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# 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  
6 otherwise ~~[.]~~:

7           (1) Enter into vessel leases longer than five years;

8           (2) Enter into leverage leases for vessels; or

9           (3) [issue] Issue stocks and stock certificates, bonds,  
10 notes, and other evidences of indebtedness, payable at  
11 periods of more than twelve months after the date  
12 thereof, ~~[and enter into long term leases of more than~~  
13 ~~three years and leverage leases,]~~ for the following  
14 purposes and no other, namely:

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



1           ~~[-2]~~ (B) For the construction, completion, extension,  
2                           or improvement of or addition to its facilities  
3                           or 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  
7                           expended from income or from any other moneys in  
8                           its 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 in cases where the water carrier has  
15                          kept its accounts for ~~[such]~~ expenditures in  
16                          ~~[such]~~ a manner as to enable the commission to  
17                          ascertain the amount of moneys so expended and  
18                          the purposes for which the expenditures were  
19                          made, and the sources of the funds in its  
20                          treasury applied to the 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 on July 1, 3000.

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**Report Title:**

Common Carriers; Water Carriers; Public Utilities Commission;  
Long Term Leases

**Description:**

Clarifies that a common water carrier may enter into vessel leases longer than five years or enter into leverage leases for vessels upon prior approval of the Public Utilities Commission. Effective 7/1/3000. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

