
A BILL FOR AN ACT

RELATING TO CONCESSIONS.

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

1 SECTION 1. The purpose of this Act is to provide the
2 department of transportation flexibility and discretion to
3 provide fair and important relief to all concessions who are
4 struggling in times of unpredictable crisis to remain in place
5 and provide services to passengers, including those on a
6 holdover or revocable permit who may have not been able to
7 receive relief granted to those operating under lease
8 agreements.

9 SECTION 2. Section 102-10, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "§102-10 Modification of contract terms. [~~if~~]
12 Notwithstanding any other law to contrary, if during the term of
13 the contract [(-)], including [~~contracts which have~~] any type of
14 lease, holdover, revocable permit, or formalized agreement that
15 has been executed [~~and are~~] or is presently in force[(-)], there
16 has been a reduction of fifteen per cent or more in the volume
17 of business of the concessionaire for a period of sixty days or



1 more, computed on the average monthly gross income for the
 2 eighteen months just prior to the period or as long as the
 3 concessionaire has been in the business, whichever period is
 4 shorter, and such reduction as determined by the officer letting
 5 the contract is caused by construction work conducted during the
 6 period of time on, or within or contiguous to, the public
 7 property upon which the concession is located by either the
 8 state or county governments, or both, the officer, with the
 9 approval of the governor in the case of a state officer and the
 10 chief executive of the respective county in the case of a county
 11 officer, may modify any of the terms of the contract, including
 12 the agreed upon rent, for a period which will allow the
 13 concessionaire to recoup the amount lost by such reduction;
 14 provided that if the contract includes provisions allowing
 15 modification for the above contingencies, this section shall not
 16 be applicable thereto; provided further that this provision
 17 shall not apply to any particular concession if the application
 18 thereto may impair any contractual obligations with bondholders
 19 of the State or counties or with any other parties."

20 SECTION 3. Statutory material to be repealed is bracketed
 21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Department of Transportation; Airport Concessions; Substantial Hardship; Contracts

Description:

Provides the Department of Transportation with more flexibility and discretion to address substantial hardship situations that impact airport concession contracts. Effective 7/1/2050. (SD1)

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