

JAN 23 2020

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# A BILL FOR AN ACT

RELATING TO CARGO CARRIERS.

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

1           SECTION 1. The legislature finds that Young Brothers, Ltd.  
2 is the only cargo carrier that services the entire Hawaiian  
3 island chain, including Molokai and Lanai. Additionally, Young  
4 Brothers is the main source of food delivery, agricultural  
5 products and livestock, vehicles, and other necessary goods in  
6 the State. The legislature recognizes that despite having  
7 decreased cargo loads due to the increase in online retailers  
8 offering free shipping, Young Brothers continues to make  
9 biweekly deliveries to all ports in the State. However, the  
10 costs incurred by Young Brothers to make deliveries to the  
11 smaller ports in Maui County, including Kaunakakai and  
12 Kaunalapau, have increased due to the small cargo load and port  
13 sizes. The legislature acknowledges that Young Brothers has  
14 also recently updated many of its shipping vessels to new,  
15 clean-energy vessels that reduce carbon emissions.



1           The legislature finds and declares that the appropriation  
2 made under this Act is in the public interest and for the public  
3 health, safety, and general welfare of the State.

4           Accordingly, the purpose of this Act is to authorize the  
5 department of transportation to expend funds from the harbor  
6 special fund to provide subsidies to cargo carriers to offset  
7 the costs incurred by the cargo carriers as a result of  
8 providing cargo carrier services to ports serving counties  
9 within the State having a population of less than five hundred  
10 thousand and comprising three or more populated islands, and to  
11 appropriate moneys to the department of transportation for this  
12 purpose.

13           SECTION 2. Section 266-19, Hawaii Revised Statutes, is  
14 amended by amending subsection (a) to read as follows:

15           "(a) There is created in the treasury of the State the  
16 harbor special fund. All moneys received by the department of  
17 transportation from the rates, fees, fines, and administrative  
18 penalties pursuant to sections 266-17(a)(1), 266-25, 266-28, and  
19 266-30 shall be paid into the harbor special fund. The harbor  
20 special fund and the second separate harbor special fund  
21 heretofore created shall be consolidated into the harbor special



## S.B. NO. 2800

1 fund at [~~such~~] the time [~~as~~] in which there are no longer any  
2 revenue bonds payable from the second separate harbor special  
3 fund. The harbor reserve fund heretofore created is abolished.

4 All moneys derived pursuant to this chapter from harbor  
5 properties of the statewide system of harbors shall be paid into  
6 the harbor special fund and each fiscal year shall be  
7 appropriated, applied, or expended by the department of  
8 transportation for the statewide system of harbors for any  
9 purpose within the jurisdiction, powers, duties, and functions  
10 of the department of transportation related to the statewide  
11 system of harbors, including, without limitation[~~the~~]:

12 (1) The following costs [~~of operation,~~], all or any of  
13 which in the judgment of the department of  
14 transportation are necessary to the performance of the  
15 department of transportation's duties or functions:

16 (A) Operation, maintenance, and repair of the  
17 statewide system of harbors and reserves  
18 therefor[~~]~~; and [~~acquisitions~~]

19 (B) Acquisitions, including acquisitions of real  
20 property and any interests therein[~~]~~;  
21 constructions[~~]~~; additions[~~]~~; expansions[~~]~~;



# S.B. NO. 2800

1                   improvements[~~7~~]; renewals[~~7~~]; replacements[~~7~~];  
 2                   reconstruction[~~7~~]; engineering[~~7~~];  
 3                   investigation[~~7~~]; and planning[~~7~~] for the  
 4                   statewide system of harbors[~~7~~ all or any of which  
 5                   in the judgment of the department of  
 6                   transportation are necessary to the performance  
 7                   of its duties or functions.]; and

8           (2) Any subsidies provided to cargo carriers to offset  
 9           costs incurred by the cargo carriers as a result of  
 10           providing cargo carrier services to ports serving  
 11           counties within the State having a population of less  
 12           than five hundred thousand and comprising three or  
 13           more populated islands."

14           SECTION 3. There is appropriated out of the harbor special  
 15 fund the sum of \$                    or so much thereof as may be  
 16 necessary for fiscal year 2020-2021 to provide subsidies to  
 17 cargo carriers to offset costs incurred by the cargo carriers as  
 18 a result of providing cargo carrier services to ports serving  
 19 counties within the State having a population of less than five  
 20 hundred thousand and comprising three or more populated islands.



# S.B. NO. 2800

1           The sum appropriated shall be expended by the department of  
2 transportation for the purpose of this Act.

3           SECTION 4. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5           SECTION 5. This Act shall take effect on July 1, 2020.

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INTRODUCED BY:

*A. Kalani Eglish*

*Rosslyn de Bora*  
~~*K. Anthony*~~



# S.B. NO. 2800

**Report Title:**

DOT; Harbor Special Fund; Cargo Carriers; Subsidies;  
Appropriations

**Description:**

Authorizes the Department of Transportation to expend funds from the harbor special fund to provide subsidies to cargo carriers to offset costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than 500,000 and comprising three or more populated islands. Appropriates moneys.

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