

STAND. COM. REP. NO.

3230

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2490
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred H.B. No. 2490, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL ADVANCEMENT CONTRACTS,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the caps for the total contract value for any one capital advancement contract and the total aggregate value of capital advancement contracts in a fiscal year entered into by the Department of Transportation with private parties for harbor improvements and add reporting requirements for the Department.

Your Committee received testimony in support of this measure from the Department of Transportation; Hawaii Harbors Users Group; Matson Navigation Company, Inc.; and Young Brothers, LLC.

Your Committee finds that the Department of Transportation is authorized to enter into capital advancement contracts with private entities for any public improvement to or construction of a state port facility when the Director of Transportation determines that a capital advancement contract promotes the best interest of the State. Your Committee further finds that in recent years, this tool has proven effective in expediting project delivery, especially for projects that increase port resilience



and operational efficiency. This measure will ensure the Department of Transportation is able to adjust to escalating project costs due to inflation and rising costs of materials and labor by increasing the existing cap for capital advancement contracts.

Your Committee has amended this measure by inserting an effective date of July 1, 2024.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2490, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2490, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and Culture and the Arts
TCA

Bill / Resolution No.:*	Committee Referral:	Date:
HB 2490 HD 2	TCA, WAM	3-14-2024

The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
KANUHA, Dru Mamo	✓			
AWA, Brenton	✓			
TOTAL	5			

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:
Lorraine R. Inouye

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*Only one measure per Record of Votes