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



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 on July 1, 3000.



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. (SD2)

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