

STAND. COM. REP. NO.

230

Honolulu, Hawaii

FEB 14 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,



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CHRIS LEE, Chair



