
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that numerous small
2 business owners have been struggling with economic losses
3 because of rail transit construction in the State.

4 The purpose of this Act is to protect and support small
5 business viability and growth along rail transit corridors by
6 providing financial assistance to eligible small businesses that
7 have experienced a loss of business revenue from rail transit
8 development.

9 SECTION 2. (a) There is established within the state
10 treasury a rail business interruption fund to provide financial
11 assistance to small businesses that:

- 12 (1) Abut or face a rail transit corridor; and
13 (2) Are able to produce relevant financial records
14 including but not limited to gross receipts, payroll
15 taxes, bank statements, or other financial
16 documentation, that demonstrate a loss of business
17 revenue of at least twenty-five per cent or greater or



1 substantial hardship directly related to the
2 construction of rail transit.

3 The fund shall be administered by the office of planning.

4 (b) The fund shall consist of the following sources of
5 revenue in equal amounts:

6 (1) No less than \$2,000,000 in the aggregate from
7 contractors involved in rail transit construction;

8 (2) No less than \$2,000,000 from any county of the State
9 with a population of over seven hundred thousand; and

10 (3) No less than \$2,000,000 from the general fund,
11 to provide financial assistance to eligible small businesses.

12 (c) The fund shall be used to provide financial assistance
13 to eligible small businesses to cover fixed operating expenses,
14 such as utility, insurance, rent or mortgage, payroll, and other
15 types of eligible documented business related expenses, as
16 determined by the office of planning or an independent
17 accounting firm under contract as set forth in subsection (d).

18 The total amount of financial assistance a small business may be
19 eligible for from the fund shall be the lesser amount of
20 \$25,000, or sixty per cent of annual business losses.



1 (d) The office of planning may contract with an
2 independent accounting firm to ascertain and confirm the losses
3 of an applicant small business and to assist in determining the
4 eligibility of a small business for financial assistance from
5 the fund.

6 (e) The office of planning shall require all rail transit
7 construction contractors to contribute to the fund. The office
8 of planning shall designate the method by which the
9 contributions from rail transit construction contractors shall
10 be calculated, assessed, and collected.

11 (f) The office of planning may adopt rules in accordance
12 with chapter 91, Hawaii Revised Statutes, for the purposes of
13 this section.

14 (g) For the purposes of this section:

15 "Fund" means the rail business interruption fund.

16 "Small business" means a for profit business:

17 (1) With at least two years of continuous operation
18 history prior to the commencement of rail transit
19 construction;

20 (2) With twenty-five or fewer employees; and



1 (3) That is in good standing with local, state, and
2 federal taxing and licensing authorities.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$150,000 or so much
5 thereof as may be necessary for fiscal year 2017-2018 and the
6 same sum or so much thereof as may be necessary for fiscal year
7 2018-2019 to be deposited into the rail business interruption
8 fund established by this Act.

9 SECTION 4. There is appropriated out of the rail business
10 interruption fund the sum of \$150,000 or so much thereof as may
11 be necessary for fiscal year 2017-2018 and the same sum or so
12 much thereof as may be necessary for fiscal year 2018-2019 to
13 provide financial assistance to eligible small businesses
14 pursuant to this Act.

15 The sums appropriated shall be expended by the office of
16 planning for the purposes of this Act.

17 SECTION 5. On the date of the repeal of this Act, any
18 unencumbered balance remaining in the rail business interruption
19 fund shall lapse to the credit of the general fund.



H.B. NO. 539

1 SECTION 6. This Act shall take effect upon its approval;
2 provided that sections 3 and 4 shall take effect on July 1,
3 2017; provided further that this Act shall be repealed on July
4 1, 2020.

5

INTRODUCED BY:

John M. [Signature]
[Signature]
Jakobi [Signature]

JAN 20 2017



H.B. NO. 539

Report Title:

Rail Business Interruption Fund; Appropriation

Description:

Establishes a Rail Business Interruption Fund to help small businesses struggling with economic loss directly related to rail transit construction. Appropriates funds for the implementation of the Fund.

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

