

ACT 158

H.B. NO. 1686

A Bill for an Act Relating to the Issuance of Revenue Bonds for Inter-Island Maritime Transportation.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that inter-island maritime transportation for passenger service between Oahu, Maui, Lanai, Molokai, and Hawaii is insufficient. The legislature further finds that improvements to the State's harbors are necessary to enable a private ferry service to operate inter-island and intra-island.

Rainbow Island Express, a private entity engaged in maritime operations, has entered into a special facility lease with the department of transportation whereby

the department agreed to construct improvements and equip special facilities used for maritime and marine operations by the entity. The lease contains provisions obligating the entity to pay the department rentals as a means of repaying the revenue bonds.

The legislature finds and declares that the issuance of special facility revenue bonds under this Act is in the public interest.

SECTION 2. Pursuant to section 266-55, Hawaii Revised Statutes, mandating that special facility revenue bonds be issued as revenue bonds under part III of chapter 39, Hawaii Revised Statutes, the department of transportation, with the approval of the governor, is authorized to issue special facility revenue bonds in a total amount not to exceed \$44,478,747, in one or more series for the purpose of making improvements and equipping special facilities for use by Rainbow Island Express under its lease with the department of transportation at harbor facilities on the islands of Molokai, Maui, Lanai, Hawaii, and Oahu to operate an inter-island and intra-island ferry service.

SECTION 3. The special facilities revenue bonds issued under this Act shall be issued pursuant to part III of chapter 39, Hawaii Revised Statutes.

SECTION 4. There is appropriated out of the special facility revenue bond proceeds authorized by this Act the sum of \$44,478,747 or so much thereof as may be necessary for fiscal year 2001-2002 and the sum of \$44,478,747 or so much thereof as may be necessary for fiscal year 2002-2003 to carry out the purposes of this Act.

The sum appropriated shall be expended by the department of transportation.

SECTION 5. Any unexpended or unencumbered balance of the appropriation made by this Act as of the close of business on June 30, 2004, shall lapse into the general fund.

SECTION 6. This Act shall take effect upon its approval.

(Approved May 25, 2001.)