

Honolulu, Hawaii

MAR 21 2025

RE: H.B. No. 960
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred H.B. No. 960, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the maximum value of capital advancement contracts that may be executed by the Department of Transportation without legislative approval;
- (2) Repeal the requirement for the Department of Transportation to obtain legislative approval through concurrent resolution for capital advancement contracts greater than \$2,000,000;
- (3) Increase the total aggregate value of capital advancement contracts that the Department of Transportation may enter into in a fiscal year; and
- (4) Establish certain reporting requirements related to capital advancement contracts.



Your Committee received testimony in support of this measure from the Department of Transportation, Hawai'i Island Chamber of Commerce, Chamber of Commerce Hawaii, and Young Brothers.

Your Committee finds that Hawaii faces significant challenges in accelerating capital advancement projects that are essential for enhancing harbor resilience and operational efficiency. Currently, fiscal caps on these contracts limit the scope, type, and number of projects the Department of Transportation can execute, even when such projects are in the best interest of the State. Your Committee finds that recent rises in inflation, labor, and material costs have only exacerbated the need for an increase in capital advancement project caps. Therefore, this measure will significantly improve the efficiency and impact of capital projects that boost the state's economic resilience and operational capacity.

Accordingly, your Committee has amended this measure by:

- (1) Restoring language in existing law that requires the Department of Transportation to obtain legislative approval if the total value of a capital advancement contract is greater than \$2,000,000;
- (2) Changing the \$2,000,000 capital advancement contract cap for the Department of Transportation regarding legislative approval to an unspecified amount; and
- (3) Amending section 1 to reflect its amended purpose.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 960, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 960, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



