

Honolulu, Hawaii

MAR 1 - 2019

RE: S.B. No. 666
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 666, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to improve the development, management, operation, and maintenance of the State's airports and aeronautical facilities.

More specifically, this measure:

- (1) Establishes the Hawaii Airports Corporation, which shall assume all of the authority, powers, functions, duties, and responsibilities of the Department of Transportation related to airports and aeronautics;
- (2) Exempts the Hawaii Airports Corporation from the Hawaii public procurement code (Chapter 103D, Hawaii Revised Statutes), provided that the Corporation shall adopt rules regarding certain aspects of procurement; and
- (3) Requires the Auditor to conduct management and financial audits of the Hawaii Airports Corporation every two years, beginning in 2023.



Your Committee received written comments in support of this measure from the Office of the Governor, Department of Public Safety, Department of Transportation, University of Hawaii, Airlines Committee of Hawaii, Airport Concessionaires Committee, American Council of Engineering Companies - Hawaii, Building Industry Association of Hawaii, Canada-France-Hawaii Telescope Corporation, Chamber of Commerce Hawaii, Enterprise Holdings, Hawaii Island Chamber of Commerce, Hawaii Lodging and Tourism Association, Hawaiian Airlines, Kohala Coast Resort Association, Maui Chamber of Commerce, Maui Hotel & Lodging Association, and eight individuals.

Your Committee received written comments in opposition to this measure from the Electrical Contractors Association, Ironworkers Stabilization Fund, and Subcontractors Association of Hawaii.

Your Committee received comments on this measure from the Department of Land and Natural Resources; Office of the Auditor; Office of Hawaiian Affairs; State Procurement Office; Carpet, Linoleum and Soft Tile Local Union 1926 Market Recovery Trust Fund; Glaziers Stabilization Fund; Hawaii Building and Construction Trades Council - AFL-CIO; Hawaii Glaziers, Architectural Metal Glassworkers Local Union 1889 AFL-CIO Stabilization Trust Fund; Hawaii Tapers Market Recovery Trust Fund; International Union of Painters and Allied Trades District Council 50; Painting Industry of Hawaii Labor Management Cooperation Trust Fund; and Plumbing and Mechanical Contractors Association on Hawaii.

Your Committee finds that transferring responsibilities related to aeronautics and the State's airports from the Department of Transportation to a newly established Hawaii Airports Corporation may facilitate streamlined decision-making and improve airport development, management, operation, and facilities maintenance.

Your Committee notes that various concerns have been raised about this measure, including but not limited to concerns that:

- (1) The measure would exempt the Hawaii Airports Corporation from the Hawaii public procurement code, generally, and that the measure does not require bids on construction



contracts offered by the Hawaii Airports Corporation to include the name of each person or firm to be engaged by the bidder as a joint contractor or subcontractor and the nature and scope of work to be performed by each; and

- (2) There has been no opportunity for adequate discussion of the transfer of police powers to the Hawaii Airports Corporation.

Additionally, your Committee notes that stakeholders previously submitted written comments to the Senate Committee on Transportation expressing concerns that this measure should incorporate language regarding labor peace, a living wage, worker retention, and free speech.

Your Committee has amended this measure by:

- (1) Making a technical change to comport with recommended drafting conventions; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 666, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 666, S.D. 2.

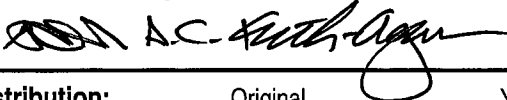
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 666, SD 1	TRS, WAM	2/15/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene		X		
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	10	1		2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes