

STAND. COM. REP. NO.

1337

Honolulu, Hawaii

March 24, 2017

RE: S.B. No. 658
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred S.B. No. 658, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AN AIRPORT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Airport Corporation (Corporation), to be operational on July 1, 2018, to develop, manage, and operate the State's airports and aeronautical facilities.

The Chamber of Commerce Hawaii, Maui Chamber of Commerce, Maui Hotel & Lodging Association, Royal Star Hawaii, Enterprise Holdings, Airport Concessionaires Committee, General Aviation Council of Hawaii, Land Use Research Foundation of Hawaii, and Hawaii Lodging & Tourism Association testified in support of this measure. The State Procurement Office, Department of Transportation, Airlines Committee of Hawaii, Aircraft Owners and Pilots Association, Hawaii Civil Air Patrol, and one individual supported the intent of this measure. The Office of Hawaiian Affairs; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; and three individuals testified in opposition. The Department of the Attorney General, Department of Budget and Finance, Hawaii Tourism Authority, and one individual provided comments.

SB658 HD2 HSCR LAB HMS 2017-3163



It is not the Legislature's intent for state airports to become *de facto* private airports. Your Committee is concerned about the broad procurement exemption for the Corporation and has amended this measure by deleting the exemption. Your Committee has further amended this measure by:

- (1) Deleting the proviso that prohibited the salary of the Chief Executive Officer of the Corporation from exceeding the salary of any Deputy Director of Transportation;
- (2) Deleting the Corporation's authority to hire or contract law enforcement personnel;
- (3) Exempting the Chief Executive Officer from civil service laws; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Although this measure exempts the Chief Executive Officer and Deputy Chief Executive Officer position of the Corporation from civil service laws, it is the Legislature's intent that the number of civil service exempt positions be *de minimis* and primarily used for upper management positions.

Your Committee further notes the concerns of the Office of Hawaiian Affairs regarding the exemption of the Corporation and the Corporation's lands from laws regulating the management and disposition of public lands; however, the subject is not within this Committee's purview.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 658, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Labor & Public
Employment,



AARON LING JOHANSON, Chair



