

JAN 20 2023

A BILL FOR AN ACT

RELATING TO WATER COMMON CARRIERS.

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



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~~] a manner as to
10 enable the commission to ascertain the amount of
11 moneys so expended and the purposes for which the
12 expenditures were made, and the sources of the funds
13 in its treasury applied to the expenditures.

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



1 operations. No carrier shall repurchase or reissue its own
2 common stock without prior commission approval.

3 All stock and every stock certificate, and every bond,
4 note, or other evidence of indebtedness of a water carrier not
5 payable within twelve months, issued without an order of the
6 commission authorizing the same, then in effect, shall be void.

7 ~~[In addition, all long term leases of more than three years and~~
8 ~~all leverage leases entered into by a water carrier without an~~
9 ~~order of the commission authorizing the same then in effect~~
10 ~~shall be void.] "~~

11 SECTION 2. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect upon its approval.

14

INTRODUCED BY:



S.B. NO. 841

Report Title:

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

Description:

Removes the requirement that water common carriers secure prior approval of the Public Utilities Commission to enter into long term leases of more than three years and leverage leases.

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