

H.B. NO. 1102

A BILL FOR AN ACT

RELATING TO CAPITAL ADVANCEMENT CONTRACTS.

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

1 SECTION 1. Section 266-19.5, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:
3 "(d) The department of transportation may execute capital
4 advancement contracts pursuant to subsection (a) with a total
5 contract value of [~~\$2,000,000~~] \$5,000,000 or less without
6 legislative approval. [~~If the total value of a capital
7 advancement contract pursuant to subsection (a) is greater than
8 \$2,000,000 then the department of transportation shall obtain
9 legislative approval in the form of the adoption of a concurrent
10 resolution affirming the purpose, project, and contract issuance
11 prior to executing the capital advancement contract.~~] The total
12 aggregate value of all capital advancement contracts entered
13 into by the department pursuant to this section shall not exceed
14 [~~\$5,000,000~~] \$20,000,000 in any [~~calendar~~] fiscal year. The
15 department shall submit a report to the legislature of all
16 executed capital advancement contracts for the previous twelve
17 month period from December 1 to November 30 no later than twenty

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1 days prior to the convening of the regular session of 2024 and
2 each regular session thereafter."

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 Statutory material to be repealed is bracketed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

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

6

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INTRODUCED BY: _____



8

BY REQUEST

JAN 23 2023

H.B. NO. 1122

Report Title:

Department of Transportation; Harbor Improvements; Capital Advancement Contracts

Description:

Amends section 266-19.5(d), Hawaii Revised Statutes, for the purpose of increasing the total contract value and total aggregate value of capital advancement contracts entered into by the Department of Transportation for harbor improvements and adds reporting requirements for the department.

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

JUSTIFICATION SHEET

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO CAPITAL ADVANCEMENT CONTRACTS.

PURPOSE: To increase the total contract value and total aggregate value of capital advancement contracts entered into by the Department of Transportation for harbor improvements and add reporting requirements for the department.

MEANS: Amend section 266-19.5(d), Hawaii Revised Statutes (HRS).

JUSTIFICATION: The Department of Transportation, Harbors Division, requests to amend section 266-19.5, HRS, to increase the contract value from \$2,000,000 to \$5,000,000 and total aggregate value threshold from \$5,000,000 to \$20,000,000 for capital advancement contracts entered into by the department for harbor improvements. An increase in the threshold amounts would allow for appropriate funding levels due to anticipated inflation and escalating costs impacting design and construction material and labor costs for future capital improvements.

Impact on the public: The amendment will expedite and fast-track additional projects and prioritized public improvements to harbor facilities. Harbors Division anticipates private entities will be applying for future federal funding and grant opportunities to help finance improvements. The capital advancement contracting vehicle will help to strengthen public private partnership (P3) applications on federal grants.

Impact on the department and other agencies:
N/A

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: TRN-395.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.