STAND. COM. REP. NO.

230

Honolulu, Hawaii

FEB 1 4 2023

RE: S.B. No. 1400 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 1400 entitled:

"A BILL FOR AN ACT RELATING TO CAPITAL ADVANCEMENT CONTRACTS."

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase the total contract value and total aggregate value of capital advancement contracts entered into by the Department of Transportation for harbor improvements; and
- (2) Require a report to the Legislature.

Your Committee received testimony in support of this measure from the Department of Transportation; Hawaii Harbor Users Group; Young Brothers, LLC; and Matson Navigation Company, Inc.

Your Committee finds that existing law authorizes the Department of Transportation Harbors Division to enter into capital advancement contracts with private parties for any public improvement to or construction of a state harbor facility when the Director of Transportation determines that a capital advancement contract promotes the best interest of the State. Capital advancement contracts serve as an effective tool to expedite

project delivery, especially for projects that increase port resilience and operational efficiency. However, current limits to capital advancement contracts restrict the Department of Transportation and the types of projects that can be completed under capital advancement contracts. Increasing the current limits on capital advancement contracts will provide greater flexibility to achieve project and infrastructure goals and ensure that the Department of Transportation can accomplish more in improving harbors facilities throughout the State.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to encourage further discussion.

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 S.B. No. 1400, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1400, 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

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Transportation and Culture and the Arts TCA

Bill / Resolution No.:*	Committee Referral:		Dat	Date:	
SB1400	TCA,	WAM		17/23	, ,
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)		V			
INOUYE, Lorraine R. (VC)		V			
ELEFANTE, Brandon J.C.					V
KEOHOKALOLE, Jarrett		V /			
AWA, Brenton		V			
			1		
2000					
			<u> </u>		
			-		
		.)	-		
TOTAL		4			
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature: Hanneye					
Distribution: Original Yellow Pink Goldenrod					
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes