

JAN 20 2023

---

---

# A BILL FOR AN ACT

RELATING TO THE PUBLIC UTILITIES COMMISSION.

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

1           SECTION 1. Section 271G-17.5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "~~+~~§271G-17.5~~+~~ **Issuance of securities** [~~execution of~~  
4 ~~leases~~]. A water common carrier may, on securing the prior  
5 approval of the public utilities commission, and not otherwise,  
6 issue stocks and stock certificates, bonds, notes, and other  
7 evidences of indebtedness, payable at periods of more than  
8 twelve months after the date thereof, [~~and enter into long-term~~  
9 ~~leases of more than three years and leverage leases,~~] for the  
10 following purposes and no other, namely:

- 11           (1) For the acquisition of property; [~~or~~]  
12           (2) For the construction, completion, extension, or  
13           improvement of or addition to its facilities or  
14           service; [~~or~~]  
15           (3) For the discharge or lawful refunding of its  
16           obligations; or



## S.B. NO. 479

1           (4) For the reimbursement of moneys actually expended from  
2           income or from any other moneys in its treasury not  
3           secured by or obtained from the issue of its stocks or  
4           stock certificates, or bonds, notes, or other  
5           evidences of indebtedness, for any of the aforesaid  
6           purposes, except maintenance of service, replacements,  
7           and substitutions not constituting capital expenditure  
8           in cases where the water carrier has kept its accounts  
9           for such expenditures in such manner as to enable the  
10          commission to ascertain the amount of moneys so  
11          expended and the purposes for which the expenditures  
12          were made, and the sources of the funds in its  
13          treasury applied to the expenditures.

14          As used [~~herein,~~] in this section, "property" and  
15          "facilities" mean property and facilities used in all operations  
16          of a water carrier whether or not included in its regulated  
17          operations or rate base. A water carrier may not issue  
18          securities [~~nor enter into long term leases of more than three~~  
19          ~~years and leverage leases,~~] to acquire property or ~~to~~ construct,  
20          complete, extend or improve, or add to its facilities or  
21          service, if the commission determines that the proposed purpose



# S.B. NO. 479

1 will have a material adverse effect on its operations. No  
2 carrier shall repurchase or reissue its own common stock without  
3 prior commission approval.

4 All stock and every stock certificate, and every bond,  
5 note, or other evidence of indebtedness of a water carrier not  
6 payable within twelve months, issued without an order of the  
7 commission authorizing the same, then in effect, shall be void.  
8 ~~[In addition, all long-term leases of more than three years and~~  
9 ~~all leverage leases entered into by a water carrier without an~~  
10 ~~order of the commission authorizing the same then in effect~~  
11 ~~shall be void.]"~~

12 SECTION 2. This Act does not affect rights and duties that  
13 matured, penalties that were incurred, and proceedings that were  
14 begun before its effective date.

15 SECTION 3. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect on July 1, 2023.

18

INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 479

**Report Title:**

Public Utilities Commission; Common Water Carriers; Long-Term Leases; Leverage Leases

**Description:**

Removes requirement that common water carriers receive permission from the public utilities commission prior to executing a long-term lease of more than three years or a leverage lease.

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

