

JAN 23 2025

A BILL FOR AN ACT

RELATING TO SPECIAL FACILITY REVENUE BONDS.

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

SECTION 1. Section 266-52, Hawaii Revised Statutes, is amended to read as follows:

"§266-52 Powers. In addition and supplemental to the powers granted to the department by law, the department may:

- (1) With the approval of the governor, enter into a special facility lease or an amendment or supplement thereto whereby the department agrees with another person engaged in maritime and maritime-related operations to construct, acquire, remodel, furnish, or equip a special facility solely for the use by ~~[such]~~ that other person to a special facility lease; provided that ~~[such]~~ the special facility lease may be amendatory and supplemental to an existing lease between the department and ~~[such]~~ the other person for the land upon which the special facility which is the subject of ~~[such]~~ the special facility lease is to be situated;

- (2) With the approval of the governor:

S.B. NO. 1475

- 1
- 2 (A) Issue special facility revenue bonds in [such]
- 3 principal amounts as may be necessary to yield
- 4 the amount of the cost of any construction,
- 5 acquisition, remodeling, furnishing, and
- 6 equipping of any special facility; provided that
- 7 the total principal amount of the special
- 8 facility revenue bonds which may be issued
- 9 pursuant to the authorization of this
- 10 subparagraph shall not exceed [~~\$100,000,000;~~
- 11 \$600,000,000; and
- 12 (B) Issue special facility revenue refunding bonds,
- 13 without further authorization by the legislature,
- 14 to refund outstanding special facility revenue
- 15 bonds, including special facility revenue
- 16 refunding bonds, or any part thereof, at or
- 17 before the maturity or redemption date, issued
- 18 pursuant to this part; provided that any issuance
- 19 of the refunding bonds shall not reduce the
- 20 amount authorized by the legislature as provided
- 21 in paragraph (2) (A);

S.B. NO. 1475

(3) Perform and carry out the terms and provisions of any special facility lease;

(4) Notwithstanding section 103-7 or any other law to the contrary, acquire, construct, remodel, furnish, or equip any special facility, or accept the assignment of any contract therefor entered into by the other person to the special facility lease;

(5) Construct any special facility on land owned by the State; and

(6) Agree with the other person to the special facility lease whereby any acquisition, construction, remodeling, furnishing, or equipping of the special facility and the expenditure of moneys therefor shall be undertaken or supervised by ~~such~~ the other person."

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

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

INTRODUCED BY: 

BY REQUEST

S.B. NO. 475

Report Title:

DOT; Harbor Improvements; Special Facility Revenue Bonds

Description:

Amends section 266-52, HRS, to increase the total principal amount of special facility revenue bonds that may be issued by the Department of Transportation for harbor improvements.

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

SB. NO. 1475

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO SPECIAL FACILITY REVENUE BONDS.

PURPOSE: To increase the total principal amount of special facility revenue bonds that may be issued by the Department of Transportation for harbor improvements.

MEANS: Amend section 266-52, Hawaii Revised Statutes (HRS).

JUSTIFICATION: Special facility revenue bonds expedite certain projects at commercial harbor facilities and increase project efficiencies. The department seeks to increase the maximum amount of special facility revenue bonds it may issue as it has experienced escalating project costs due to inflation and rising costs of materials and labor. Future projects that would use special facility revenue bonds are large in scope and scale and will require funding above the existing limit, which was last increased to \$100,000,000 in 1993. These projects may include new port infrastructure to support renewable energy projects. The higher maximum amount will facilitate improved project delivery given these higher costs.

Impact on the public: The added funds will allow the department to expedite additional projects and prioritize public improvements to harbor facilities.

Impact on the department and other agencies:
N/A

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION:

TRN-395.

SB. NO. 1475

OTHER AFFECTED
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.