A BILL FOR AN ACT

RELATING TO CARGO CARRIERS.

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

SECTION 1. The legislature finds that Young Brothers, LLC, is the only cargo carrier that serves the entire Hawaiian island chain, including Molokai and Lanai. In addition, Young Brothers is the main source of food delivery, agricultural products and livestock, vehicles, and other necessary goods in the State. The legislature recognizes that despite having decreased cargo loads due to the increase in online retailers offering free shipping, Young Brothers continues to make biweekly deliveries to all ports in the State. However, the costs incurred by Young Brothers to make deliveries to the smaller ports in Maui county, including Kaunakakai and Kaumalapau, have increased due to the small cargo load and port sizes. The legislature acknowledges that Young Brothers has also recently updated many of its shipping vessels to new, clean-energy vessels that reduce carbon emissions.
The legislature finds and declares that the appropriation made under this Act is in the public interest and for the public health, safety, and general welfare of the State.

Accordingly, the purpose of this Act is to authorize the department of transportation to expend funds from the harbor special fund to provide subsidies to cargo carriers to offset the costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than five hundred thousand and comprising three or more populated islands, and to appropriate moneys to the department of transportation for this purpose.

SECTION 2. Section 266-19, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is created in the treasury of the State the harbor special fund. All moneys received by the department of transportation from the rates, fees, fines, and administrative penalties pursuant to sections 266-17(a)(1), 266-25, 266-28, and 266-30 shall be paid into the harbor special fund. The harbor special fund and the second separate harbor special fund heretofore created shall be consolidated into the harbor special
fund at such the time as in which there are no longer any
revenue bonds payable from the second separate harbor special
fund. The harbor reserve fund heretofore created is abolished.

All moneys derived pursuant to this chapter from harbor
properties of the statewide system of harbors shall be paid into
the harbor special fund and each fiscal year shall be
appropriated, applied, or expended by the department of
transportation for the statewide system of harbors for any
purpose within the jurisdiction, powers, duties, and functions
of the department of transportation related to the statewide
system of harbors, including, without limitation:

(1) The following costs of operation, all or any of
which in the judgment of the department of
transportation are necessary to the performance of the
department of transportation's duties or functions:

(A) Operation, maintenance, and repair of the
statewide system of harbors and reserves
therefor; and acquisitions;

(B) Acquisitions, including acquisitions of real
property and any interests therein;

constructions, additions, expansions;
improvements, renewals, replacements, reconstruction, engineering, investigation, and planning for the statewide system of harbors, all or any of which in the judgment of the department of transportation are necessary to the performance of its duties or functions.]; and

(2) Any subsidies provided to cargo carriers to offset costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than five hundred thousand and comprising three or more populated islands."

SECTION 3. There is appropriated out of the harbor special fund the sum of $ or so much thereof as may be necessary for fiscal year 2020-2021 to provide subsidies to cargo carriers to offset costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than five hundred thousand and comprising three or more populated islands.
The sum appropriated shall be expended by the department of transportation for the purpose of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2050.
Report Title:
DOT; Harbor Special Fund; Cargo Carriers; Subsidies; Appropriations

Description:
Authorizes the Department of Transportation to expend funds from the harbor special fund to provide subsidies to cargo carriers to offset costs incurred by the cargo carriers as a result of providing cargo carrier services to ports serving counties within the State having a population of less than 500,000 and comprising three or more populated islands. Appropriates moneys. Effective 7/1/2050. (HD1)

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