
A BILL FOR AN ACT

RELATING TO AERONAUTICS.

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

1 SECTION 1. Chapter 261, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 "§261- Fines levied by federal, state, or county
5 agencies; reimbursement. Notwithstanding any other law to the
6 contrary, any commercial airport tenant or user, including
7 airport contractor, who violates federal, state, or county law
8 or rule relating to environmental protection or the United
9 States Department of Homeland Security, including but not
10 limited to the United States Coast Guard, the United States
11 Customs and Border Protection, and Transportation Security
12 Administration, and thereby causes a fine to be levied by an
13 agency, shall reimburse the department for the entire amount of
14 the fine. The department may demand, collect, and deposit any
15 amount reimbursable under this section into the airport revenue
16 fund created by section 248-8 and may also demand, collect, and



1 deposit reimbursement for costs or expenses incurred by the
2 department to enforce this section.

3 §261- Private financing of airport improvements. (a)

4 Notwithstanding any law to the contrary, the department may
5 enter into a capital advancement contract with a private party
6 for any public improvement to or construction of airports
7 belonging to or controlled by the State; provided that the
8 director determines that a capital advancement contract promotes
9 the best interest of the State by finding that:

10 (1) Private development is likely to be less costly than
11 any type of contract;

12 (2) Private development provides needed public
13 improvements or constructions on a significantly more
14 timely basis; or

15 (3) Public financing for the public improvements or
16 constructions is not available on a timely basis.

17 (b) A capital advancement contract under subsection (a)
18 may be financed by legislative appropriation to reimburse the
19 private party or by credit against the private party's future
20 rental or tariff payments to the State; provided that the terms
21 of the contract shall ensure that the State benefits financially



1 from the arrangement and that public use of the facility is
2 maintained; provided further that capital advancement contracts
3 under this section shall not be general obligations of the State
4 for which the full faith and credit of the department is pledged
5 and the legislature shall have no obligation to appropriate
6 funds to reimburse a private party to a capital advancement
7 contract.

8 (c) A capital advancement contract under subsection (a)
9 shall be subject to the requirements of chapters 103 and 103D
10 and be subject to the approval of the department; provided that
11 all related transactions shall be subject to state audit.

12 (d) The department may execute capital advancement
13 contracts pursuant to subsection (a) with a total contract value
14 of \$5,000,000 or less without legislative approval. If the
15 total contract value of a capital advancement contract pursuant
16 to subsection (a) is greater than \$5,000,000, the department
17 shall obtain legislative approval in the form of the adoption of
18 a concurrent resolution affirming the purpose, project, and
19 contract issuance prior to executing the capital advancement
20 contract. The total aggregate value of all capital advancement



1 contracts entered into by the department pursuant to this
2 section shall not exceed \$50,000,000 in any calendar year.

3 (e) For the purposes of this section:

4 "Capital advancement contract" means an agreement between
5 the department and a private party whereby the private party
6 agrees to furnish capital, labor, or materials for a public
7 improvement to or construction of airports belonging to or
8 controlled by the State and in return for which the private
9 party may be reimbursed in a manner to be determined by the
10 department.

11 "Total contract value" includes any contract extension,
12 project redesign, add-ons, or any other occurrence, act, or
13 material cost that may increase the cost of the contracted
14 project."

15 SECTION 2. New statutory material is underscored.

16 SECTION 3. This Act shall take effect on July 1, 2050.

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Report Title:

Department of Transportation; Airports; Reimbursement for Fines Levied; Private Financing of Airport Improvements or Constructions

Description:

Authorizes the Department of Transportation Airports Division to demand and collect reimbursement from any airport contractor, tenant, or user for the entire amount of fines and penalties levied for the violation of federal, state, or county laws related to environmental protection or the United States Department of Homeland Security. Allows the Department of Transportation Airports Division to enter into a capital advancement contract with a private party for certain public improvement or construction projects at Hawaii's airports under certain circumstances. Takes effect 7/1/2050. (SD1)

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

