
A BILL FOR AN ACT

RELATING TO SMALL BOAT HARBORS.

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

1 SECTION 1. Chapter 200, Hawaii Revised Statutes, is
2 amended by adding three new sections to be appropriately
3 designated and to read as follows:

4 "§200-A Designation of small boat harbor improvement
5 project. (a) The board may designate a small boat harbor
6 improvement project if it determines that there is need for
7 replanning, renewal, or redevelopment of the facilities and
8 infrastructure of the small boat harbor to be designated.

9 (b) The board shall develop an improvement project plan.
10 The plan shall include but not be limited to:

- 11 (1) Harbor development guidance policies;
12 (2) Harbor improvement program; and
13 (3) Harbor improvement rules.

14 Cooperative agreements may be entered into between the
15 board and qualified persons or public agencies, where the
16 powers, services, and capabilities of such persons or agencies
17 are deemed necessary and appropriate by the board for the
18 development of the small boat harbor improvement project plan.



1 (c) The board may provide for a Hawaii nonprofit
2 association, established pursuant to chapter 414D, to provide
3 management of the improvement project, and to carry out
4 activities that the board may prescribe.

5 (d) Whenever practical, planning activities of the board
6 shall be coordinated with federal, state, and county laws and
7 ordinances. Consideration shall be given to:

- 8 (1) State goals and policies;
- 9 (2) Adopted state plans or land use guidance policies;
- 10 (3) County general plans;
- 11 (4) Development plans; and
- 12 (5) Ordinances.

13 (e) The board shall hold public hearings on any proposed
14 small boat harbor improvement project plan pursuant to chapter
15 91 and, after consideration of comments received and appropriate
16 revisions to the plan made, shall submit the improvement project
17 plan to the governor for the governor's approval.

18 After approval, the governor shall submit to the
19 legislature requests for appropriations or authorization to
20 issue bonds, or both, to implement the improvement project plan
21 in an orderly, affordable, and feasible manner. The governor



1 shall submit the requests to the legislature as part of the
2 executive budget or supplemental budget, as appropriate.

3 (f) The board may amend the improvement project plan as
4 may be necessary. Amendments shall be made in accordance with
5 chapter 91.

6 **§200-B Small boat harbor improvement project facilities and**

7 **infrastructure.** (a) The cost of providing the
8 facilities and infrastructure in an improvement
9 project plan shall be assessed against the permittees
10 who are owners of vessels moored in the designated
11 small boat harbor directly benefiting from the
12 improvements to the facilities and infrastructure.

13 The board:

14 (1) Shall determine the areas of the small boat harbor
15 that will benefit from the public facilities and
16 infrastructure improvements to be undertaken and, if
17 less than the entire small boat harbor benefits, the
18 board may establish assessment areas within the small
19 boat harbor;

20 (2) May issue and sell bonds in such amounts as may be
21 authorized by the legislature to provide funds to
22 finance such improvements; and



1 (3) Shall fix the assessments against permittees specially
2 benefited.

3 All assessments made pursuant to this section shall be a
4 statutory lien against each permittee assessed from the date of
5 the notice declaring the assessment until paid and such lien
6 shall have priority over all other liens.

7 (b) Bonds issued to provide funds to finance facilities
8 and infrastructure shall be secured by the permits benefited or
9 improved, the assessments thereon, or by the revenues derived
10 from the program for which the bonds are issued, including
11 reserve accounts and earnings thereon, insurance proceeds, and
12 other revenues, or any combination thereof. The bonds may be
13 additionally secured by the pledge or assignment of loans and
14 other agreements or any note or other undertaking, obligation,
15 or property held by the board.

16 Bonds issued pursuant to this section and the income
17 therefrom shall be exempt from all state and county taxation,
18 except transfer and estate taxes. The bonds shall be issued
19 according and subject to the provisions of the rules adopted
20 pursuant to this section.

21 (c) Notwithstanding any other law to the contrary, in
22 assessing permittees for the facilities and infrastructure



1 improvements, the board shall assess the permittee within the
2 small boat harbor according to the special benefits conferred
3 upon the permittee by the facilities or infrastructure. These
4 methods may include assessment on vessel length or any other
5 assessment method which assesses the permittee according to the
6 special benefit conferred, or any combination thereof.

7 (d) All moneys collected on account of assessments and
8 interest thereon for any facilities or infrastructure financed
9 by the issuance of bonds shall be set apart in the small boat
10 harbor improvement special fund, established pursuant to section
11 200-C, and applied solely to the payment of the principal and
12 interest on these bonds, the cost of administering, operating,
13 and maintaining the program, the establishment of reserves, and
14 other purposes as may be authorized for the issuance of the
15 bonds. If any surplus remains in the small boat harbor
16 improvement special fund after the payment of the bonds
17 chargeable against such fund, the surplus amount shall be
18 deposited into the boating special fund established pursuant to
19 section 248-8.

20 (e) Notwithstanding any law to the contrary, whenever, as
21 part of a small boat harbor improvement project plan, it becomes
22 necessary to remove, relocate, replace, or reconstruct public



1 utility facilities, the board shall establish by rule pursuant
2 to chapter 91, the allocation of cost between the board, the
3 affected public utilities, and permittees that may directly
4 benefit from such improvement.

5 **§200-C Small boat harbor improvement special fund.** (a)

6 There is established within the state treasury a special fund to
7 be known as the small boat harbor improvement special fund to be
8 administered and expended by the board.

9 (b) The moneys in the special fund shall be used by the
10 board for the payment of the principal and interest on bonds
11 issued by the board to fund the administering, operating, and
12 maintaining of small boat harbor improvement projects, the
13 establishment of reserves, and other purposes as may be
14 authorized for the issuance of the bonds.

15 (c) Fees remitted pursuant to section 200-B, legislative
16 appropriations and grants, donations, and contributions from
17 private or public sources for the purposes of the fund, shall be
18 deposited into the special fund.

19 (d) The board shall submit an annual report to the
20 legislature no later than twenty days prior to the convening of
21 each regular session that outlines the receipts of, and
22 expenditures from, the special fund."



1 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§36-27 Transfers from special funds for central service**
4 **expenses.** Except as provided in this section, and
5 notwithstanding any other law to the contrary, from time to
6 time, the director of finance, for the purpose of defraying the
7 prorated estimate of central service expenses of government in
8 relation to all special funds, except the:

- 9 (1) Special out-of-school time instructional program fund
10 under section 302A-1310;
- 11 (2) School cafeteria special funds of the department of
12 education;
- 13 (3) Special funds of the University of Hawaii;
- 14 (4) State educational facilities improvement special fund;
- 15 (5) Convention center enterprise special fund under
16 section 201B-8;
- 17 (6) Special funds established by section 206E-6;
- 18 (7) Housing loan program revenue bond special fund;
- 19 (8) Housing project bond special fund;
- 20 (9) Aloha Tower fund created by section 206J-17;
- 21 (10) Funds of the employees' retirement system created by
22 section 88-109;



- 1 (11) Unemployment compensation fund established under
- 2 section 383-121;
- 3 (12) Hawaii hurricane relief fund established under chapter
- 4 431P;
- 5 (13) Hawaii health systems corporation special funds;
- 6 (14) Tourism special fund established under section
- 7 201B-11;
- 8 (15) Universal service fund established under chapter 269;
- 9 (16) Integrated tax information management systems special
- 10 fund under section 231-3.2;
- 11 (17) Emergency and budget reserve fund under section
- 12 328L-3;
- 13 (18) Public schools special fees and charges fund under
- 14 section 302A-1130(f);
- 15 (19) Sport fish special fund under section 187A-9.5;
- 16 (20) Neurotrauma special fund under section 321H-4;
- 17 (21) Deposit beverage container deposit special fund under
- 18 section 342G-104;
- 19 (22) Glass advance disposal fee special fund established by
- 20 section 342G-82;
- 21 (23) Center for nursing special fund under section [[]304A-
- 22 2163[]];



- 1 (24) Passenger facility charge special fund established by
 - 2 section 261-5.5;
 - 3 (25) Solicitation of funds for charitable purposes special
 - 4 fund established by section 467B-15;
 - 5 (26) Land conservation fund established by section 173A-5;
 - 6 (27) Court interpreting services revolving fund under
 - 7 section 607-1.5;
 - 8 (28) Trauma system special fund under section 321-22.5;
 - 9 (29) Hawaii cancer research special fund;
 - 10 (30) Community health centers special fund; [~~and~~]
 - 11 (31) Emergency medical services special fund[[]]; and
 - 12 (32) Small boat harbor improvement special fund;
- 13 shall deduct five per cent of all receipts of all other special
- 14 funds, which deduction shall be transferred to the general fund
- 15 of the State and become general realizations of the State. All
- 16 officers of the State and other persons having power to allocate
- 17 or disburse any special funds shall cooperate with the director
- 18 in effecting these transfers. To determine the proper revenue
- 19 base upon which the central service assessment is to be
- 20 calculated, the director shall adopt rules pursuant to chapter
- 21 91 for the purpose of suspending or limiting the application of
- 22 the central service assessment of any fund. No later than



1 twenty days prior to the convening of each regular session of
2 the legislature, the director shall report all central service
3 assessments made during the preceding fiscal year.[]]"

4 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) Each special fund, except the:

- 7 (1) Transportation use special fund established by section
8 261D-1;
- 9 (2) Special out-of-school time instructional program fund
10 under section 302A-1310;
- 11 (3) School cafeteria special funds of the department of
12 education;
- 13 (4) Special funds of the University of Hawaii;
- 14 (5) State educational facilities improvement special fund;
- 15 (6) Special funds established by section 206E-6;
- 16 (7) Aloha Tower fund created by section 206J-17;
- 17 (8) Funds of the employees' retirement system created by
18 section 88-109;
- 19 (9) Unemployment compensation fund established under
20 section 383-121;
- 21 (10) Hawaii hurricane relief fund established under chapter
22 431P;



- 1 (11) Convention center enterprise special fund established
- 2 under section 201B-8;
- 3 (12) Hawaii health systems corporation special funds;
- 4 (13) Tourism special fund established under section
- 5 201B-11;
- 6 (14) Universal service fund established under chapter 269;
- 7 (15) Integrated tax information management systems special
- 8 fund under section 231-3.2;
- 9 (16) Emergency and budget reserve fund under section
- 10 328L-3;
- 11 (17) Public schools special fees and charges fund under
- 12 section 302A-1130(f);
- 13 (18) Sport fish special fund under section 187A-9.5;
- 14 (19) Neurotrauma special fund under section 321H-4;
- 15 (20) Center for nursing special fund under section [[304A-
- 16 2163[]];
- 17 (21) Passenger facility charge special fund established by
- 18 section 261-5.5;
- 19 (22) Court interpreting services revolving fund under
- 20 section 607-1.5;
- 21 (23) Trauma system special fund under section 321-22.5;
- 22 (24) Hawaii cancer research special fund;



- 1 (25) Community health centers special fund; [~~and~~]
 - 2 (26) Emergency medical services special fund[[]; and
 - 3 (27) Small boat harbor improvement special fund;
- 4 shall be responsible for its pro rata share of the
- 5 administrative expenses incurred by the department responsible
- 6 for the operations supported by the special fund concerned.[[]]"

7 SECTION 4. There is appropriated out of the small boat

8 harbor improvement special fund the sum of \$ or so much

9 thereof as may be necessary for fiscal year 2007-2008 for the

10 payment of the principal and interest on bonds issued by the

11 board to fund, the administering, operating, and maintaining of

12 small boat harbor improvement projects.

13 The sum appropriated shall be expended by the department of

14 land and natural resources for the purposes of this Act.

15 SECTION 5. In codifying the new sections added by section

16 1 of this Act, the revisor of statutes shall substitute

17 appropriate section numbers for the letters used in designating

18 the new sections in this Act.

19 SECTION 6. Statutory material to be repealed is bracketed

20 and stricken. New statutory material is underscored.



1 SECTION 7. This Act shall take effect on July 1, 2007.

2

INTRODUCED BY:

Richard S. III

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JAN 22 2007



Report Title:

Small Boat Harbor Improvements

Description:

Authorizes the Board of Land and Natural Resources to designate a small boat harbor improvement project if it determines that there is need for replanning, renewal, or redevelopment of the facilities and infrastructure. Provides a means for financing.

