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# A BILL FOR AN ACT

RELATING TO AN AIRPORT CORPORATION.

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

1           SECTION 1. The legislature finds that the economic well-  
2 being of the State is substantially dependent on the efficient  
3 development, management, and operation of its airports and air  
4 transportation infrastructure. The legislature further finds  
5 that responsibility for Hawaii's airport planning, management,  
6 marketing, and capital development functions is currently  
7 distributed among a number of agencies, including the department  
8 of transportation's airports division, Hawaii tourism authority,  
9 department of budget and finance, department of human resources  
10 development, board of land and natural resources, department of  
11 health with respect to environmental concerns, and the office of  
12 Hawaiian affairs with respect to ceded land issues, among  
13 others. Furthermore, key decision-making is vested in the  
14 legislature, which is only in regular session for part of each  
15 year, which imposes a constraint to responsiveness and causes  
16 delay to key capital improvement program decisions. Distributed  
17 responsibility and involvement by multiple agencies, sometimes



1 with conflicting goals and priorities, results in delayed  
2 decision-making, inefficiency, and reduced effectiveness.

3 The legislature believes that coordinated planning and  
4 development of air transportation would be achieved more  
5 effectively by a single entity having overall consolidated  
6 jurisdiction for the State's airport infrastructure.

7 The legislature further finds that the establishment of an  
8 independent airport corporation would assist in the achievement  
9 of the following important statewide objectives:

- 10 (1) Maximizing the contribution of the state airports  
11 system to Hawaii's economy;
- 12 (2) Ensuring dedicated, expert airport leadership,  
13 management continuity, and year-round decision-making,  
14 consistent with industry best practices;
- 15 (3) Improving administrative efficiency by streamlining  
16 administrative processes;
- 17 (4) Accelerating the planning and delivery of the airports  
18 system's capital improvement program;
- 19 (5) Increasing the financial flexibility and strength of  
20 the airports system;





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

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

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

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

12           "Airport corporation" or "corporation" means the Hawaii  
13 airport corporation.

14           "Chief executive officer" means the chief executive officer  
15 of the Hawaii airport corporation.

16           §   -2 Airport corporation; establishment; board; members;  
17 chief executive officer. (a) There is established the Hawaii  
18 airport corporation, which shall be a body politic and  
19 corporate, constituting a public instrumentality for the  
20 performance of an essential public and governmental function as  
21 provided in this chapter. The corporation shall be established



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

9 (b) The powers of the airport corporation shall be vested  
10 in and exercised by a board of directors, which shall consist of  
11 nine voting members, who shall be appointed by the governor  
12 pursuant to section 26-34; provided that there shall be one  
13 member representing each of the counties of Hawaii, Kauai, and  
14 Maui and the city and county of Honolulu. Members shall be  
15 removed from office by the governor only for inefficiency,  
16 neglect of duty, turpitude, or misconduct in office after giving  
17 the member a copy of the charges against the member and allowing  
18 the member an opportunity to be heard, in person or by counsel,  
19 upon not less than ten days notice.

20 Members shall have relevant business and management  
21 experience, including experience in one or more of the following



1 disciplines: financial planning, budgeting, hospitality,  
2 tourism, commercial development, construction program  
3 management, marketing, law, or aviation.

4 No board member appointed under this section shall be an  
5 officer or employee of the State or the counties.

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

- 9 (1) Not be a member of the board;
- 10 (2) Serve at the pleasure of the board;
- 11 (3) Be exempt from chapter 76; and
- 12 (4) Receive compensation that shall be fixed by the board.

13 (d) The chief executive officer:

- 14 (1) Shall be selected based on criteria approved by the  
15 board, including experience in airport management at  
16 an executive level at a large- or medium-hub airport  
17 within the United States, management of significant  
18 scale capital programs, and domestic and international  
19 air service development;
- 20 (2) Shall be appointed by a majority vote of the members  
21 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           provided that the terms shall include provisions for  
4           the removal of the chief executive officer with and  
5           without cause;
- 6           (4) May be removed from office only by a vote of not less  
7           than five members of the board; provided that the  
8           basis for removal is consistent with the terms of the  
9           applicable employment contract;
- 10          (5) May establish management organization structures;
- 11          (6) May appoint one deputy executive officer, as the chief  
12          executive officer deems appropriate, who shall be  
13          exempt from chapter 76. The deputy executive officer  
14          shall exercise those powers that may be delegated by  
15          the chief executive officer;
- 16          (7) Shall have such powers as described in this chapter  
17          and as may be delegated by the members of the board;
- 18          (8) Shall attend all meetings of the board, keep a record  
19          of the proceedings, and shall maintain and be the  
20          custodian of all books, records, documents, and papers



1 filed with the corporation, the minute book of the  
2 corporation, and the official seal of the corporation;  
3 (9) Shall direct and supervise the corporation's  
4 administrative affairs and technical activities in  
5 accordance with the directives of the board;  
6 (10) Shall approve all accounts for salaries and allowable  
7 expenses of the corporation or of any employee or  
8 consultant thereof;  
9 (11) May hire employees, subject to chapters 76 and 89, to  
10 fill positions provided for in the airport  
11 corporation's annual budget; provided that the  
12 functions and duties of all positions shall be  
13 provided for in the bylaws of the airport corporation;  
14 (12) Shall serve as the chief procurement officer for the  
15 corporation; and  
16 (13) Shall perform such other duties as may be directed by  
17 the board in carrying out the purpose of the  
18 corporation.  
19 (e) The airport corporation shall establish bylaws  
20 providing for, upon the vacancy of the position of the chief  
21 executive officer, the automatic succession of a deputy





1 executive officer on an interim basis until a permanent chief  
2 executive officer is appointed.

3 (f) The number of members of the board necessary to  
4 constitute a quorum to do business shall be a majority of the  
5 members.

6 § -3 Powers; generally. (a) Except as otherwise  
7 provided in this chapter, the airport corporation:

8 (1) Shall exercise power and control over airports, air  
9 navigation facilities, buildings, and other facilities  
10 belonging to, or controlled by, the airport  
11 corporation;

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

18 (3) Shall provide as appropriate for the landing, taking-  
19 off, and servicing of aircraft, and the loading and  
20 unloading of passengers and cargo;



- 1           (4) Shall provide for the comfort, accommodation, and  
2           convenience of air travelers;
- 3           (5) Shall establish performance targets and performance  
4           standards to achieve the highest levels of customer  
5           service;
- 6           (6) Shall cooperate with and assist the federal government  
7           and other persons in the development of aeronautics;
- 8           (7) Shall seek to coordinate the aeronautical activities  
9           of the State with those activities of the federal  
10          government;
- 11          (8) Shall ensure that appropriate mission statements,  
12          business plans, minimum development standards, and  
13          strategic goals are established and that progress  
14          towards their accomplishment is regularly assessed and  
15          reported;
- 16          (9) Shall develop an organization and management structure  
17          to best accomplish the goals of the Hawaii airport  
18          system and the corporation;
- 19          (10) Shall employ employees subject to chapters 76 and 89;
- 20          (11) May use the facilities and services of any department,  
21          board, commission, or agency of the State or counties,



- 1 if permitted pursuant to memoranda of understanding  
2 approved by the board;
- 3 (12) May sue and be sued;
- 4 (13) Shall have a seal and may alter the seal at its  
5 pleasure;
- 6 (14) May make and execute contracts and all other  
7 instruments necessary or convenient for the exercise  
8 of its powers and functions under this chapter;
- 9 (15) Shall establish bylaws for its organization and  
10 internal management;
- 11 (16) Shall adopt an annual budget for its operations,  
12 maintenance, and capital improvements, pursuant to  
13 chapter 37;
- 14 (17) May own, sell, lease, hold, clear, improve, and  
15 rehabilitate real, personal, or mixed property, and  
16 assign, exchange, transfer, convey, lease, sublease,  
17 or encumber any airport, or any project, improvement,  
18 or facility related thereto; provided that the  
19 corporation and corporation lands shall not be subject  
20 to chapter 171;



- 1       (18) May develop, construct, reconstruct, rehabilitate,  
2           improve, alter, repair, or provide for the  
3           development, construction, reconstruction,  
4           rehabilitation, improvement, alteration, or repair of,  
5           any airport, or any project, improvement, or facility  
6           related to airports controlled by the corporation or  
7           located on land controlled by the corporation;
- 8       (19) May arrange or initiate appropriate action for the:  
9           (A) Furnishing of facilities;  
10          (B) Acquisition of property or property rights; and  
11          (C) Furnishing of property, development rights, or  
12           services in connection with any airport or any  
13           project, improvement, or facility related to  
14           airports controlled by the corporation;
- 15       (20) May grant options or renew any lease entered into by  
16           it in connection with any project, on terms and  
17           conditions as it deems advisable;
- 18       (21) May engage the services of consultants on a  
19           contractual basis for rendering professional and  
20           technical assistance and advice;



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



- 1           assumed by the airport corporation and reserves  
2           therefor;
- 3           (26) May take all actions necessary under emergencies such  
4           as hurricanes, tsunamis, and other natural disasters;
- 5           (27) Shall plan, construct, operate, and maintain all  
6           airport facilities in the State;
- 7           (28) Subject to legislative authorization or appropriation,  
8           may allot airport funds, issue revenue bonds and  
9           special facility revenue bonds in its name pursuant to  
10          chapter 39, but not in excess of such principal  
11          amounts as are necessary for its purposes or specified  
12          in covenants with bondholders;
- 13          (29) May invest and secure its moneys in accordance with  
14          chapters 36 and 38;
- 15          (30) May take public and private property for use in  
16          furthering any of the purposes of the airport  
17          corporation; provided that all proceedings for  
18          condemnation shall be conducted in accordance with  
19          chapter 101;
- 20          (31) May provide compensation, allowance, or other  
21          assistance to any person for relocation or



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

3 (32) May license all airports and heliports within the  
4 State, pursuant to all federal and state rules and  
5 regulations, and the procedures of the airport  
6 corporation;

7 (33) May approve all safety, security, and federal  
8 certification plans, procedures, and specifications  
9 related to the operation, management, and development  
10 of all airports and heliports within the State; and

11 (34) May do any and all things necessary to carry out its  
12 powers and duties pursuant to this chapter.

13 (b) The corporation shall adopt rules pursuant to chapter  
14 91 to carry out the purpose of this chapter."

15 SECTION 3. Section 26-19, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "**§26-19 Department of transportation.** The department of  
18 transportation shall be headed by a single executive to be known  
19 as the director of transportation. The department shall  
20 establish, maintain, and operate transportation facilities of  
21 the State, including highways, [~~airports,~~] harbors, and such



1 other transportation facilities and activities as may be  
2 authorized by law.

3 The department shall plan, develop, promote, and coordinate  
4 various transportation systems management programs that shall  
5 include, but not be limited to, alternate work and school hours  
6 programs, bicycling programs, and ridesharing programs.

7 The department shall develop and promote ridesharing  
8 programs which shall include but not be limited to, carpool and  
9 vanpool programs, and may assist organizations interested in  
10 promoting similar programs, arrange for contracts with private  
11 organizations to manage and operate these programs, and assist  
12 in the formulation of ridesharing arrangements. Ridesharing  
13 programs include informal arrangements in which two or more  
14 persons ride together in a motor vehicle.

15 The functions and authority heretofore exercised by the  
16 department of public works with respect to highways are  
17 transferred to the department of transportation established by  
18 this chapter.

19 On July 1, 1961, the Hawaii aeronautics commission, the  
20 board of harbor commissioners and the highway commission shall





1 be abolished and their remaining functions, duties, and powers  
2 shall be transferred to the department of transportation."

3 SECTION 4. Section 76-16, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The civil service to which this chapter applies shall  
6 comprise all positions in the State now existing or hereafter  
7 established and embrace all personal services performed for the  
8 State, except the following:

9 (1) Commissioned and enlisted personnel of the Hawaii  
10 National Guard as such, and positions in the Hawaii  
11 National Guard that are required by state or federal  
12 laws or regulations or orders of the National Guard to  
13 be filled from those commissioned or enlisted  
14 personnel;

15 (2) Positions filled by persons employed by contract where  
16 the director of human resources development has  
17 certified that the service is special or unique or is  
18 essential to the public interest and that, because of  
19 circumstances surrounding its fulfillment, personnel  
20 to perform the service cannot be obtained through



- 1 normal civil service recruitment procedures. Any such  
2 contract may be for any period not exceeding one year;
- 3 (3) Positions that must be filled without delay to comply  
4 with a court order or decree if the director  
5 determines that recruitment through normal recruitment  
6 civil service procedures would result in delay or  
7 noncompliance, such as the Felix-Cayetano consent  
8 decree;
- 9 (4) Positions filled by the legislature or by either house  
10 or any committee thereof;
- 11 (5) Employees in the office of the governor and office of  
12 the lieutenant governor, and household employees at  
13 Washington Place;
- 14 (6) Positions filled by popular vote;
- 15 (7) Department heads, officers, and members of any board,  
16 commission, or other state agency whose appointments  
17 are made by the governor or are required by law to be  
18 confirmed by the senate;
- 19 (8) Judges, referees, receivers, masters, jurors, notaries  
20 public, land court examiners, court commissioners, and



1 attorneys appointed by a state court for a special  
2 temporary service;

3 (9) One bailiff for the chief justice of the supreme court  
4 who shall have the powers and duties of a court  
5 officer and bailiff under section 606-14; one  
6 secretary or clerk for each justice of the supreme  
7 court, each judge of the intermediate appellate court,  
8 and each judge of the circuit court; one secretary for  
9 the judicial council; one deputy administrative  
10 director of the courts; three law clerks for the chief  
11 justice of the supreme court, two law clerks for each  
12 associate justice of the supreme court and each judge  
13 of the intermediate appellate court, one law clerk for  
14 each judge of the circuit court, two additional law  
15 clerks for the civil administrative judge of the  
16 circuit court of the first circuit, two additional law  
17 clerks for the criminal administrative judge of the  
18 circuit court of the first circuit, one additional law  
19 clerk for the senior judge of the family court of the  
20 first circuit, two additional law clerks for the civil  
21 motions judge of the circuit court of the first



1 circuit, two additional law clerks for the criminal  
 2 motions judge of the circuit court of the first  
 3 circuit, and two law clerks for the administrative  
 4 judge of the district court of the first circuit; and  
 5 one private secretary for the administrative director  
 6 of the courts, the deputy administrative director of  
 7 the courts, each department head, each deputy or first  
 8 assistant, and each additional deputy, or assistant  
 9 deputy, or assistant defined in paragraph (16);

10 (10) First deputy and deputy attorneys general, the  
 11 administrative services manager of the department of  
 12 the attorney general, one secretary for the  
 13 administrative services manager, an administrator and  
 14 any support staff for the criminal and juvenile  
 15 justice resources coordination functions, and law  
 16 clerks;

17 (11) (A) Teachers, principals, vice-principals, complex  
 18 area superintendents, deputy and assistant  
 19 superintendents, other certificated personnel,  
 20 not more than twenty noncertificated



1 administrative, professional, and technical  
2 personnel not engaged in instructional work;  
3 (B) Effective July 1, 2003, teaching assistants,  
4 educational assistants, bilingual/bicultural  
5 school-home assistants, school psychologists,  
6 psychological examiners, speech pathologists,  
7 athletic health care trainers, alternative school  
8 work study assistants, alternative school  
9 educational/supportive services specialists,  
10 alternative school project coordinators, and  
11 communications aides in the department of  
12 education;  
13 (C) The special assistant to the state librarian and  
14 one secretary for the special assistant to the  
15 state librarian; and  
16 (D) Members of the faculty of the University of  
17 Hawaii, including research workers, extension  
18 agents, personnel engaged in instructional work,  
19 and administrative, professional, and technical  
20 personnel of the university;



- 1       (12) Employees engaged in special, research, or
- 2             demonstration projects approved by the governor;
- 3       (13) (A) Positions filled by inmates, patients of state
- 4             institutions, persons with severe physical or
- 5             mental disabilities participating in the work
- 6             experience training programs;
- 7             (B) Positions filled with students in accordance with
- 8             guidelines for established state employment
- 9             programs; and
- 10       (C) Positions that provide work experience training
- 11            or temporary public service employment that are
- 12            filled by persons entering the workforce or
- 13            persons transitioning into other careers under
- 14            programs such as the federal Workforce Investment
- 15            Act of 1998, as amended, or the Senior Community
- 16            Service Employment Program of the Employment and
- 17            Training Administration of the United States
- 18            Department of Labor, or under other similar state
- 19            programs;
- 20       (14) A custodian or guide at Iolani Palace, the Royal
- 21            Mausoleum, and Hulihee Palace;



1           (15) Positions filled by persons employed on a fee,  
2                   contract, or piecework basis, who may lawfully perform  
3                   their duties concurrently with their private business  
4                   or profession or other private employment and whose  
5                   duties require only a portion of their time, if it is  
6                   impracticable to ascertain or anticipate the portion  
7                   of time to be devoted to the service of the State;  
8           (16) Positions of first deputies or first assistants of  
9                   each department head appointed under or in the manner  
10                  provided in section 6, article V, of the Hawaii state  
11                  constitution; three additional deputies or assistants  
12                  either in charge of the highways [~~7~~] and harbors [~~7~~ and  
13                  airports] divisions or other functions within the  
14                  department of transportation as may be assigned by the  
15                  director of transportation, with the approval of the  
16                  governor; four additional deputies in the department  
17                  of health, each in charge of one of the following:  
18                  behavioral health, environmental health, hospitals,  
19                  and health resources administration, including other  
20                  functions within the department as may be assigned by  
21                  the director of health, with the approval of the



1           governor; an administrative assistant to the state  
2           librarian; and an administrative assistant to the  
3           superintendent of education;

4       (17) Positions specifically exempted from this part by any  
5           other law; provided that:

6           (A) Any exemption created after July 1, 2014, shall  
7                expire three years after its enactment unless  
8                affirmatively extended by an act of the  
9                legislature; and

10          (B) All of the positions defined by paragraph (9)  
11               shall be included in the position classification  
12               plan;

13       (18) Positions in the state foster grandparent program and  
14           positions for temporary employment of senior citizens  
15           in occupations in which there is a severe personnel  
16           shortage or in special projects;

17       (19) Household employees at the official residence of the  
18           president of the University of Hawaii;

19       (20) Employees in the department of education engaged in  
20           the supervision of students during meal periods in the  
21           distribution, collection, and counting of meal





- 1 tickets, and in the cleaning of classrooms after  
 2 school hours on a less than half-time basis;
- 3 (21) Employees hired under the tenant hire program of the  
 4 Hawaii public housing authority; provided that not  
 5 more than twenty-six per cent of the authority's  
 6 workforce in any housing project maintained or  
 7 operated by the authority shall be hired under the  
 8 tenant hire program;
- 9 (22) Positions of the federally funded expanded food and  
 10 nutrition program of the University of Hawaii that  
 11 require the hiring of nutrition program assistants who  
 12 live in the areas they serve;
- 13 (23) Positions filled by persons with severe disabilities  
 14 who are certified by the state vocational  
 15 rehabilitation office that they are able to perform  
 16 safely the duties of the positions;
- 17 (24) The sheriff;
- 18 (25) A gender and other fairness coordinator hired by the  
 19 judiciary;
- 20 (26) Positions in the Hawaii National Guard youth and adult  
 21 education programs; [and]



1 (27) In the state energy office in the department of  
2 business, economic development, and tourism, all  
3 energy program managers, energy program specialists,  
4 energy program assistants, and energy analysts[-]; and

5 (28) The chief executive officer of the Hawaii airport  
6 corporation.

7 The director shall determine the applicability of this  
8 section to specific positions.

9 Nothing in this section shall be deemed to affect the civil  
10 service status of any incumbent as it existed on July 1, 1955."

11 SECTION 5. Section 103D-203, Hawaii Revised Statutes, is  
12 amended as follows:

13 1. By amending subsection (a) to read:

14 "(a) The chief procurement officer for each of the  
15 following state entities shall be:

16 (1) The judiciary--the administrative director of the  
17 courts;

18 (2) The senate--the president of the senate;

19 (3) The house of representatives--the speaker of the house  
20 of representatives;



- 1           (4) The office of Hawaiian affairs--the chairperson of the
- 2                   board;
- 3           (5) The University of Hawaii--the president of the
- 4                   University of Hawaii; provided that, except as
- 5                   specified in section 304A-2672(2), for contracts for
- 6                   construction and professional services furnished by
- 7                   licensees under chapter 464, the administrator of the
- 8                   state procurement office of the department of
- 9                   accounting and general services shall serve as the
- 10                  chief procurement officer;
- 11           (6) The department of education, excluding the Hawaii
- 12                   public library system--the superintendent of
- 13                   education;
- 14           (7) The Hawaii health systems corporation--the chief
- 15                   executive officer of the Hawaii health systems
- 16                   corporation; ~~and~~
- 17           (8) The Hawaii airport corporation--the chief executive
- 18                   officer of the corporation; and
- 19           ~~(8)~~ (9) The remaining departments of the executive branch
- 20                   of the State and all governmental bodies
- 21                   administratively attached to them--the administrator



1 of the state procurement office of the department of  
2 accounting and general services."

3 2. By amending subsection (c) to read:

4 "(c) For purposes of applying this chapter to the  
5 judiciary, houses of the legislature, office of Hawaiian  
6 affairs, University of Hawaii, department of education, Hawaii  
7 airport corporation, remaining departments of the executive  
8 branch and all governmental bodies administratively attached to  
9 them, and the several counties, unless otherwise expressly  
10 provided, "State" shall mean "judiciary", "state senate", "state  
11 house of representatives", "office of Hawaiian affairs",  
12 "University of Hawaii", "department of education", "Hawaii  
13 airport corporation", "executive branch", "county", "board of  
14 water supply" or "department of water supply", and "semi-  
15 autonomous public transit agency", respectively."

16 SECTION 6. Section 261-1, Hawaii Revised Statutes, is  
17 amended as follows:

18 1. By adding a new definition to be appropriately inserted  
19 and to read:

20 "Chief executive officer" means the chief executive  
21 officer of the Hawaii airport corporation."



1           2. By repealing the definition of "director".

2           [~~"Director" means the director of transportation.~~"]

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

5           "**§261-2 Development of aeronautics, general.** The  
6 department of transportation shall have general supervision over  
7 aeronautics within the State[-]; provided that on July 1, 2018,  
8 the general supervision shall be transferred to the Hawaii  
9 airport corporation. It shall encourage, foster, and assist in  
10 the development of aeronautics in the State and encourage the  
11 establishment of airports and air navigation facilities. It  
12 shall cooperate with and assist the federal government and other  
13 persons in the development of aeronautics and shall seek to  
14 coordinate the aeronautical activities of the State with those  
15 of the federal government. Municipalities may cooperate with  
16 the department in the development of aeronautics and aeronautics  
17 facilities in the State."

18           SECTION 8. The Hawaii airport corporation shall be a  
19 successor agency, and jurisdiction over aeronautics and  
20 airports, including airport functions under the department of



1 transportation's airports division, shall be transferred to the  
2 Hawaii airport corporation on July 1, 2018.

3 To the extent that the Hawaii airport corporation is  
4 authorized in this Act to exercise powers and duties, which are  
5 also granted to other departments, offices, or boards of the  
6 State, with respect to airports and aeronautical facilities, the  
7 Hawaii airport corporation shall exercise such powers and  
8 perform such duties in lieu of any other departments, offices,  
9 and boards.

10 SECTION 9. The State shall facilitate the corporation's  
11 governance over airports and provide an orderly transition of  
12 ownership, jurisdiction, assets, liabilities, powers, funds,  
13 accounts, contracts, employees, and any other rights, benefits,  
14 or obligations, and authority to control, operate, develop, and  
15 maintain airports and aeronautical facilities from the  
16 department of transportation to the corporation prior to July 1,  
17 2018.

18 SECTION 10. The revisor of statutes shall substitute the  
19 phrase "chief executive officer" in chapter 261, Hawaii Revised  
20 Statutes, wherever the terms "director" or "director of  
21 transportation" appear, except for the amendments made to



1 section 261-1, Hawaii Revised Statutes, in section 6 of this  
2 Act.

3 SECTION 11. The revisor of statutes shall substitute the  
4 phrase "Hawaii airport corporation" in chapter 261, Hawaii  
5 Revised Statutes, wherever the terms "department" or "department  
6 of transportation" appear, except for the amendments made to  
7 section 261-2, Hawaii Revised Statutes, in section 7 of this  
8 Act.

9 SECTION 12. It is the intent of this Act not to jeopardize  
10 the receipt of any federal aid nor to impair the obligation of  
11 the State or any agency thereof to the holders of any bond  
12 issued by the State or by any such agency, and to the extent,  
13 and only to the extent, necessary to effectuate this intent, the  
14 governor may modify the strict provisions of this Act, but shall  
15 promptly report any such modification with reasons therefor to  
16 the legislature at its next session thereafter for review by the  
17 legislature.

18 SECTION 13. This Act does not affect rights and duties  
19 that matured, penalties that were incurred, and proceedings that  
20 were begun before its effective date.



1 SECTION 14. If any provision of this Act, or the  
2 application thereof to any person or circumstance, is held  
3 invalid, the invalidity shall not affect the other provisions or  
4 applications of this Act that can be given effect without the  
5 invalid provision or application, and to this end the provisions  
6 of this Act are severable.

7 SECTION 15. All rights, powers, functions, and duties of  
8 the department of transportation's airports division are  
9 transferred to the Hawaii airport corporation on July 1, 2018.  
10 The Hawaii airport corporation shall recognize all bargaining  
11 units and collective bargaining agreements existing at the time  
12 of transfer to the corporation. The employees of the  
13 corporation shall be considered employees of the State as  
14 provided in this section.

15 All employees who occupy civil service positions and whose  
16 functions are transferred to the Hawaii airport corporation by  
17 this Act shall retain their civil service status, whether  
18 permanent or temporary. Employees shall be transferred without  
19 loss of salary, seniority (except as prescribed by applicable  
20 collective bargaining agreements), retention points, prior  
21 service credit, any vacation and sick leave credits previously





1 earned, and other rights, benefits, and privileges, in  
2 accordance with state personnel laws and this Act.

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

17 No employee covered by a collective bargaining unit as an  
18 employee of the department of transportation shall be laid off  
19 as a result of the creation of the Hawaii airport corporation.  
20 The officers and all other employees of the Hawaii airport



1 corporation shall be state employees for the purposes of  
2 benefits and retirement.

3 SECTION 16. On July 1, 2018, all appropriations, records,  
4 equipment, machines, files, supplies, contracts, books, papers,  
5 documents, maps, and other personal property heretofore made,  
6 used, acquired, or held by the department of transportation  
7 relating to the functions transferred to the Hawaii airport  
8 corporation shall be transferred with the functions to which  
9 they relate.

10 SECTION 17. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 18. This Act shall take effect on December 16,  
13 2050; provided that sections 4, 6, 10, and 11 shall take effect  
14 on December 17, 2050.



**Report Title:**

Tourism; Transportation; Aeronautics; Hawaii Airport Corporation

**Description:**

Authorizes the establishment of the Hawaii Airport Corporation within the Department of Transportation for administrative purposes on July 1, 2018. Sets out appointment of members to the board of directors and powers and duties of the Hawaii Airport Corporation. Transfers the aeronautics functions of the Department of Transportation to the Hawaii Airport Authority.  
(SB658 HD2)

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

