
A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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 water common carrier may, on securing the prior
5 approval of the public utilities commission, and not otherwise,
6 issue stocks and stock certificates, bonds, notes, and other
7 evidences of indebtedness, payable at periods of more than
8 twelve months after the date thereof, and enter into long-term
9 leases of more than ~~three~~ five years and leverage leases for
10 leases of waterborne vessels, for the following purposes and no
11 other, namely:

- 12 (1) For the acquisition of property; ~~or~~
- 13 (2) For the construction, completion, extension, or
14 improvement of or addition to its facilities or
15 service; ~~or~~
- 16 (3) For the discharge or lawful refunding of its
17 obligations; or



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

14 As used [~~herein,~~] in this section, "property" and
15 "facilities" mean property and facilities used in all operations
16 of a water carrier whether or not included in its regulated
17 operations or rate base. A water carrier [~~may~~] shall not issue
18 securities nor enter into long-term leases of more than [~~three~~]
19 five years and leverage leases[~~,~~] for waterborne vessels, to
20 acquire property, or [~~to~~] construct, complete, extend or
21 improve, or add to its facilities or service, if the commission



1 determines that the proposed purpose will have a material
2 adverse effect on its operations. No carrier shall repurchase
3 or reissue its own common stock without prior commission
4 approval.

5 All stock and every stock certificate, and every bond,
6 note, or other evidence of indebtedness of a water carrier not
7 payable within twelve months, issued without an order of the
8 commission authorizing the same, then in effect, shall be void.
9 In addition, all long-term leases of more than three years and
10 all leverage leases entered into by a water carrier without an
11 order of the commission authorizing the same then in effect
12 shall be void."

13 SECTION 2. This Act does not affect rights and duties that
14 matured, penalties that were incurred, and proceedings that were
15 begun before its effective date.

16 SECTION 3. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

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

Description:

Removes requirement that common water carriers receive approval from the Public Utilities Commission prior to executing a long-term lease of more than five years or a leverage lease. Requires common water carriers to receive approval from the Public Utilities Commission before entering into long-term leases of more than five years and leverage leases of waterborne vessels. Takes effect 7/1/2050. (SD1)

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