

STAND. COM. REP. NO. **875**

Honolulu, Hawaii

MAR 03 2017

RE: S.B. No. 658
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 658, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AN AIRPORT CORPORATION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the Hawaii Airport Corporation to consolidate the ownership, control, and management of the state airport system.

Your Committee received written comments in support of this measure from the Department of Transportation Airports Division, Chamber of Commerce Hawaii, Airlines Committee of Hawaii, Enterprise Holdings, Kona-Kohala Chamber of Commerce, Airport Concessionaires Committee, Hawaiian Airlines, and Maui Hotel and Lodging Association.

Your Committee received written comments in opposition to this measure from the Office of Hawaiian Affairs.

The Department of the Attorney General, Department of Budget and Finance, and Hawaii Tourism Authority submitted written comments on this measure.

Your Committee finds that the development, management, and operation of the state airport system is distributed among several state departments, some of which have conflicting goals and



priorities. This has resulted in delayed decision-making, inefficient control, and airports that require extensive renovation to become world-class facilities. Your Committee further finds that consolidating management of the state airport system into a singular and independent state entity will help maximize the airports' contribution to the State, improve global access to Hawaii, and simplify the process for making improvements to airport infrastructure.

Your Committee has amended this measure by:

- (1) Requiring that the Governor appoint all the members of the Hawaii Airport Corporation Board of Directors pursuant to section 26-34, Hawaii Revised Statutes;
- (2) Requiring the appointment of the Chief Executive Officer of the Hawaii Airport Corporation be made by a majority of the members of the Board of Directors;
- (3) Requiring that the terms of employment for the Chief Executive Officer shall include terms for the removal of the Chief Executive Officer with cause and without cause;
- (4) Requiring that the salary of the Chief Executive Officer shall not exceed any Deputy Director of Transportation;
- (5) Specifying that the Chief Executive Officer may appoint one deputy executive officer;
- (6) Providing that the employees of the Hawaii Airport Corporation shall be subject to chapters 76 and 89, Hawaii Revised Statutes;
- (7) Deleting the provision exempting the Corporation from chapter 103D, Hawaii Revised Statutes;
- (8) Authorizing, rather than mandating, the Corporation to make improvements on airports and clarifying that this authority applies to airports controlled by the Corporation and to facilities on land controlled by the Corporation;



- (9) Deleting the provision authorizing the Corporation to arrange or initiate actions regarding roads and related infrastructure;
- (10) Deleting the provision authorizing the Corporation to engage in economic development programs;
- (11) Making the Corporation's authority to allot funds and issue bonds subject to legislative authorization and approval;
- (12) Adding provisions to change the terms "department of transportation" and "director of transportation" to corresponding terms of the Corporation;
- (13) Deleting the provision exempting the Corporation from the policies of the Department of Human Resources Development regarding the creation of new positions;
- (14) Deleting the provision authorizing the Corporation to create new employee classifications;
- (15) Changing the effective date to December 16, 2099, to facilitate further discussion on the measure; and
- (16) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 658, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 658, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

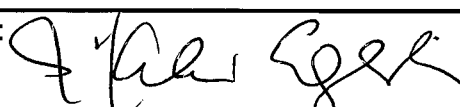


JILL N. TOKUDA, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 658, SD1	TRE, WAM	24 Feb 2017		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)				/
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
KAHELE, Kaiali'i	/			
RIVIERE, Gil	/			
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.			/	
WAKAI, Glenn	/			
TOTAL	9		1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes