

ACT 19

H.B. NO. 216

A Bill for an Act Relating to Harbors.

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

SECTION 1. The legislature finds that current direct flights between Lihue airport and the continental United States benefit the economy of the State and should be continued. Tesoro Hawaii Corporation currently supplies all the jet fuel needs for Lihue airport. Tesoro unloads its jet fuel at Nawiliwili harbor, stores the fuel in storage tanks owned by Shell Oil Company, and then transports the fuel to the airport in tanker trucks. To meet current jet fuel requirements for Lihue airport, Tesoro's operation requires the use of storage tanks owned by Shell.

Shell's fuel storage facility is located on state land and Shell currently occupies the land pursuant to a month-to-month revocable permit. The department of transportation would like to have a long-term lease issued for the fuel storage facility. Chapter 171, Hawaii Revised Statutes, however, generally requires that leases of state land be issued through a public auction process.

Shell has informed the State that if an auction for the fuel storage facility land were held, and Shell was not the successful bidder, it would have to remove the fuel storage tanks and remediate the site to minimize Shell's hazardous material liability. If Shell did remove its facilities, it is estimated that construction of new jet fuel storage tanks would take approximately three years and result in a disruption of jet fuel for Lihue airport.

The purpose of this Act is to temporarily exempt the leasing of facilities at Nawiliwili harbor from the public auction requirements for leasing public lands.

SECTION 2. Notwithstanding any other law to the contrary, the department of transportation, subject to the approval of the board of land and natural resources, may negotiate a lease for the existing fuel storage facility at Nawiliwili harbor without regard to the limitations set forth in chapter 171, Hawaii Revised Statutes.

SECTION 3. This Act shall take effect upon its approval and shall be repealed on June 30, 2002.

(Approved April 25, 2001.)