 14 (17) Shall establish bylaws for its organization and
15 internal management;
- 16 (18) Shall adopt rules pursuant to chapter 91 to carry out
17 the purpose of this chapter;
- 18 (19) Shall adopt an annual budget for its operations,
19 maintenance, and capital improvements;
- 20 (20) May own, sell, lease, hold, clear, improve, and
21 rehabilitate real, personal, or mixed property, and



- 1 assign, exchange, transfer, convey, lease, sublease,
2 or encumber any airport, or any project, improvement,
3 or facility related thereto;
- 4 (21) Shall develop, construct, reconstruct, rehabilitate,
5 improve, alter, or repair, or provide for the
6 development, construction, reconstruction,
7 rehabilitation, improvement, alteration, or repair of,
8 any airport, or any project, improvement, or facility
9 related thereto;
- 10 (22) May own, hold, assign, transfer, convey, exchange,
11 lease, sublease, or encumber any airport or any
12 project, improvement, or facility related thereto;
- 13 (23) Shall arrange or initiate appropriate action for the
14 planning, opening, grading, relocating, or closing of
15 streets, roads, roadways, alleys, easements, or other
16 places; the furnishing of facilities; the acquisition
17 of property or property rights; and the furnishing of
18 property, development rights, or services in
19 connection with any airport or any project,
20 improvement, or facility related thereto;



- 1 (24) May grant options or renew any lease entered into by
2 it in connection with any project, on terms and
3 conditions as it deems advisable;
- 4 (25) May engage the services of consultants on a
5 contractual basis for rendering professional and
6 technical assistance and advice;
- 7 (26) Shall procure insurance against any loss in connection
8 with its property and other assets and operations, in
9 such amounts and from such insurers as it deems
10 desirable, or provide for self-insurance;
- 11 (27) May accept and receive gifts or grants in any form
12 from any person, public entity, or source; provided
13 that the grants and gifts shall be used for airport
14 authority purposes;
- 15 (28) May pledge or assign all or any part of the moneys,
16 fees, rents, charges, or other revenues and proceeds
17 derived by the airport authority from the proceeds of
18 insurance or condemnation awards for the loss of
19 revenues or incurring of costs and expenses because of
20 any action taken by the airport authority;



- 1 (29) Shall impose, prescribe, and collect rates, rentals,
2 fees, or charges for the lease, use, and services of
3 its airport facilities at least sufficient to pay the
4 costs of operation, maintenance, and repair, if any,
5 and the required payments of the principal of, and
6 interest on, all bonds issued or assumed by the
7 airport authority and reserves therefor;
- 8 (30) May engage in economic development programs and
9 contract with the department of business, economic
10 development, and tourism or nonprofit corporations in
11 the furtherance of economic development;
- 12 (31) May take all actions necessary under emergencies such
13 as hurricanes, tsunamis, and other natural disasters;
- 14 (32) Shall plan, construct, operate, and maintain all
15 airport facilities in the State;
- 16 (33) May issue revenue bonds and special facility revenue
17 bonds in its name pursuant to chapter 39, but not in
18 excess of such principal amounts as are necessary for
19 its purposes or specified in covenants with
20 bondholders;



1 (34) May invest and secure its moneys in accordance with
2 chapters 36 and 38;

3 (35) May take public and private property for use in
4 furthering any of the purposes of the airport
5 authority; provided that all proceedings for
6 condemnation shall be conducted in accordance with
7 chapter 101;

8 (36) May provide compensation, allowance, or other
9 assistance to any person for relocation or
10 displacement caused by the acquisition of land for
11 airport purposes;

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

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

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

18 "§261-2 Development of aeronautics, general. The
19 department of transportation shall have general supervision over
20 aeronautics within the State[-]; provided that beginning on the
21 date certain as specified by executive order of the governor



1 pursuant to section -2(a), the general supervision shall be
2 transferred to the Hawaii airport authority. It shall
3 encourage, foster, and assist in the development of aeronautics
4 in the State and encourage the establishment of airports and air
5 navigation facilities. It shall cooperate with and assist the
6 federal government and other persons in the development of
7 aeronautics and shall seek to coordinate the aeronautical
8 activities of the State with those of the federal government.
9 Municipalities may cooperate with the department in the
10 development of aeronautics and aeronautics facilities in the
11 State."

12 SECTION 4. The Hawaii airport authority shall be a
13 successor agency, and jurisdiction over aeronautics and
14 airports, including airport functions under the department of
15 transportation's airports division, shall be transferred to the
16 Hawaii airport authority on the date certain as specified by
17 executive order of the governor pursuant to section -2(a),
18 Hawaii Revised Statutes.

19 To the extent that the Hawaii airport authority is
20 authorized in this Act to exercise powers and duties with
21 respect to the airports and aeronautical facilities, which



1 powers are also granted to other departments, offices, or boards
2 of the State, the Hawaii airport authority shall exercise such
3 powers and perform such duties in lieu of such other
4 departments, offices, and boards.

5 SECTION 5. The Hawaii airport authority and the State
6 shall enter into one or more memoranda of understanding to
7 facilitate the authority's governance over such airports, and
8 provide an orderly transition of ownership, jurisdiction, and
9 authority to control, operate, develop, and maintain such
10 airports and facilities from the department of transportation to
11 the authority. Such memoranda of understanding shall include,
12 but not be limited to:

- 13 (1) The administrative support functions to be provided by
14 the department of transportation, as mutually agreed;
- 15 (2) Those powers that will be exercised and duties that
16 will be performed by each party;
- 17 (3) Those assets, funds, accounts, contracts, and
18 liabilities that will be transferred to the Hawaii
19 airport authority, and when such transfers will be
20 made;



- 1 (4) Transfer of employees and when such transfers will be
- 2 made;
- 3 (5) The time when services will be provided under the
- 4 memorandum of understanding; and
- 5 (6) The reimbursement to the State for the services
- 6 provided under such memoranda of understanding;
- 7 provided that the memoranda of understanding shall
- 8 provide for the lease, assignment, or transfer of
- 9 ownership jurisdiction or authority to control the
- 10 airports together with all assets, funds, accounts,
- 11 contracts, and assumption of liabilities, and the
- 12 manner and timing of any such lease, assignment or
- 13 transfer; provided further that the department of
- 14 transportation shall receive no compensation in
- 15 consideration of any such leases, assignments, or
- 16 transfers.

17 SECTION 6. On the date certain as specified by executive
18 order of the governor pursuant to section -2(a), Hawaii
19 Revised Statutes, the revisor of statutes shall substitute the
20 "Hawaii airport authority" in chapter 261, Hawaii Revised
21 Statutes, wherever the word "department" appears, except for the



1 amendments made to section 261-2, Hawaii Revised Statutes, in
2 section 3 of this Act.

3 SECTION 7. It is the intent of this Act not to jeopardize
4 the receipt of any federal aid nor to impair the obligation of
5 the State or any agency thereof to the holders of any bond
6 issued by the State or by any such agency, and to the extent,
7 and only to the extent, necessary to effectuate this intent, the
8 governor may modify the strict provisions of this Act, but shall
9 promptly report any such modification with reasons therefor to
10 the legislature at its next session thereafter for review by the
11 legislature.

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

15 SECTION 9. If any provision of this Act, or the
16 application thereof to any person or circumstance, is held
17 invalid, the invalidity shall not affect the other provisions or
18 applications of this Act that can be given effect without the
19 invalid provision or application, and to this end the provisions
20 of this Act are severable.



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

6 The Hawaii airport authority shall be a successor employer
7 to the State, and shall recognize all bargaining units and
8 collective bargaining agreements existing at the time of
9 transfer to the authority. The employees of the authority shall
10 be considered employees of the State as provided in this
11 section.

12 All employees who occupy civil service positions and whose
13 functions are transferred to the Hawaii airport authority by
14 this Act shall retain their civil service status, whether
15 permanent or temporary. Employees shall be transferred without
16 loss of salary, seniority (except as prescribed by applicable
17 collective bargaining agreements), retention points, prior
18 service credit, any vacation and sick leave credits previously
19 earned, and other rights, benefits, and privileges, in
20 accordance with state personnel laws and this Act; provided that
21 the employees possess the minimum qualifications and public



1 employment requirements for the class or position to which
2 transferred or appointed, as applicable; provided further that
3 subsequent changes in status may be made pursuant to applicable
4 civil service and compensation laws.

5 Any employee who, prior to this Act, is exempt from civil
6 service and is transferred as a consequence of this Act may
7 retain the employee's exempt status, but shall not be appointed
8 to a civil service position as a consequence of this Act. An
9 exempt employee who is transferred by this Act shall not suffer
10 any loss of prior service credit, vacation or sick leave credits
11 previously earned, or other employee benefits or privileges as a
12 consequence of this Act; provided that the employees possess
13 legal and public employment requirements for the position to
14 which transferred or appointed, as applicable; provided further
15 that subsequent changes in status may be made pursuant to
16 applicable employment and compensation laws. The administrator
17 of the Hawaii airport authority may prescribe the duties and
18 qualifications of these employees and fix their salaries without
19 regard to chapter 76, Hawaii Revised Statutes.

20 No employee covered by a collective bargaining unit as an
21 employee of the department of transportation shall be laid off



1 as a result of the creation of the Hawaii airport authority.
2 Employees who are offered the opportunity to transfer to the
3 Hawaii airport authority may decline to do so. An employee who
4 elects not to transfer to the Hawaii airport authority shall be
5 retained by the department of transportation or assigned with
6 the employee's position and seniority to another State agency.

7 The officers and all other employees of the Hawaii airport
8 authority shall be State employees for the purposes of benefits
9 and retirement. The authority shall reimburse the appropriate
10 State agencies for all costs incurred by such designation.

11 SECTION 11. On the date certain as specified by executive
12 order of the governor pursuant to section -2(a), Hawaii
13 Revised Statutes, all appropriations, records, equipment,
14 machines, files, supplies, contracts, books, papers, documents,
15 maps, and other personal property heretofore made, used,
16 acquired, or held by the department of transportation relating
17 to the functions transferred to the Hawaii airport authority
18 shall be transferred with the functions to which they relate.

19 SECTION 12. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 13. 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. Sets out appointment of members to the board of directors of the Hawaii airport authority. Sets out powers and duties of the Hawaii airport authority. Transfers the aeronautics functions of DOT to the Hawaii airport authority upon executive order of the governor. Effective 7/1/2076.
(SD2)

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