

JAN 23 2025

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# A BILL FOR AN ACT

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RELATING TO AIR CARRIERS.

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

1           SECTION 1. The legislature finds that since January 2021,  
2 only one passenger airline has provided service to the general  
3 public out of Molokai airport. While the airline has done its  
4 best to accommodate the needs of passengers, including adding  
5 additional routes and flight times and ordering larger planes,  
6 the cost of plane tickets remains a hindrance to many Molokai  
7 residents who need to travel for essential reasons, including  
8 work, medical appointments, and family.

9           The legislature further finds that alleviating the costs of  
10 air travel, primarily for small, rural communities reliant on  
11 air travel for essential services and other needs, is a public  
12 purpose; and encouraging additional airlines to provide reliable  
13 airline services to and from Molokai to assist the residents who  
14 need to travel for essential reasons is a public purpose. The  
15 legislature recognizes that providing a subsidy can help  
16 airlines offset the cost of passenger tickets while encouraging  
17 other airlines to also provide service at Molokai airport.



1        Accordingly, the purpose of this Act is to require the  
2        department of transportation to establish a Molokai air carrier  
3        subsidy program to provide subsidies to airlines operating out  
4        of Molokai airport.

5        SECTION 2. Chapter 261E, Hawaii Revised Statutes, is  
6        amended by adding a new section to be appropriately designated  
7        and to read as follows:

8        "§261E-        Molokai air carrier subsidy program.    (a)

9        There is established within the department of transportation the  
10       Molokai air carrier subsidy program to provide subsidies to air  
11       carriers operating out of Molokai Airport.

12       (b) The Molokai air carrier subsidy program shall provide  
13       state subsidies to qualified applicants pursuant to the  
14       following terms, conditions, and standards:

15       (1) Any subsidy shall be used exclusively for the purposes  
16       of the program;

17       (2) The applicant shall indicate the capability to  
18       properly use the subsidy for the costs of operation in  
19       and out of Molokai airport;

20       (3) The applicant shall comply with all applicable federal  
21       and state laws prohibiting discrimination against any



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1 person on the basis of race, color, national origin,  
2 religion, creed, sex, age, sexual orientation,  
3 disability, or any other characteristic protected  
4 under applicable federal or state law;

5 (4) The subsidy shall not be used for purposes of  
6 entertainment or perquisites;

7 (5) All activities undertaken with subsidy funds received  
8 shall comply with all applicable federal, state, and  
9 county statutes and ordinances;

10 (6) The applicant shall:

11 (A) Indemnify and hold harmless the State and its  
12 officers, agents, and employees from and against  
13 any and all claims arising out of or resulting  
14 from activities carried out or projects  
15 undertaken with funds received from the program;  
16 and

17 (B) Obtain sufficient insurance to provide the  
18 indemnification under subparagraph (A), if  
19 requested to do so by the department;

20 (7) The applicant shall agree to make available to the  
21 department of transportation all records the applicant



1           may have relating to the subsidy to monitor the  
2           applicant's compliance with the requirements of the  
3           program; and

4           (8) The applicant shall comply with other requirements as  
5           the department may prescribe.

6           (c) The department shall submit an annual report to the  
7           legislature regarding the program, including subsidy funds  
8           disbursed and detailed accounting and descriptions of  
9           expenditures of subsidy funds, no later than twenty days prior  
10          to the convening of each regular session.

11          (d) As used in this section:

12          "Applicant" means a qualified air carrier operating, or  
13          planning to operate, out of Molokai airport seeking a subsidy.

14          "Department" means the department of transportation.

15          "Program" means the Molokai air carrier subsidy program.

16          "Subsidy" means the sum of money appropriated by the  
17          legislature to the department to be disbursed to qualified air  
18          carriers operating out of Molokai airport."

19          SECTION 3. In establishing the Molokai air carrier subsidy  
20          program pursuant to section 2 of this Act, the department of  
21          transportation shall request the assistance of Hawaii's



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1 congressional delegation, the Federal Aviation Administration,  
2 and other pertinent federal officials.

3 SECTION 4. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$ or so  
5 much thereof as may be necessary for fiscal year 2025-2026 and  
6 the same sum or so much thereof as may be necessary for fiscal  
7 year 2026-2027 for the Molokai air carrier subsidy program.

8 The sums appropriated shall be expended by the department  
9 of transportation for the purposes of this Act.

10 SECTION 5. New statutory material is underscored.

11 SECTION 6. This Act shall take effect on July 1, 2025.

12  
INTRODUCED BY

Lyn D. Lait



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**Report Title:**

HDOT; Airlines; Air Carriers; Subsidy; Molokai Airport;  
Appropriation

**Description:**

Establishes within the Department of Transportation the Molokai air carrier subsidy program to provide subsidies to airlines operating out of Molokai airport. Appropriates moneys.

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

