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# A BILL FOR AN ACT

RELATING TO AN AIRPORT AUTHORITY.

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

1           SECTION 1. The legislature finds that Hawaii's air  
2 transportation planning, management, marketing, and development  
3 functions are currently spread out among a number of agencies,  
4 including the department of transportation's airports division,  
5 Hawaii tourism authority, department of health with respect to  
6 environmental concerns, and office of Hawaiian affairs when  
7 ceded lands issues arise.

8           This multijurisdictional situation has resulted in  
9 inefficiencies and conflicts that are difficult to resolve  
10 between agencies. In addition, this situation sometimes leads  
11 to conflicting plans of action among the different agencies  
12 seeking to implement differing goals.

13           The economic well-being of the State depends in part on the  
14 efficient use of all of its air transportation resources, which  
15 will enhance and complement efforts to revitalize and sustain  
16 Hawaii's economy. The legislature believes that coordinated  
17 planning and development of air transportation would be



1 implemented more effectively by a single entity having overall  
2 consolidated jurisdiction.

3 The legislature further finds that the establishment of an  
4 airport authority will assist in the following important  
5 statewide objectives:

- 6 (1) Increasing security for the State;
- 7 (2) Providing an appropriate forum for all affected  
8 interests;
- 9 (3) Increasing efficiency in land use and related lease  
10 processes;
- 11 (4) Improving administrative efficiency by streamlining  
12 administrative processes;
- 13 (5) Coordinating environmental issues affecting the  
14 airports, particularly relating to alien invasive  
15 species, as an airport authority will be able to  
16 oversee everything that enters the State by air,  
17 thereby allowing that entity to serve as the agency  
18 responsible for comprehensive alien invasive species  
19 protection and control;
- 20 (6) Increasing economic opportunities for the State in  
21 collaboration with the Hawaii tourism authority;



- 1 (7) Making possible more responsive planning;
- 2 (8) Increasing financial flexibility;
- 3 (9) Increasing responsiveness to customer needs and
- 4 economic demands; and
- 5 (10) Improving the efficiency and expedience of the
- 6 airports capital improvement program implementation.

7 The legislature finds that the rational allocation and  
 8 administration of scarce and increasingly valuable airport  
 9 resources through the establishment of an airport authority is  
 10 vital for the well-being of the people and the economy of the  
 11 State.

12 The purpose of this Act is to establish the Hawaii airport  
 13 authority.

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

17 **"CHAPTER**

18 **HAWAII AIRPORT AUTHORITY**

19 § -1 **Definitions.** As used in this chapter:

20 "Administrator" means the administrator of the Hawaii  
 21 airport authority.



1 "Aeronautics" shall have the same meaning as defined in  
2 section 261-1.

3 "Air navigation facility" shall have the same meaning as  
4 defined in section 261-1.

5 "Airport" means any area of land or water that is used, or  
6 intended for use, for the landing and taking-off of aircraft,  
7 and any appurtenant areas that are used, or intended for use,  
8 for airport buildings or other airport facilities or rights-of-  
9 way, including approaches, together with all airport buildings  
10 and facilities located thereon.

11 "Airport authority" or "authority" means the Hawaii airport  
12 authority.

13 § -2 **Airport authority; establishment; members and**  
14 **administrator.** (a) On July 1, 2018, there is established the  
15 Hawaii airport authority, which shall be a body politic and  
16 corporate, constituting a public instrumentality and a special  
17 political subdivision of the State created for the performance  
18 of an essential public and governmental function, as provided in  
19 this chapter. The authority shall not be construed to be a  
20 department, institution, or agency of the State. The authority  
21 shall be established and shall operate as an independent



1 subdivision of the State, for the purpose of developing and  
2 implementing management structures, policies, and procedures  
3 based on airport industry best practices, and expressly  
4 configured to support the efficient development, management, and  
5 operation of the State's airports and aeronautical facilities.

6 Prior to July 1, 2018, the department of transportation  
7 shall complete an implementation plan which shall include, but  
8 not be limited to:

- 9 (1) Identification of amendments to this Act as may be  
10 required to fully empower the airport authority to  
11 develop, manage, and operate the State's airports and  
12 aeronautical facilities;
- 13 (2) The specific actions necessary to transfer  
14 jurisdiction, powers, rights, functions, employees,  
15 and assets to the airport authority; and
- 16 (3) A timetable for the transfer under paragraph (2). A  
17 qualified consultant shall be engaged to assist in the  
18 development of the implementation plan and to identify  
19 related issues such as procurement and employment.



1 (b) The powers of the airport authority shall be vested in  
2 and exercised by a board of directors, which shall consist of  
3 five voting members, who shall be appointed as follows:

4 (1) Three members appointed by the governor pursuant to  
5 section 26-34;

6 (2) One member appointed by the speaker of the house of  
7 representatives; and

8 (3) One member appointed by the president of the senate.

9 All members shall be appointed for terms of four years;  
10 provided that the initial terms of the members appointed by the  
11 governor shall be staggered. Members shall be removed from  
12 office by the appointing authority only for inefficiency,  
13 neglect of duty, turpitude, or misconduct in office, after  
14 giving the member a copy of the charges against the member and  
15 allowing the member an opportunity to be heard, in person or by  
16 counsel, upon not less than ten days notice.

17 Members shall have business and management experience,  
18 including experience in one or more of the following areas:  
19 financial planning, budgeting, hospitality, tourism, commercial  
20 development, construction program management, marketing, law,  
21 and aviation.



1 All members shall continue in office until their respective  
2 successors have been appointed.

3 Except as provided in this chapter, no member appointed  
4 under this section shall be an officer or employee of the State  
5 or the counties.

6 (c) The airport authority shall be headed by a single  
7 executive to be known as the administrator of the Hawaii airport  
8 authority, who shall:

- 9 (1) Not be a member of the board;
- 10 (2) Serve at the pleasure of the board; and
- 11 (3) Receive such compensation as shall be fixed by the  
12 board.

13 (d) The administrator:

- 14 (1) Shall be selected based on criteria approved by the  
15 board, including experience in airport management at  
16 an executive level, management of significant scale  
17 capital programs, domestic and international air  
18 service development, and knowledge of the unique  
19 requirements of the State's airport system;
- 20 (2) Shall be appointed by the vote of not less than three  
21 members of the board;



- 1       (3) Shall be employed subject to a formal contract, the  
2            terms of which shall be approved by the board;
- 3       (4) May be removed from office only by a vote of not less  
4            than three members of the board; provided that the  
5            basis for removal is consistent with the terms of the  
6            applicable employment contract;
- 7       (5) May establish management organization structures;
- 8       (6) May appoint such deputy administrators as the  
9            administrator deems appropriate. Each deputy  
10           administrator shall exercise those powers that may be  
11           delegated by the administrator;
- 12       (7) Shall have such powers as described in this chapter  
13            and as may be delegated by the members of the board;
- 14       (8) Shall attend all meetings of the board, keep a record  
15            of the proceedings, and shall maintain and be the  
16            custodian of all books, records, documents, and papers  
17            filed with the authority, of the minute book of the  
18            authority, and of its official seal;
- 19       (9) Shall be the chief administrative officer of the  
20            authority and shall direct and supervise the





- 1 administrative affairs and technical activities in  
2 accordance with the directives of the board;
- 3 (10) Shall approve all accounts for salaries and allowable  
4 expenses of the authority or of any employee or  
5 consultant thereof;
- 6 (11) Shall perform such other duties as may be directed by  
7 the board in carrying out the purpose of the  
8 authority; and
- 9 (12) May hire staff and employees to fill positions that  
10 may be provided for in the airport authority's annual  
11 budget; provided that the functions and duties of all  
12 positions shall be provided for in the bylaws of the  
13 airport authority.
- 14 (e) The airport authority shall establish bylaws providing  
15 for, upon the vacancy of the position of administrator, the  
16 automatic succession of a deputy administrator on an interim  
17 basis until a permanent administrator is appointed.
- 18 (f) The number of members of the authority necessary to  
19 constitute a quorum to do business shall be a majority of the  
20 members.



1           §   -3 Powers; generally. Except as otherwise provided in  
2 this chapter, the airport authority:

3           (1) Shall exercise power and control over airports, air  
4 navigation facilities, buildings, and other facilities  
5 belonging to, or controlled by, the airport authority;

6           (2) Shall provide for the landing, taking-off, and  
7 servicing of aircraft, and the loading and unloading  
8 of passengers and cargo;

9           (3) Shall provide for the comfort, accommodation, and  
10 convenience of air travelers;

11          (4) Shall establish performance targets and performance  
12 standards to achieve the highest levels of customer  
13 service;

14          (5) Shall exercise general supervision over aeronautics  
15 within the State and, in connection therewith,  
16 encourage, foster, and assist in the development of  
17 aeronautics in the State, and encourage the  
18 establishment of airports and air navigation  
19 facilities;

20          (6) Shall cooperate with and assist the federal government  
21 and other persons in the development of aeronautics;



- 1           (7) Shall seek to coordinate the aeronautical activities  
2           of the State with those activities of the federal  
3           government;
- 4           (8) Shall ensure that appropriate mission statements,  
5           business plans, minimum development standards, and  
6           strategic goals are established and that progress  
7           towards their accomplishment is regularly assessed and  
8           reported;
- 9           (9) Shall develop an organization and management structure  
10          to best accomplish the goals of the Hawaii airport  
11          system and the authority;
- 12          (10) Shall develop and implement policies and procedures  
13          for the timely and efficient procurement of  
14          professional services; planning, engineering, and  
15          construction services; and such other services and  
16          materiel as may be required for the development,  
17          management, and operation of the airport system,  
18          consistent with accepted standards of probity,  
19          transparency, and accountability for a public body and  
20          consistent with chapter 103D;



- 1       (11) Shall develop and implement policies and procedures  
2             for the classification of staff positions and for the  
3             hiring, management, and administration of staff;  
4             provided that the authority shall not be required to  
5             comply with the personnel policies and procedures of  
6             the department of human resources development with  
7             regard to the creation of new positions, the number of  
8             those positions, the decision and process to fill  
9             those positions, or the time for filling such  
10            positions;
- 11       (12) Shall appoint officers, agents, and employees through  
12             the administrator, prescribe their duties and  
13             qualifications, and fix their salaries;
- 14       (13) May use the facilities and services of any department,  
15             board, commission, or agency of the State or counties,  
16             subject to the provisions of memoranda of  
17             understanding approved by the board;
- 18       (14) May sue and be sued;
- 19       (15) Shall have a seal and may alter the seal at its  
20             pleasure;



- 1       (16) May make and execute contracts and all other
- 2               instruments necessary or convenient for the exercise
- 3               of its powers and functions under this chapter;
- 4       (17) Shall establish bylaws for its organization and
- 5               internal management;
- 6       (18) Shall adopt rules pursuant to chapter 91 to carry out
- 7               the purpose of this chapter;
- 8       (19) Shall adopt an annual budget for its operations,
- 9               maintenance, and capital improvements;
- 10       (20) May own, sell, lease, hold, clear, improve, and
- 11               rehabilitate real, personal, or mixed property, and
- 12               assign, exchange, transfer, convey, lease, sublease,
- 13               or encumber any airport, or any project, improvement,
- 14               or facility related thereto;
- 15       (21) Shall develop, construct, reconstruct, rehabilitate,
- 16               improve, alter, or repair, or provide for the
- 17               development, construction, reconstruction,
- 18               rehabilitation, improvement, alteration, or repair of,
- 19               any airport, or any project, improvement, or facility
- 20               related thereto;



- 1       (22) May own, hold, assign, transfer, convey, exchange,  
2            lease, sublease, or encumber any airport or any  
3            project, improvement, or facility related thereto;
- 4       (23) Shall arrange or initiate appropriate action for the  
5            planning, opening, grading, relocating, or closing of  
6            streets, roads, roadways, alleys, easements, or other  
7            places; the furnishing of facilities; the acquisition  
8            of property or property rights; and the furnishing of  
9            property, development rights, or services in  
10           connection with any airport or any project,  
11           improvement, or facility related thereto;
- 12       (24) May grant options or renew any lease entered into by  
13            it in connection with any project, on terms and  
14            conditions as it deems advisable;
- 15       (25) May engage the services of consultants on a  
16            contractual basis for rendering professional and  
17            technical assistance and advice;
- 18       (26) Shall procure insurance against any loss in connection  
19            with its property and other assets and operations, in  
20            such amounts and from such insurers as it deems  
21            desirable, or provide for self-insurance;



- 1       (27) May accept and receive gifts or grants in any form  
2             from any person, public entity, or source; provided  
3             that the grants and gifts shall be used for airport  
4             authority purposes;
- 5       (28) May pledge or assign all or any part of the moneys,  
6             fees, rents, charges, or other revenues and proceeds  
7             derived by the airport authority from the proceeds of  
8             insurance or condemnation awards for the loss of  
9             revenues or incurring of costs and expenses because of  
10            any action taken by the airport authority;
- 11       (29) Shall impose, prescribe, and collect rates, rentals,  
12            fees, or charges for the lease, use, and services of  
13            its airport facilities at least sufficient to pay the  
14            costs of operation, maintenance, and repair, if any,  
15            and the required payments of the principal of, and  
16            interest on, all bonds issued or assumed by the  
17            airport authority and reserves therefor;
- 18       (30) May engage in economic development programs and  
19            contract with the department of business, economic  
20            development, and tourism or nonprofit corporations in  
21            the furtherance of economic development;



- 1 (31) May take all actions necessary under emergencies such  
2 as hurricanes, tsunamis, and other natural disasters;
- 3 (32) Shall plan, construct, operate, and maintain all  
4 airport facilities in the State, including the  
5 acquisition and use of lands necessary to stockpile  
6 dredged spoils without the approval of county  
7 agencies, notwithstanding any other law to the  
8 contrary;
- 9 (33) May issue revenue bonds and special facility revenue  
10 bonds in its name pursuant to chapter 39, but not in  
11 excess of such principal amounts as are necessary for  
12 its purposes or specified in covenants with  
13 bondholders;
- 14 (34) May invest and secure its moneys in accordance with  
15 chapters 36 and 38;
- 16 (35) May take public and private property for use in  
17 furthering any of the purposes of the airport  
18 authority or as otherwise provided by law; provided  
19 that all proceedings for condemnation shall be  
20 conducted in accordance with chapter 101;





- 1           (36) May provide compensation, allowance, or other  
2           assistance to any person for relocation or  
3           displacement caused by the acquisition of land for  
4           airport purposes;
- 5           (37) May hire or contract law enforcement personnel,  
6           notwithstanding any other law to the contrary; and
- 7           (38) May do any and all things necessary to carry out its  
8           purposes and exercise the powers given to it in this  
9           chapter."

10           SECTION 3. Section 261-2, Hawaii Revised Statutes, is  
11 amended to read as follows:

12           "**§261-2 Development of aeronautics, general.** The  
13 department of transportation shall have general supervision over  
14 aeronautics within the State[-]; provided that beginning July 1,  
15 2018, the general supervision shall be transferred to the Hawaii  
16 airport authority. It shall encourage, foster, and assist in  
17 the development of aeronautics in the State and encourage the  
18 establishment of airports and air navigation facilities. It  
19 shall cooperate with and assist the federal government and other  
20 persons in the development of aeronautics and shall seek to  
21 coordinate the aeronautical activities of the State with those



1 of the federal government. Municipalities may cooperate with  
2 the department in the development of aeronautics and aeronautics  
3 facilities in the State."

4 SECTION 4. The Hawaii airport authority shall be a  
5 successor agency, and jurisdiction over aeronautics and  
6 airports, including airport functions under the department of  
7 transportation's airports division, shall be transferred to the  
8 Hawaii airport authority on July 1, 2018.

9 To the extent that the Hawaii airport authority is  
10 authorized in this Act to exercise powers and duties with  
11 respect to the airports and aeronautical facilities, which  
12 powers are also granted to other departments, offices, or boards  
13 of the State, from July 1, 2018, the Hawaii airport authority  
14 shall exercise such powers and perform such duties in lieu of  
15 such other departments, offices, and boards.

16 SECTION 5. The Hawaii airport authority and the State  
17 shall enter into one or more memoranda of understanding to  
18 facilitate the authority's governance over such airports, and  
19 provide an orderly transition of ownership, jurisdiction, and  
20 authority to control, operate, develop, and maintain such  
21 airports and facilities from the department of transportation to



1 the authority. Such memoranda of understanding shall include,  
2 but not be limited to:

3 (1) The administrative support functions to be provided by  
4 the department of transportation, as mutually agreed;

5 (2) Those powers that will be exercised and duties that  
6 will be performed by each party;

7 (3) Those assets, funds, accounts, contracts, and  
8 liabilities that will be transferred to the Hawaii  
9 airport authority, and when such transfers will be  
10 made;

11 (4) Transfer of employees and when such transfers will be  
12 made;

13 (5) The time when services will be provided under the  
14 memorandum of understanding; and

15 (6) The reimbursement to the State for the services  
16 provided under such memoranda of understanding;  
17 provided that the memoranda of understanding shall  
18 provide for the lease, assignment, or transfer of  
19 ownership jurisdiction or authority to control the  
20 airports together with all assets, funds, accounts,  
21 contracts, and assumption of liabilities, and the



1 manner and timing of any such lease, assignment or  
2 transfer; provided further that the department of  
3 transportation shall receive no compensation in  
4 consideration of any such leases, assignments, or  
5 transfers.

6 SECTION 6. Beginning on July 1, 2018, the revisor of  
7 statutes shall substitute the "Hawaii airport authority" in  
8 chapter 261, Hawaii Revised Statutes, wherever the word  
9 "department" appears, except for the amendments made to section  
10 261-2, Hawaii Revised Statutes, in section 3 of this Act.

11 SECTION 7. It is the intent of this Act not to jeopardize  
12 the receipt of any federal aid nor to impair the obligation of  
13 the State or any agency thereof to the holders of any bond  
14 issued by the State or by any such agency, and to the extent,  
15 and only to the extent, necessary to effectuate this intent, the  
16 governor may modify the strict provisions of this Act, but shall  
17 promptly report any such modification with reasons therefor to  
18 the legislature at its next session thereafter for review by the  
19 legislature.



1 SECTION 8. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

4 SECTION 9. This Act shall be liberally construed to  
5 accomplish the purposes set forth herein. If any provision of  
6 this Act, or the application thereof to any person or  
7 circumstance, is held invalid, the invalidity shall not affect  
8 the other provisions or applications of this Act that can be  
9 given effect without the invalid provision or application, and  
10 to this end the provisions of this Act are severable.

11 SECTION 10. All rights, powers, functions, and duties of  
12 the department of transportation's airports division are  
13 transferred to the Hawaii airport authority on July 1, 2018.

14 The Hawaii airport authority shall be a successor employer  
15 to the State, and shall recognize all bargaining units and  
16 collective bargaining agreements existing at the time of  
17 transfer to the authority. The employees of the authority shall  
18 be considered employees of the State as provided in this  
19 section.

20 All employees who occupy civil service positions and whose  
21 functions are transferred to the Hawaii airport authority by



1 this Act shall retain their civil service status, whether  
2 permanent or temporary. Employees shall be transferred without  
3 loss of salary, seniority (except as prescribed by applicable  
4 collective bargaining agreements), retention points, prior  
5 service credit, any vacation and sick leave credits previously  
6 earned, and other rights, benefits, and privileges, in  
7 accordance with state personnel laws and this Act; provided that  
8 the employees possess the minimum qualifications and public  
9 employment requirements for the class or position to which  
10 transferred or appointed, as applicable; provided further that  
11 subsequent changes in status may be made pursuant to applicable  
12 civil service and compensation laws.

13 Any employee who, prior to this Act, is exempt from civil  
14 service and is transferred as a consequence of this Act may  
15 retain the employee's exempt status, but shall not be appointed  
16 to a civil service position as a consequence of this Act. An  
17 exempt employee who is transferred by this Act shall not suffer  
18 any loss of prior service credit, vacation or sick leave credits  
19 previously earned, or other employee benefits or privileges as a  
20 consequence of this Act; provided that the employees possess  
21 legal and public employment requirements for the position to



1 which transferred or appointed, as applicable; provided further  
2 that subsequent changes in status may be made pursuant to  
3 applicable employment and compensation laws. The administrator  
4 of the Hawaii airport authority may prescribe the duties and  
5 qualifications of these employees and fix their salaries without  
6 regard to chapter 76, Hawaii Revised Statutes.

7 No employee covered by a collective bargaining unit as an  
8 employee of the department of transportation shall be laid off  
9 as a result of the creation of the Hawaii airport authority.  
10 Employees who are offered the opportunity to transfer to the  
11 Hawaii airport authority may decline to do so. An employee who  
12 elects not to transfer to the Hawaii airport authority shall be  
13 retained by the department of transportation or assigned with  
14 the employee's position and seniority to another State agency.

15 In addition to the positions transferred to the Hawaii  
16 airport authority, the authority may create one or more new  
17 classifications of employees as determined by the board of  
18 directors. Such classifications shall not be deemed comparable  
19 to other classifications in State service, and shall be exempt  
20 from classified service.



1 On and after July 1, 2018, the Hawaii airport authority may  
2 hire employees into new unclassified positions without regard to  
3 any collective bargaining agreement then in effect and may set  
4 initial terms and conditions of employment for all employees in  
5 new unclassified positions.

6 The officers and all other employees of the Hawaii airport  
7 authority shall be State employees for the purposes of benefits  
8 and retirement. The authority shall reimburse the appropriate  
9 State agencies for all costs incurred by such designation.

10 SECTION 11. On July 1, 2018, all appropriations, records,  
11 equipment, machines, files, supplies, contracts, books, papers,  
12 documents, maps, and other personal property heretofore made,  
13 used, acquired, or held by the department of transportation  
14 relating to the functions transferred to the Hawaii airport  
15 authority shall be transferred with the functions to which they  
16 relate.

17 SECTION 12. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so  
19 much thereof as may be necessary for fiscal year 2016-2017 to  
20 carry out the purposes of this Act, including the hiring of  
21 consultants.





1           The sum appropriated shall be expended by the department of  
2 transportation for the purposes of this Act.

3           SECTION 13. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5           SECTION 14. This Act shall take effect on June 22, 2022.



**Report Title:**

Tourism; Transportation; Hawaii Airport Authority; Appropriation

**Description:**

Establishes the Hawaii airport authority. Sets out appointment of members to the board of directors of the Hawaii airport authority. Sets out powers and duties of the Hawaii airport authority. Transfers the aeronautics functions of DOT to the Hawaii airport authority beginning July 1, 2018. Makes an appropriation for purposes of this Act. Eff. 6/22/2022. (SD1)

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

