



GOV. MSG. NO. 1241

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

June 29, 2023

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

✓ The Honorable Scott K. Saiki
Speaker, and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 29, 2023, the following bill was signed into law:

HB24 HD1 SD2 CD1

RELATING TO WATER COMMON
CARRIERS.
ACT 138

Sincerely,

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO WATER COMMON CARRIERS.

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

1 SECTION 1. Section 271G-17.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~[+]§271G-17.5[+]~~ **Issuance of securities**~~[; execution of~~
4 **leases]**. (a) A water common carrier may, on securing the prior
5 approval of the public utilities commission, and not otherwise~~[;~~
6 ~~issue]~~:

- 7 (1) Enter into vessel leases longer than five years;
- 8 (2) Enter into leverage leases for vessels; or
- 9 (3) Issue stocks and stock certificates, bonds, notes, and
10 other evidences of indebtedness, payable at periods of
11 more than twelve months after the date thereof, ~~[and~~
12 ~~enter into long term leases of more than three years~~
13 ~~and leverage leases,~~] for the following purposes and
14 no other, namely:

15 ~~[+]~~(A) For the acquisition of property; ~~[or]~~



1 [~~2~~] (B) For the construction, completion, extension, or
2 improvement of or addition to its facilities or
3 service; [~~or~~]

4 [~~3~~] (C) For the discharge or lawful refunding of its
5 obligations; or

6 [~~4~~] (D) For the reimbursement of moneys actually expended
7 from income or from any other moneys in its
8 treasury not secured by or obtained from the
9 issue of its stocks or stock certificates, or
10 bonds, notes, or other evidences of indebtedness,
11 for any of the aforesaid purposes, except
12 maintenance of service, replacements, and
13 substitutions not constituting capital
14 [~~expenditure~~] expenditures in cases where the
15 water carrier has kept its accounts for [~~such~~]
16 the expenditures in [~~such~~] a manner as to enable
17 the commission to ascertain the amount of moneys
18 so expended and the purposes for which the
19 expenditures were made, and the sources of the
20 funds in its treasury applied to the
21 expenditures.



1 (b) As used [~~herein,~~] in this section, "property" and
2 "facilities" mean property and facilities used in all operations
3 of a water carrier whether or not included in its regulated
4 operations or rate base. A water carrier may not issue
5 securities [~~nor,~~] enter into [~~long-term~~] vessel leases [~~of more~~
6 ~~than three~~] longer than five years [~~and~~] or enter into leverage
7 leases[~~]~~ for vessels, to acquire property or to construct,
8 complete, extend [~~or,~~] improve, or add to its facilities or
9 service, if the commission determines that the proposed purpose
10 will have a material adverse effect on its operations. No
11 carrier shall repurchase or reissue its own common stock without
12 prior commission approval.


13 (c) All stock and every stock certificate, and every bond,
14 note, or other evidence of indebtedness of a water carrier not
15 payable within twelve months, issued without an order of the
16 commission authorizing the same, then in effect, shall be void.
17 In addition, all [~~long-term~~] vessel leases [~~of more than three~~]
18 longer than five years and all leverage leases entered into by a
19 water carrier for vessels without an order of the commission
20 authorizing the same then in effect shall be void."



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect upon its approval.

APPROVED this 29th day of June , 2023



GOVERNOR OF THE STATE OF HAWAII



HB No. 24, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2023
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Second Legislature of the State of Hawaii, Regular Session of 2023.



Scott K. Saiki
Speaker
House of Representatives

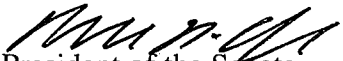


Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: May 2, 2023
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-Second Legislature of the State of Hawai'i, Regular Session of 2023.


President of the Senate


Clerk of the Senate