SECTION 1. The legislature finds that the well-being of the State is substantially dependent on the efficient administration, development, management, and operation of its airports and air transportation infrastructure. The legislature further finds that responsibility for Hawaii's airport planning, management, marketing, and capital development functions is currently distributed among a number of agencies, including the department of transportation's airports division, Hawaii tourism authority, department of budget and finance, department of human resources development, board of land and natural resources, department of health (with respect to environmental concerns), and office of Hawaiian affairs (with respect to ceded land issues), among others. Distributed responsibility and involvement by multiple agencies, which sometimes have conflicting goals and priorities, results in inefficiency, delayed decision-making, and reduced effectiveness. The legislature believes that coordinated planning and development
of the State's air transportation system and infrastructure would be achieved more effectively by establishing and giving a separate state entity overall jurisdiction and responsibility for aeronautics and the State's airports.

The legislature further finds that the establishment of a separate airports corporation would assist in the achievement of the following important statewide objectives:

1. Maximizing the contribution of the State's airports to Hawaii's economy;

2. Ensuring dedicated expert airport leadership, management continuity, and year-round decision-making, consistent with industry best practices;

3. Improving administrative efficiency by streamlining administrative processes;

4. Accelerating the planning and implementation of the state airports' capital improvement programs;

5. Increasing the financial flexibility and strength of the State's airports;

6. Increasing economic opportunities for the State, in collaboration with the Hawaii tourism authority;
(7) Increasing responsiveness to consumer needs,
commercial opportunities, and economic demands; and
(8) Maximizing job creation within the State.

In addition, the management and administration of scarce and
increasingly valuable airport resources is most effectively
served by a separate airports corporation.

The purpose of this Act is to establish the Hawaii airports
corporation, which shall assume all of the authority, powers,
functions, duties, and responsibilities of the department of
transportation related to aeronautics and airports, including
responsibility for the development, management, operation, and
maintenance of the State's airports, on and after the transfer
completion date announced by the Hawaii airports corporation
pursuant to section 14(b) of this Act.

SECTION 2. The Hawaii Revised Statutes is amended by
adding a new chapter to be appropriately designated and to read
as follows:

"CHAPTER
HAWAII AIRPORTS CORPORATION
PART I. GENERAL PROVISIONS
§ -1 Definitions. As used in this chapter:
"Air navigation facility" shall have the same meaning as defined in section 261-1. "Aircraft" shall have the same meaning as defined in section 261-1. "Airport" shall have the same meaning as defined in section 261-1. "Airport revenue" means all moneys paid into the airport revenue fund pursuant to section 261-5(a). "Airports corporation" or "corporation" means the Hawaii airports corporation established by this chapter. "Chief executive officer" means the chief executive officer of the Hawaii airports corporation.

§ -2 Airports corporation; establishment; board; members; chief executive officer. (a) There is established the Hawaii airports corporation to:

(1) Develop and implement management structures, policies, and procedures based on airport industry best practices;

(2) Efficiently develop, manage, operate, and maintain the State's airports and aeronautical facilities; and
(3) Administer the provisions of chapters 102, 261, 261D, and 262 that are applicable to airports and aeronautical facilities.

The corporation shall be a body politic and corporate and an instrumentality and agency of the State, placed within the department of transportation for administrative purposes only, and shall enjoy the same sovereign immunity available to the State. The corporation shall not be subject to supervision by the department of transportation or its director. Further, section 26-35(a)(1), (4), (5), and (6) shall not apply to the airports corporation.

(b) The powers of the airports corporation shall be vested in and exercised by a board of directors, which shall consist of nine voting members, who shall be appointed by the governor; provided that three members shall be selected from a list of persons nominated by the speaker of the house of representatives, and three members shall be selected from a list of persons nominated by the president of the senate; and provided further that the counties of Hawaii, Kauai, and Maui, and the city and county of Honolulu shall each be represented by at least one board member who is a resident of the respective
county. Senate confirmation of members shall not be required.

All members shall be appointed for terms of four years; provided that the governor shall stagger the initial terms pursuant to section 26-34(a).

(c) Members shall have relevant business and management experience, including experience in one or more of the following disciplines: financial planning, budgeting, hospitality, tourism, commercial development, construction program management, marketing, law, aviation, non-aviation airport business, or the cultural traditions and practices of native Hawaiians. It is the intent of the legislature that there shall be, as far as practicable, a wide cross-section of these disciplines represented by the board.

(d) The governor may appoint up to two members without regard to the requirement in section 78-1(b) that appointive officers be residents of the State at the time of their appointment; provided that no more than two non-residents shall serve as members of the board at any time.

(e) Notwithstanding section 26-34(a) and (b), all members of the board shall continue in office until their respective
successors have been appointed; provided that no member shall
serve more than eight consecutive years.

(f) No board member appointed under this section shall be
an officer or employee of the State or a county.

(g) Each board member shall serve without pay and shall be
reimbursed for necessary out-of-pocket expenses incurred while
attending meetings and otherwise discharging the member's board
related responsibilities.

(h) The airports corporation shall be headed by a single
executive to be known as the chief executive officer of the
Hawaii airports corporation, who shall:

(1) Not be a member of the board;

(2) Be exempt from chapters 76 and 89; and

(3) Receive a salary fixed by the board.

(i) The chief executive officer:

(1) Shall be selected based on criteria approved by the
board, including experience in airport management at
an executive level at a large-hub or medium-hub
airport within the United States, management of large-
scale capital programs, and domestic and international
air service development;
(2) Shall be appointed by an affirmative vote of not less than five members of the board;

(3) Shall be employed subject to a formal contract, the terms of which shall be approved by the board; provided that the terms shall include provisions for the removal of the chief executive officer whether with or without cause;

(4) May be removed from office only by a vote of not less than five members of the board; provided that the basis for removal is consistent with the terms of the chief executive officer's employment contract;

(5) Shall have the powers as described in this chapter and the provisions of chapters 102, 261, 261D, and 262 that are applicable to airports and aeronautical facilities, as may be delegated by the board;

(6) Except when excused by the board, shall attend all meetings of the board, keep a record of the proceedings, and maintain and be the custodian of the official seal of the corporation and all books, records, documents, and papers filed with the corporation;
(7) Shall direct and supervise the corporation's administrative and operational affairs in accordance with the directives of the board;

(8) Shall approve all accounts for salaries and allowable expenses of the corporation;

(9) Shall serve as chief procurement officer of the corporation; and

(10) Shall do all things necessary, as directed by the board, to carry out the powers and duties conferred upon the corporation by this chapter and the provisions of chapters 102, 261, 261D, and 262 that are applicable to airports and aeronautical facilities.

(j) Upon the vacancy of the position of the chief executive officer, the board of directors shall designate a deputy executive officer or other employee of the corporation to serve as the chief executive officer of the corporation until the vacancy is filled by the board. The interim chief executive officer shall have all of the powers and responsibilities and receive the salary of the chief executive officer.
(k) The number of members of the board necessary to constitute a quorum to do business shall be five members, and unless specified elsewhere in this chapter, the concurrence of five members of the board shall be necessary to make any action of the board valid.

§ 3 Powers; generally. (a) The Hawaii airports corporation, by and through its board of directors:

(1) Shall exercise power and control over all airports, air navigation facilities, buildings, and other facilities that the corporation is responsible for managing, operating, or controlling under this chapter and the provisions of chapters 102, 261, 261D, and 262 that are applicable to airports and aeronautical facilities;

(2) Shall provide as appropriate for the landing, taking-off, and servicing of aircraft, and the loading and unloading of passengers and cargo at all airports under the control of the corporation;

(3) Shall establish performance targets and performance standards for all state airports to achieve the highest levels of customer service;
(4) Shall ensure that appropriate mission statements, business plans, minimum development standards, and strategic goals are established and that progress towards their accomplishment is regularly assessed and reported;

(5) Shall develop an organization and management structure to best accomplish the goals of the Hawaii airport system and the corporation;

(6) Shall have an official seal and may alter the official seal at its pleasure;

(7) May make, execute, or assume contracts, leases, and all other instruments necessary or convenient for the exercise of its powers and functions under this chapter and the provisions of chapters 102, 261, 261D, and 262 that are applicable to airports and aeronautical facilities;

(8) Shall establish bylaws for its organization and internal management;

(9) Shall adopt rules pursuant to chapter 91 as necessary to implement this chapter and the provisions of
chapters 102, 261, 261D, and 262 that are applicable
to airports and aeronautical facilities;

(10) Shall prepare and adopt the corporation's operating
and capital budgets;

(11) May own, purchase, lease, exchange, or otherwise
acquire property, whether real, personal, or mixed,
tangible or intangible, and any interest therein, in
the name of the corporation, and may assign, exchange,
transfer, convey, lease, sublease, or encumber the
same or any project, improvement, or facility related
thereto; provided that the lands to which the
corporation holds title shall not be subject to
chapter 171; provided further that any sale, gift, or
exchange of real property shall be subject to the
terms, conditions, and restrictions applicable to the
sale, gift, or exchange of public lands in section
171-50 and 171-64.7; and provided further that any
lease, sublease permit, or other encumbrance for any
real property shall be issued in accordance with
administrative rules adopted by the corporation
pursuant to chapter 91;
(12) May procure insurance against any loss in connection with its property and other assets and operations, in amounts and from insurers as it deems desirable; or provide for self-insurance;

(13) May accept and receive gifts or grants in any form from any person, public entity, or source; provided that the grants and gifts shall be used for airports corporation purposes;

(14) Shall take all actions necessary under emergencies declared by the governor;

(15) Shall assume from the department of transportation:
   (A) That:
      (i) Certain Certificate of the Director of Transportation Providing for the Issuance of State of Hawaii Airports System Revenue Bonds dated as of May 1, 1969, relating to certain revenue bonds and other obligations;
      (ii) Certain Indenture of Trust dated as of December 1, 2013, between the department of transportation and U.S. Bank National
Association relating to certain certificates
of participation; and

(iii) Certain Indenture of Trust dated as of
August 1, 2014, between the department of
transportation and MUFG Union Bank, N.A.,
relating to certain customer facility charge
revenue bonds, each as supplemented and
amended to date; and

(B) The bonds, notes, and other obligations of the
department of transportation outstanding under,
as well as the covenants, restrictions, and other
requirements set forth in, those documents;

(16) Shall adopt policies and procedures designed to ensure
continuing compliance with the terms of the documents
in paragraph (15) for so long as they are applicable;

(17) Shall fix, impose, prescribe, and collect rates,
rentals, fees, or charges for the lease, use, and
services of its airport facilities at least sufficient
to pay the costs of operation, maintenance, and
repair, if any, and the required payments of the
principal of and interest on all bonds, notes, or
other obligations issued or assumed by the airports corporation and reserves therefor; provided that the rates, rentals, fees, or charges are established at an open meeting subject to the requirements of chapter 92;

(18) Subject to the provisions of the documents assumed by the corporation under paragraph (15)(A), may allot any and all airport revenue and issue revenue bonds, refunding revenue bonds, special facility revenue bonds, bond anticipation notes, and other lawfully authorized obligations of the State in its name and secured by the revenue, or user taxes, or any combination of both, of an undertaking or loan program pursuant to chapter 39, but not in excess of the principal amounts as are necessary for its purposes;

(19) May invest and secure its moneys;

(20) May exercise the power of eminent domain pursuant to chapter 101 and in accordance with sections 261-31 to 261-36, to acquire real property for the corporation with which to carry out this chapter and the
provisions of chapters 102, 261, 261D, or 262 that are applicable to airports and aeronautical facilities;

(21) Shall establish and maintain an appropriate system of accounts for the corporation; and

(22) May do any and all things necessary to exercise the powers and perform the duties conferred upon the corporation by this chapter and the provisions of chapters 102, 261, 261D, and 262 that are applicable to airports and aeronautical facilities.

(b) The corporation shall not be subject to chapters 36, 37, 38, and 40, except for section 36-28.5 and as otherwise provided in this chapter and chapter 261.

(c) The airports corporation may sue and be sued in its corporate name. Notwithstanding any other law to the contrary, all claims arising out of the acts or omissions of the airports corporation or the members of its board, its officers, or its employees, including claims permitted against the State under chapter 661, part I, and claims for torts permitted against the State under chapter 662, may be brought only pursuant to this section and only against the airports corporation. However, the airports corporation shall be subject to suit only in the manner
provided for suits against the State, including section 661-11.

All defenses available to the State, as well as all limitations on actions against the State, shall be applicable to the airports corporation.

The board of directors, upon the advice of its attorney, may arbitrate, compromise, or settle any claim, action, or suit brought against the airports corporation pursuant to this section. Any claim compromised or settled under this subsection shall be payable solely from the moneys and property of the airports corporation and shall not constitute a general obligation of the State or be secured directly or indirectly by the full faith and credit of the State or the general credit of the State or by any revenue or taxes of the State. Nothing in this subsection shall preclude the board of directors from requesting legislative appropriations to fund the settlement of any claim or judgment against the airports corporation or its officers, employees, or agents.

Rights and remedies conferred by this section shall not be construed to authorize any other claim, suit, or action against the State. In addition, a judgment, compromise, or settlement in an action brought against the airports corporation under this
section shall constitute a complete bar to any action brought by
the claimant, by reason of the same subject matter, against the
State or an officer or employee of the airports corporation.

(d) The corporation shall be a "jurisdiction" and an
"appointing authority" under chapter 76, and an "appointing
authority" and an "appropriate authority" for those of its
officers and employees who are excluded employees under chapter
89C. In addition to its chief executive officer, the
corporation may employ executive officers and a chief
procurement officer appointed by the chief executive officer who
are qualified to fill positions established in the bylaws of the
corporation adopted by the board of directors, to perform
functions and exercise powers assigned by the bylaws or
delegated by the board or the chief executive officer. The
other executive officers of the corporation and up
to additional specially qualified employees appointed by
the chief executive officer shall be exempt from chapters 76 and
89. All other persons employed by the corporation shall be
subject to chapters 76 and 89, and rules adopted to implement
those provisions, unless expressly exempted from the civil
service under chapter 76 or excluded from collective bargaining
under chapter 89. The officers and personnel of the corporation
shall be included in all benefit programs applicable to officers
and employees of the State.

(e) The corporation and its corporate existence shall
continue until terminated by law; provided that no termination
shall take effect as long as bonds or other obligations issued
or assumed by the corporation are outstanding, unless adequate
provision has been made for the payment or satisfaction thereof.
Upon termination of the existence of the corporation, all of the
rights and properties of the corporation then remaining shall
pass to and vest in the State in the manner prescribed by law.

(f) The corporation shall be subject to chapter 103D;
provided that the chief executive officer shall serve as chief
procurement officer pursuant to sections -2(i)(9) and 103D-
203.

PART II. BUDGET AND FINANCE

§ -11 Exemptions. The airport revenue fund, passenger
facility charge special fund, and rental motor vehicle customer
facility charge special fund shall be exempt from chapters 36,
37, and 40.
§ -12 Fiscal provisions. (a) The corporation's board of directors shall establish guidelines for preparing the corporation's annual operating and capital budget proposals that take into account anticipated receipts, surpluses, reserves, and funds from any other source, on deposit in or available for deposit into the airport revenue fund, the passenger facility charge special fund, the rental motor vehicle customer facility charge special fund, or any other special or revolving fund that the legislature may establish for the corporation.

(b) The corporation shall submit its biennium and supplemental operating and capital budget proposals to the department of transportation, which shall transmit those budget proposals to the governor.

(c) Along with its budget proposals, the corporation shall provide an annual report of the income to and the expenditures from the airport revenue fund, the passenger facility charge special fund, the rental motor vehicle customer facility charge special fund, and any other special or revolving fund administered by the corporation. The corporation shall provide a copy of its annual report to the legislature at least twenty days prior to the convening of each regular session.
(d) The supporting documents for each budget proposal shall include the annual report, but need not include any other information, except when state general funds are requested.

(e) Notwithstanding sections 37-71 and 37-72, the governor shall include in the executive budget one lump sum for each means or source of funds for the corporation's operating and capital budget proposals in the amounts specified in the budget proposals transmitted to the governor by the department of transportation pursuant to subsection (b).

(f) The legislature shall appropriate one lump sum for each means or source of funding for the corporation's operating budget and for the corporation's capital budget.

§ -13 Budget oversight. The corporation's operating and capital budgets shall not be subject to review or approval by the governor or any agency of the executive branch, except where state general funds are requested.

§ -14 Accounts; depositories. (a) Appropriations for the corporation shall not be subject to any allotment system or requirements. The director of finance shall notify the corporation and the comptroller that all of the appropriations for the corporation for the fiscal year have been allotted and
are available for expenditure as soon as possible, and in no
event more than three business days, after the general or
supplemental appropriations act is effective.

(b) Moneys in the airport revenue fund, passenger facility
charge special fund, and rental motor vehicle customer facility
charge special fund may be deposited in depositories other than
the state treasury; provided that the airports corporation
consults with the director of finance before selecting a
depository for the corporation's funds, and submits copies of
annual statements from each of the depositories in which the
moneys from the funds are deposited.

§ -15 Expenditures in excess of appropriations. If in
any fiscal year, the amount of revenues deposited into the
airport revenue fund exceeds the amount appropriated from that
fund for that year, the board of directors of the corporation
may approve expenditures in excess of the amount appropriated,
up to the amount by which revenues for that fund exceed the
appropriations from that fund for a fiscal year.

§ -16 Issuance of bonds. On an annual basis, and upon
request of the corporation, the legislature shall authorize one
lump sum for each means or source of funds for each of the
following types of bonds to be issued by the corporation:

revenue bonds, refunding revenue bonds, and special facility revenue bonds.

§ 17 Audits. The auditor shall conduct management and financial audits of the corporation for fiscal year 2022 and every second year thereafter.

SECTION 3. Section 26-19, Hawaii Revised Statutes, is amended to read as follows:

"§26-19 Department of transportation. The department of transportation shall be headed by a single executive to be known as the director of transportation. The department shall establish, maintain, and operate transportation facilities of the State, including highways, [airports,] harbors, and such other transportation facilities and activities, other than airports and aeronautics, as may be authorized by law.

The department shall plan, develop, promote, and coordinate various transportation systems management programs that shall include, but not be limited to, alternate work and school hours programs, bicycling programs, and ridesharing programs.

The department shall develop and promote ridesharing programs which shall include but not be limited to, carpool and
vanpool programs, and may assist organizations interested in
promoting similar programs, arrange for contracts with private
organizations to manage and operate these programs, and assist
in the formulation of ridesharing arrangements. Ridesharing
programs include informal arrangements in which two or more
persons ride together in a motor vehicle.

[The functions and authority heretofore exercised by the
department of public works with respect to highways are
transferred to the department of transportation established by
this chapter.

On July 1, 1961, the Hawaii aeronautics commission, the
board of harbor commissioners and the highway commission shall
be abolished and their remaining functions, duties, and powers
shall be transferred to the department of transportation.]

SECTION 4. Section 28-8.3, Hawaii Revised Statutes, is
amended as follows:

1. By amending subsection (a) to read:

"(a) No department of the State other than the attorney
genral may employ or retain any attorney, by contract or
otherwise, for the purpose of representing the State or the
department in any litigation, rendering legal counsel to the
department, or drafting legal documents for the department;
provided that the foregoing provision shall not apply to the
employment or retention of attorneys:

(1) By the public utilities commission, the labor and
industrial relations appeals board, and the Hawaii
labor relations board;

(2) By any court or judicial or legislative office of the
State; provided that if the attorney general is
requested to provide representation to a court or
judicial office by the chief justice or the chief
justice's designee, or to a legislative office by the
speaker of the house of representatives and the
president of the senate jointly, and the attorney
general declines to provide such representation on the
grounds of conflict of interest, the attorney general
shall retain an attorney for the court, judicial, or
legislative office, subject to approval by the court,
judicial, or legislative office;

(3) By the legislative reference bureau;

(4) By any compilation commission that may be constituted
from time to time;
(5) By the real estate commission for any action involving
the real estate recovery fund;
(6) By the contractors license board for any action
involving the contractors recovery fund;
(7) By the office of Hawaiian affairs;
(8) By the department of commerce and consumer affairs for
the enforcement of violations of chapters 480 and
485A;
(9) As grand jury counsel;
(10) By the Hawaii health systems corporation, or its
regional system boards, or any of their facilities;
(11) By the auditor;
(12) By the office of ombudsman;
(13) By the insurance division;
(14) By the University of Hawaii;
(15) By the Kahoolawe island reserve commission;
(16) By the division of consumer advocacy;
(17) By the office of elections;
(18) By the campaign spending commission;
(19) By the Hawaii tourism authority, as provided in
section 201B-2.5;
(20) By the division of financial institutions;
(21) By the office of information practices; [er]
(22) By the Hawaii airports corporation; or
[(22)] (23) By a department, if the attorney general, for
reasons deemed by the attorney general to be good and
sufficient, declines to employ or retain an attorney
for a department; provided that the governor waives
the provision of this section."
2. By amending subsection (c) to read:
"(c) Every attorney employed by any department on a full-
time basis, except an attorney employed by the public utilities
commission, the labor and industrial relations appeals board,
the Hawaii labor relations board, the office of Hawaiian
affairs, the Hawaii health systems corporation or its regional
system boards, the department of commerce and consumer affairs
in prosecution of consumer complaints, insurance division, the
division of consumer advocacy, the University of Hawaii, the
Hawaii tourism authority as provided in section 201B-2.5, the
office of information practices, the Hawaii airports
corporation, or as grand jury counsel, shall be a deputy
attorney general."
SECTION 5. Section 41D-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Any provision in this section to the contrary notwithstanding, the Hawaii airports corporation, the University of Hawaii (as to casualty insurance risks only), the Research Corporation of the University of Hawaii (as to casualty insurance risks only), the public health facilities of the department of health (with respect to medical malpractice risks only), and the Hawaii health systems corporation and its regional system boards shall be exempt from the requirements of this chapter."

SECTION 6. Section 76-11, Hawaii Revised Statutes, is amended by amending the definition of "jurisdiction" to read as follows:

"'Jurisdiction' means the State, the city and county of Honolulu, the county of Hawaii, the county of Maui, the county of Kauai, the judiciary, the department of education, the University of Hawaii, the Hawaii airports corporation, and the Hawaii health systems corporation."

SECTION 7. Section 76-16, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:
"(b) The civil service to which this chapter applies shall comprise all positions in the State now existing or hereafter established and embrace all personal services performed for the State, except the following:

(1) Commissioned and enlisted personnel of the Hawaii National Guard as such, and positions in the Hawaii National Guard that are required by state or federal laws or regulations or orders of the National Guard to be filled from those commissioned or enlisted personnel;

(2) Positions filled by persons employed by contract where the director of human resources development has certified that the service is special or unique or is essential to the public interest and that, because of circumstances surrounding its fulfillment, personnel to perform the service cannot be obtained through normal civil service recruitment procedures. Any such contract may be for any period not exceeding one year;

(3) Positions that must be filled without delay to comply with a court order or decree if the director determines that recruitment through normal recruitment
civil service procedures would result in delay or noncompliance, such as the Felix-Cayetano consent decree;

(4) Positions filled by the legislature or by either house or any committee thereof;

(5) Employees in the office of the governor and office of the lieutenant governor, and household employees at Washington Place;

(6) Positions filled by popular vote;

(7) Department heads, officers, and members of any board, commission, or other state agency whose appointments are made by the governor or are required by law to be confirmed by the senate;

(8) Judges, referees, receivers, masters, jurors, notaries public, land court examiners, court commissioners, and attorneys appointed by a state court for a special temporary service;

(9) One bailiff for the chief justice of the supreme court who shall have the powers and duties of a court officer and bailiff under section 606-14; one secretary or clerk for each justice of the supreme court.
court, each judge of the intermediate appellate court, and each judge of the circuit court; one secretary for the judicial council; one deputy administrative director of the courts; three law clerks for the chief justice of the supreme court, two law clerks for each associate justice of the supreme court and each judge of the intermediate appellate court, one law clerk for each judge of the circuit court, two additional law clerks for the civil administrative judge of the circuit court of the first circuit, two additional law clerks for the criminal administrative judge of the circuit court of the first circuit, one additional law clerk for the senior judge of the family court of the first circuit, two additional law clerks for the civil motions judge of the circuit court of the first circuit, two additional law clerks for the criminal motions judge of the circuit court of the first circuit, and two law clerks for the administrative judge of the district court of the first circuit; and one private secretary for the administrative director of the courts, the deputy administrative director of
the courts, each department head, each deputy or first
assistant, and each additional deputy, or assistant
deputy, or assistant defined in paragraph (16);
(10) First deputy and deputy attorneys general, the
administrative services manager of the department of
the attorney general, one secretary for the
administrative services manager, an administrator and
any support staff for the criminal and juvenile
justice resources coordination functions, and law
clers;
(11) (A) Teachers, principals, vice-principals, complex
area superintendents, deputy and assistant
superintendents, other certificated personnel,
not more than twenty noncertificated
administrative, professional, and technical
personnel not engaged in instructional work;
(B) Effective July 1, 2003, teaching assistants,
educational assistants, bilingual/bicultural
school-home assistants, school psychologists,
psychological examiners, speech pathologists,
athletic health care trainers, alternative school
work study assistants, alternative school
educational/supportive services specialists,
alternative school project coordinators, and
communications aides in the department of
education;

(C) The special assistant to the state librarian and
one secretary for the special assistant to the
state librarian; and

(D) Members of the faculty of the University of
Hawaii, including research workers, extension
agents, personnel engaged in instructional work,
and administrative, professional, and technical
personnel of the university;

(12) Employees engaged in special, research, or
demonstration projects approved by the governor;

(13) (A) Positions filled by inmates, patients of state
institutions, persons with severe physical or
mental disabilities participating in the work
experience training programs;
(B) Positions filled with students in accordance with guidelines for established state employment programs; and

(C) Positions that provide work experience training or temporary public service employment that are filled by persons entering the workforce or persons transitioning into other careers under programs such as the federal Workforce Investment Act of 1998, as amended, or the Senior Community Service Employment Program of the Employment and Training Administration of the United States Department of Labor, or under other similar state programs;

(14) A custodian or guide at Iolani Palace, the Royal Mausoleum, and Hulihee Palace;

(15) Positions filled by persons employed on a fee, contract, or piecework basis, who may lawfully perform their duties concurrently with their private business or profession or other private employment and whose duties require only a portion of their time, if it is
impracticable to ascertain or anticipate the portion
of time to be devoted to the service of the State;

(16) Positions of first deputies or first assistants of
each department head appointed under or in the manner
provided in section 6, article V, of the Hawaii State
Constitution; [three] two additional deputies or
assistants either in charge of the highways[7] and
harbors[7-and-airports] divisions or other functions
within the department of transportation as may be
assigned by the director of transportation, with the
approval of the governor; four additional deputies in
the department of health, each in charge of one of the
following: behavioral health, environmental health,
hospitals, and health resources administration,
including other functions within the department as may
be assigned by the director of health, with the
approval of the governor; an administrative assistant
to the state librarian; and an administrative
assistant to the superintendent of education;

(17) Positions specifically exempted from this part by any
other law; provided that:
(A) Any exemption created after July 1, 2014, shall expire three years after its enactment unless affirmatively extended by an act of the legislature; and

(B) All of the positions defined by paragraph (9) shall be included in the position classification plan;

(18) Positions in the state foster grandparent program and positions for temporary employment of senior citizens in occupations in which there is a severe personnel shortage or in special projects;

(19) Household employees at the official residence of the president of the University of Hawaii;

(20) Employees in the department of education engaged in the supervision of students during meal periods in the distribution, collection, and counting of meal tickets, and in the cleaning of classrooms after school hours on a less than half-time basis;

(21) Employees hired under the tenant hire program of the Hawaii public housing authority; provided that not more than twenty-six per cent of the authority's
workforce in any housing project maintained or
operated by the authority shall be hired under the
tenant hire program;

(22) Positions of the federally funded expanded food and
nutrition program of the University of Hawaii that
require the hiring of nutrition program assistants who
live in the areas they serve;

(23) Positions filled by persons with severe disabilities
who are certified by the state vocational
rehabilitation office that they are able to perform
safely the duties of the positions;

(24) The sheriff;

(25) A gender and other fairness coordinator hired by the
judiciary;

(26) Positions in the Hawaii National Guard youth and adult
education programs; [and]

(27) In the state energy office in the department of
business, economic development, and tourism, all
energy program managers, energy program specialists,
energy program assistants, and energy analysts[—]; and
(28) The chief executive officer of the Hawaii airports corporation, all other executive officers the chief executive officer may appoint pursuant to section -3(d), and positions that the chief executive officer is authorized to fill by appointing specially qualified personnel pursuant to section -3(d).

The director shall determine the applicability of this section to specific positions.

Nothing in this section shall be deemed to affect the civil service status of any incumbent as it existed on July 1, 1955."

SECTION 8. Section 89C-1.5, Hawaii Revised Statutes, is amended by amending the definition of "appropriate authority" to read as follows:

"Appropriate authority" means the governor, the respective mayors, the chief justice of the supreme court, the board of education, the board of regents, the state public charter school commission, the Hawaii health systems corporation board, the auditor, the ombudsman, the board of directors of the Hawaii airports corporation, and the director of the legislative
reference bureau. These individuals or boards may make adjustments for their respective excluded employees."

SECTION 9. Section 103D-203, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read as follows:

"(a) The chief procurement officer for each of the following state entities shall be:

(1) The judiciary--the administrative director of the courts;

(2) The senate--the president of the senate;

(3) The house of representatives--the speaker of the house of representatives;

(4) The office of Hawaiian affairs--the chairperson of the board;

(5) The University of Hawaii--the president of the University of Hawaii; provided that, except as specified in section 304A-2672(2), for contracts for construction and professional services furnished by licensees under chapter 464, the administrator of the state procurement office of the department of
accounting and general services shall serve as the chief procurement officer;

(6) The department of education, excluding the Hawaii public library system--the superintendent of education;

(7) The Hawaii health systems corporation--the chief executive officer of the Hawaii health systems corporation; [and]

(8) The Hawaii airports corporation--the chief executive officer of the Hawaii airports corporation; and

[48] (9) The remaining departments of the executive branch of the State and all governmental bodies administratively attached to them--the administrator of the state procurement office of the department of accounting and general services."

2. By amending subsection (c) to read as follows:

"(c) For purposes of applying this chapter to the judiciary, houses of the legislature, office of Hawaiian affairs, University of Hawaii, department of education, Hawaii airports corporation, remaining departments of the executive branch and all governmental bodies administratively attached to
them, and the several counties, unless otherwise expressly
provided, "State" shall mean "judiciary", "state senate", "state
house of representatives", "office of Hawaiian affairs",
"University of Hawaii", "department of education", Hawaii
airports corporation", "executive branch", "county", "board of
water supply" or "department of water supply", and "semi-
autonomous public transit agency", respectively."

SECTION 10. Section 171-2, Hawaii Revised Statutes, is
amended to read as follows:

"§171-2 Definition of public lands. "Public lands" means
all lands or interest therein in the State classed as government
or crown lands previous to August 15, 1895, or acquired or
reserved by the government upon or subsequent to that date by
purchase, exchange, escheat, or the exercise of the right of
eminent domain, or in any other manner; including lands accreted
after May 20, 2003, and not otherwise awarded, submerged lands,
and lands beneath tidal waters that are suitable for
reclamation, together with reclaimed lands that have been given
the status of public lands under this chapter, except:

(1) Lands designated in section 203 of the Hawaiian Homes
Commission Act, 1920, as amended;
(2) Lands set aside pursuant to law for the use of the United States;

(3) Lands being used for roads and streets;

(4) Lands to which the United States relinquished the absolute fee and ownership under section 91 of the Hawaiian Organic Act prior to the admission of Hawaii as a state of the United States unless subsequently placed under the control of the board of land and natural resources and given the status of public lands in accordance with the state constitution, the Hawaiian Homes Commission Act, 1920, as amended, or other laws;

(5) Lands to which the University of Hawaii holds title;

(6) Lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;

(7) Lands to which the Hawaii community development authority in its corporate capacity holds title;

(8) Lands to which the department of agriculture holds title by way of foreclosure, voluntary surrender, or
otherwise, to recover moneys loaned or to recover debts otherwise owed the department under chapter 167;

(9) Lands that are set aside by the governor to the Aloha Tower development corporation; lands leased to the Aloha Tower development corporation by any department or agency of the State; or lands to which the Aloha Tower development corporation holds title in its corporate capacity;

(10) Lands that are set aside by the governor to the agribusiness development corporation; lands leased to the agribusiness development corporation by any department or agency of the State; or lands to which the agribusiness development corporation in its corporate capacity holds title; [and]

(11) Lands to which the Hawaii airports corporation holds title; and

[(11)] (12) Lands to which the Hawaii technology development corporation in its corporate capacity holds title;

provided that, except as otherwise limited under federal law and except for state land used as an airport as defined in section 262-1, public lands shall include the air rights over any
portion of state land upon which a county mass transit project
is developed after July 11, 2005[-]; provided further that lands
to which the Hawaii airports corporation holds title shall be
considered "public lands" for the purpose of accounting of all
receipts from lands that are described in section 5(f) of the
Admission Act, Public Law 86-3, for the prior fiscal year,
pursuant to section 5 of Act 178, Session Laws of Hawaii 2006."

SECTION 11. Section 261-7, Hawaii Revised Statutes, is
amended by amending subsection (e) to read as follows:

"(e) [The department may fix and regulate, from time to
time, reasonable landing fees for aircraft, including the
imposition of landing surcharges or differential landing fees,
and other reasonable charges for the use and enjoyment of the
airports and the services and facilities furnished by the
department in connection therewith, including the establishment
of a statewide system of airports landing fees, a statewide
system of airports support charges, and joint use charges for
the use of space shared by users, which fees and charges may
vary among different classes of users such as foreign carriers,
domestic carriers, inter island carriers, air taxi operators,
helicopters, and such other classes as may be determined by the
director, for the purpose of meeting the expenditures of the
statewide system of airports set forth in section 261-5(a),
which includes expenditures for capital improvement projects
approved by the legislature.] The corporation shall fix, impose,
preserve, and collect rates, rentals, fees, or charges for the
lease, use, and services of its airport facilities in amounts
sufficient to pay the costs of the operation, maintenance, and
repair, if any, and the required payments of the principal of,
and interest on, all bonds issued or assumed by the corporation
and reserves therefor.

In setting airports rates and charges, including landing
fees, the [director] chief executive officer may enter into
contracts, leases, licenses, and other agreements with
aeronautical users of the statewide system of airports
containing such terms, conditions, and provisions as the
[director] chief executive officer deems advisable.

If the [director] chief executive officer has not entered
into contracts, leases, licenses, and other agreements with any
or fewer than all of the aeronautical users of the statewide
system of airports prior to the expiration of an existing
contract, lease, license, or agreement, the [director] chief
executive officer shall set and impose rates, rentals, fees, and charges pursuant to this subsection without regard to the requirements of chapter 91; provided that a public informational hearing shall be held on the rates, rentals, fees, and charges.

The chief executive officer shall develop rates, rentals, fees, and charges in accordance with a residual methodology so that the statewide system of airports shall be, and always remain, self-sustaining. The rates, rentals, fees, and charges shall be set at levels as to produce revenues that, together with aviation fuel taxes, shall be at least sufficient to meet the expenditures of the statewide system of airports set forth in section 261-5(a), including expenditures for capital improvement projects approved by the legislature, and to comply with covenants and agreements with holders of airport revenue bonds.

The chief executive officer may develop and formulate methodology in setting the various rates, rentals, fees, and charges imposed and may determine usage of space, estimate landed weights, and apply the portion of nonaeronautical revenue deemed appropriate in determining the
rates, rentals, fees, and charges applicable to aeronautical users of the statewide system of airports.

The rates, rentals, fees, and charges determined by the [director] chief executive officer in the manner set forth in this subsection shall be those charges payable by the aeronautical users for the periods immediately following the date of expiration of the existing contract, lease, license, or agreement. If fees are established pursuant to this section, the [department] corporation shall prepare a detailed report on the circumstances and rates and charges that have been established, and shall submit the report to the legislature no later than twenty days prior to the convening of the next regular session.

If a schedule of rates, rentals, fees, and charges developed by the [director] chief executive officer in accordance with this section is projected by the [department] corporation to produce revenues [which] that, together with aviation fuel taxes, will be in excess of the amount required to meet the expenditures of the statewide system of airports set forth in section 261-5(a), including expenditures for capital improvement projects approved by the legislature, and to comply
with covenants and agreements with holders of airport revenue
bonds, the [department] corporation shall submit the schedule of
rates, rentals, fees, and charges to the legislature prior to
the convening of the next regular session of the legislature.
Within forty-five days after the convening of the regular
session, the legislature may disapprove any schedule of rates,
rentals, fees, and charges required to be submitted to it by
this section by concurrent resolution. If no action is taken by
the legislature within the forty-five-day period the schedule of
rates, rentals, fees, and charges shall be deemed approved. If
the legislature disapproves the schedule within the forty-five-
day period, the [director] chief executive officer shall develop
a new schedule of rates, rentals, fees, and charges in
accordance with this section within seventy-five days of the
disapproval. Pending the development of a new schedule of
rates, rentals, fees, and charges, the schedule submitted to the
legislature shall remain in force and effect.

Notwithstanding any other provision of law to the contrary,
the [department] corporation may waive landing fees and other
aircraft charges established under this section at any airport
owned or controlled by the State whenever:
(1) The governor declares a state of emergency; and
(2) The [department] corporation determines that the
waiver of landing fees and other charges for the
aircraft is consistent with assisting in the delivery
of humanitarian relief to disaster-stricken areas of
the State."

SECTION 12. On and after the transfer completion date
established by the Hawaii airports corporation in section 14(b)
of this Act, and until the revisor of statutes makes the
amendments to applicable provisions in chapters 102, 261, 261D,
and 262, Hawaii Revised Statutes, described in this section,
every reference to the department of transportation or
"department" or its role in awarding concessions in chapters
102, 261, 261D, and 262, Hawaii Revised Statutes, shall be a
reference to the Hawaii airports corporation, and every
reference to the director of transportation or "director" or the
director's role in awarding concessions in chapters 102, 261,
261D, and 262, Hawaii Revised Statutes, shall be a reference to
the chief executive officer of the Hawaii airports corporation.
After the transfer completion date but no later than when the
subsequent supplements to the Hawaii Revised Statutes are
prepared, the revisor of statutes shall make appropriate
changes, including, without limitation:

(1) Substituting the phrase "chief executive officer" for
the terms "director" or "director of transportation",
the term "Hawaii airports corporation" for the term
"department of transportation", and the term
"corporation" for the term "department";

(2) Deleting the definition of "director" in chapters 261,
261D, and 262, Hawaii Revised Statutes; and

(3) Deleting the definition of "department" in sections
261-1 and 262-1, Hawaii Revised Statutes.

SECTION 13. The Hawaii airports corporation shall succeed
to the jurisdiction, powers, and responsibilities of the
department of transportation over aeronautics and airports,
including all of the functions relating to airports and
aeronautics performed by the department and its airports
division, on the transfer completion date published by the
Hawaii airports corporation pursuant to section 14(b) of this
Act, which date shall be no later than December 31, 2021.

On the transfer completion date, the Hawaii airports
corporation shall assume from the department of transportation:
(1) That:

(A) Certain Certificate of the Director of Transportation Providing for the Issuance of State of Hawaii Airports System Revenue Bonds dated as of May 1, 1969, relating to certain revenue bonds and other obligations;

(B) Certain Indenture of Trust dated as of December 1, 2013, between the department of transportation and U.S. Bank National Association relating to certain certificates of participation; and

(C) Certain Indenture of Trust dated as of August 1, 2014, between the department of transportation and MUFG Union Bank, N.A., relating to certain customer facility charge revenue bonds, each as supplemented and amended to date; and

(2) The bonds, notes, and other obligations of the department of transportation outstanding under, as well as the covenants, restrictions, and other requirements set forth in, those documents.

Thereafter, to the extent that the Hawaii airports corporation is authorized under this Act to exercise powers and
duties that are also granted to other departments, offices, or boards of the State, with respect to airports and aeronautical facilities, the Hawaii airports corporation shall exclusively exercise those powers and perform those duties.

SECTION 14. (a) Not prior to January 1, 2019, but no later than September 30, 2019, the governor shall designate a representative who shall facilitate the corporation's orderly succession to the jurisdiction, powers, functions, rights, benefits, obligations, assets, liabilities, funds, accounts, contracts, and all other things currently held, used, incurred, or performed by the department of transportation, its director and staff, and its airports division, in administering and exercising the authority and fulfilling the responsibilities authorized or conferred upon the department of transportation and the director of transportation, by chapters 102, 261, 261D, and 262, Hawaii Revised Statutes.

Not prior to October 1, 2019, but no later than December 31, 2019, the governor shall appoint the members of the board of directors of the Hawaii airports corporation.

To facilitate the corporation's timely assumption of the department of transportation's authority and responsibilities,
including all of the department's associated bonds, notes, and obligations as described in paragraph (7) below, the department of transportation, the department of accounting and general services, the department of human resources development, the state procurement office, and any other state department or agency, if requested by the corporation, shall enter into a memorandum of understanding with the corporation to:

1. Provide administrative support services for the corporation pending the transfer of employees from the department of transportation to the Hawaii airports corporation pursuant to section 18 of this Act;

2. Develop a policy and set of robust procurement procedures that foster accountability, transparency and oversight of contracts, to include compliance with federal procurement requirements;

3. Assist the corporation with the organization of its human resources development functions, including establishing:
   (A) A human resources office;
   (B) The corporation's civil service and civil service positions, and the classification system, merit
appeals board, recruitment system, performance
appraisal system, and the administrative rules,
policies, standards, and procedures, including
internal complaint procedures, adopted to support
its civil service; and

(C) The corporation's exempt and excluded positions,
and guidelines, procedures, and policies for
filling them, and compensating the officers and
employees who fill them;

(4) Assist the corporation in establishing its accounting,
budgeting, fund management, and communication and
electronic information systems, and creating
appropriate interfaces between the corporation's
accounting, budgeting, fund management, communication
and electronic information systems, and those of the
department of transportation, and other state
agencies;

(5) Assist the corporation in identifying the plans and
reports that departments and agencies administratively
attached to a department are required to prepare for
the governor, the legislature, or another state
department or agency with respect to aeronautics or
the State's airport system; determining whether those
plans and reports have been prepared and will be
transferred to the corporation on the transfer
completion date; and preparing the same for the
corporation, if they do not exist;

(6) Expeditiously transfer or otherwise facilitate the
corporation's acquisition or assumption of all of the
powers, functions, rights, benefits, obligations,
assets, funds, accounts, contracts, and all other
things held, used, incurred, or performed by the
department of transportation, its director and staff,
and its airports division, in exercising the authority
and fulfilling and administering the responsibilities
authorized or conferred upon the department of
transportation and the director of transportation by
chapters 102, 261, 261D, and 262, Hawaii Revised
Statutes;

(7) Assign and transfer:

(A) That certain Certificate of the Director of
Transportation Providing for the Issuance of
State of Hawaii Airports System Revenue Bonds dated as of May 1, 1969, relating to certain revenue bonds and other obligations;

(B) That certain Indenture of Trust dated as of December 1, 2013, between the department of transportation and U.S. Bank National Association relating to certain certificates of participation; and

(C) That certain Indenture of Trust dated as of August 1, 2014, between the department of transportation and MUFG Union Bank, N.A., relating to certain customer facility charge revenue bonds, each as supplemented and amended to date; the assumption of all indebtedness of the department of transportation heretofore issued and outstanding thereunder; and the adoption of policies and procedures designed to ensure continuing compliance with the terms thereof for so long as they are applicable; and
(8) Reimburse each cooperating department or agency for the cost of services provided under the memorandum of understanding.

(b) As soon as feasible, the Hawaii airports corporation, with the concurrence of the director of transportation and the governor, shall establish the transfer completion date, which shall be no later than December 31, 2021, and publish notice of the transfer completion date by:

(1) Publishing the notice in a daily publication of statewide circulation pursuant to section 1-28.5, Hawaii Revised Statutes;

(2) Posting a copy of the notice on an electronic calendar on a website maintained by the State;

(3) Providing a copy of the notice to the department of transportation, the Secretaries of the United States Department of Transportation and Department of Defense, the head of the Federal Aviation Administration, and the head of every other state department; and

(4) Posting the notice prominently at every airport and air navigation facility in the State.
All notices shall be published, distributed, or posted at least ninety days before the transfer completion date.

SECTION 15. It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair any existing federal income tax exemption to, security interest of, or obligation of the State or any agency thereof to the holders of any bonds or other obligations issued by the State or by any department or agency of the State, and to the extent, and only to the extent necessary to effectuate this intent, the governor may modify the strict provisions of this Act, but shall promptly report any modification with reasons therefor to the legislature at its next session thereafter for review by the legislature.

SECTION 16. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date. The department of transportation shall be responsible for any and all obligations incurred by the department or its airports division in connection with the department's exercise of the authority and performance of the duties and responsibilities conferred upon it and its director by chapters 261, 261D, and 262, Hawaii Revised Statutes, until the time that the obligations, including any
accounts payable, accrued paid time off, debt, capital leases, and other obligations incurred before the transfer completion date, have been assumed by the Hawaii airports corporation, which shall not occur prior to the transfer completion date. All collective bargaining disputes or claims against the department grounded in an act or omission, or an event that occurred prior to the transfer completion date shall remain the responsibility of the department of transportation. All liabilities arising out of the Hawaii airports corporation's exercise of the authority and performance of the duties and responsibilities conferred upon it and its chief executive officer by chapters 102, 261, 261D, and 262, Hawaii Revised Statutes, after the transfer completion date shall be the responsibility of the corporation. The assumption by the airports corporation of the bonds, notes, or other obligations of the department of transportation relating to the State's airports system shall be subject to the terms and provisions of any certificate, indenture, or resolution securing those bonds, notes, or other obligations. On the transfer completion date, the Hawaii airports corporation shall assume responsibility for
all rights, duties, penalties, and proceedings of the department of transportation related to the State's airports system.

SECTION 17. The State of Hawaii pledges to and agrees with the holders of the bonds, notes, or other obligations of the department of transportation being assumed by the airports corporation on the transfer completion date and the holders of the bonds, notes, or other obligations of the airports corporation issued pursuant to chapters 37D or 39, Hawaii Revised Statutes, that the State shall not limit or alter the rights and powers vested in the Hawaii airports corporation so as to impair the terms of any contract made or assumed by the airports corporation with holders or in any way impair the rights and remedies of holders until bonds, notes, or other obligations, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of holders, are fully met and discharged. In addition, the State pledges to and agrees with the holders of the bonds, notes, or other obligations of the department of transportation being assumed by the airports corporation on the transfer completion date and the holders of the bonds, notes, or other obligations
of the airports corporation issued pursuant to chapter 37D or 39, Hawaii Revised Statutes, that the State shall not limit or alter the basis on which the revenues or user taxes securing any such bonds, notes, or other obligations issued or assumed by the airports corporation are to be received by the airports corporation, or the rights of the airports corporation to the use of the funds, so as to impair the terms of any contract securing the same. The airports corporation is authorized to include these pledges and agreements of the State in any contract with the holders of bonds, notes, or other obligations issued pursuant to chapter 37D or 39, Hawaii Revised Statutes.

SECTION 18. The Hawaii airports corporation shall recognize all bargaining units and collective bargaining agreements existing at the time of transfer to the corporation. All employees who are subject to chapter 76, Hawaii Revised Statutes, and occupy civil service positions and whose functions are transferred to the Hawaii airports corporation by this Act shall retain their civil service status, whether permanent or temporary. The employees shall be transferred to the corporation without loss of salary, seniority (except as prescribed by applicable collective bargaining agreements),
retention points, prior service credits, any vacation and sick
leave credits previously earned, and other rights, benefits, and
privileges, in accordance with state personnel laws and this
Act; provided that the employees meet applicable requirements
for the class or position to which transferred or appointed, as
applicable.

Any employee who, prior to this Act, is a member of a
bargaining unit shall remain a member of that bargaining unit
when future collective bargaining agreements are negotiated.

Any employee who, prior to this Act, is exempt from civil
service and is transferred to the corporation as a consequence
of this Act may retain the employee's exempt status, but shall
not be appointed to a civil service position as a consequence of
this Act. An exempt employee who is transferred by this Act
shall not suffer any loss of prior service credit, vacation or
sick leave credits previously earned, or other employee benefits
or privileges as a consequence of this Act. The chief executive
officer of the Hawaii airports corporation may prescribe the
duties and qualifications of these employees and fix their
salaries without regard to chapter 76, Hawaii Revised Statutes.
No employee included in a collective bargaining unit as an employee of the department of transportation shall be laid off as a consequence of this Act.

SECTION 19. On or no more than ninety days after the transfer completion date, all appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the department of transportation relating to the functions transferred to the Hawaii airports corporation shall be transferred with the functions to which they relate.

SECTION 20. All rules, policies, procedures, guidelines, and other material adopted or developed by the department of transportation to implement provisions of the Hawaii Revised Statutes that are reenacted or made applicable to the Hawaii airports corporation by this Act shall remain in full force and effect on and after the transfer completion date established pursuant to section 14(b) of this Act, until amended or repealed by the Hawaii airports corporation pursuant to chapter 91, Hawaii Revised Statutes. In the interim, every reference to the department of transportation or director of transportation in
those rules, policies, procedures, guidelines, and other
material is amended to refer to the Hawaii airports corporation
or chief executive officer of the corporation, as appropriate.

SECTION 21. All deeds, executive orders, leases,
contracts, loans, agreements, permits, or other documents
executed or entered into by or on behalf of the department of
transportation, pursuant to the provisions of the Hawaii Revised
Statutes, that are reenacted or made applicable to the Hawaii
airports corporation by this Act shall remain in full force and
effect. On the transfer completion date established pursuant to
section 14(b) of this Act, every reference to the department of
transportation in those deeds, executive orders, leases,
contracts, loans, agreements, permits or other documents shall
be construed as a reference to the Hawaii airports corporation
or the board of directors of the corporation.

SECTION 22. There is appropriated out of the airport
revenue fund the sum of $ or so much thereof as may be
necessary for fiscal year 2019-2020 to effect the transfer of
functions from the department of transportation to the Hawaii
airports corporation required by this Act.
The sum appropriated shall be expended by the Hawaii airports corporation to implement the provisions of this Act.

SECTION 23. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 24. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 25. This Act shall take effect on July 1, 2050; provided that section 11 shall take effect upon the satisfaction and discharge of:

1. That certain Certificate of the Director of Transportation Providing for the Issuance of the State of Hawaii Airports System Revenue Bonds dated as of May 1, 1969;

2. That certain Indenture of Trust dated as of December 1, 2013, between the department of transportation and U.S. Bank National Association; and
(3) All obligations issued and outstanding under the Certificate and Indenture.
Report Title:
Tourism; Transportation; Aeronautics; Hawaii Airports Corporation; Establishment; Appropriation

Description:
Authorizes establishment of the Hawaii Airports Corporation within the Department of Transportation for administrative purposes. Sets out appointment of members to the board of directors and powers and duties of the Hawaii Airports Corporation. Transfers aeronautics functions of the Department of Transportation to the Hawaii Airports Corporation by the established transfer completion date agreed upon by the Hawaii Airports Corporation, the Director of Transportation, and the Governor, which shall be no later than 12/31/2021. Effective 7/1/2050. (HD1)

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