

Honolulu, Hawaii

**FEB 14**, 2020

RE: H.B. No. 2604  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2604 entitled:

"A BILL FOR AN ACT RELATING TO CONCESSIONS,"

begs leave to report as follows:

The purpose of this measure is to provide state and county governments more flexibility and discretion to address substantial hardship situations that impact concession stands.

Your Committee received testimony in support from the Office of the Mayor of the County of Kauai, Airport Concessionaires Committee, and one individual. Your Committee received testimony in opposition to this measure from the Airlines Committee of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that there is a need to provide flexibility in the modification of concession contract terms when the concessionaire has suffered significant harm because of improvements or operations on the premises governed by the contract. This measure permits modification of the terms of a concessionaire's contract to address significant hardship situations that impact concession stands.

Your Committee has amended this measure by:



- (1) Limiting the term of any extension based on significant hardship situations to no more than fifty percent of the maximum term of sixty-five years when counting the remaining term of the concession plus any extension thereof;
- (2) Exempting the modification of concession contracts from chapter 171, Hawaii Revised Statutes, when the provisions of chapter 171, Hawaii Revised Statutes, are in conflict with the intent and purpose of providing broad discretion to state and county governments to grant relief;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 H.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, H.D. 1, and be referred to your Committee on Finance.

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

  
AARON LING JOHANSON, Chair



