
A BILL FOR AN ACT

RELATING TO AIRLINES.

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

1 SECTION 1. The legislature finds that since January 2021,
2 only one passenger airline has provided service to the general
3 public out of Molokai airport. While the airline has done its
4 best to accommodate the needs of passengers, including adding
5 additional routes and flight times, and ordering larger planes,
6 the cost of plane tickets remains a hinderance to many Molokai
7 residents who need to travel for essential reasons, including
8 work, medical appointments, and family.

9 The legislature further finds that alleviating costs of air
10 travel, primarily for small communities reliant on air travel
11 for essential services and other needs, is a public purpose; and
12 encouraging additional airlines to provide reliable airline
13 services to and from Molokai to assist the residents who need to
14 travel for essential reasons is a public purpose. A subsidy can
15 help the airlines offset the cost of passenger tickets while
16 encouraging other airlines to also provide service at Molokai
17 airport.



1 The purpose of this Act is to require the department of
2 transportation to establish a two-year pilot program to provide
3 subsidies to airlines operating out of Molokai airport.

4 SECTION 2. (a) The department of transportation shall
5 establish and implement a two-year airline subsidy pilot program
6 at Molokai airport to assist airlines that operate in and out of
7 Molokai airport in offsetting their costs of operation.

8 (b) The airline subsidy pilot program shall provide
9 subsidies to qualified applicants under the following terms,
10 conditions, and standards:

11 (1) Any subsidy shall be used exclusively for the purposes
12 of the pilot program;

13 (2) The applicant shall indicate capability to properly
14 use the subsidy for the costs of operation in and out
15 of Molokai airport;

16 (3) The applicant shall comply with all applicable federal
17 and state laws prohibiting discrimination against any
18 person on the basis of race, color, national origin,
19 religion, creed, sex, age, sexual orientation,
20 disability, or any other characteristic protected
21 under applicable federal or state law;



- 1 (4) The subsidy shall not be used for purposes of
- 2 entertainment or perquisites;
- 3 (5) All activities undertaken with subsidy funds received
- 4 shall comply with all applicable federal, state, and
- 5 county statutes and ordinances;
- 6 (6) The applicant shall:
- 7 (A) Indemnify and hold harmless the State and its
- 8 officers, agents, and employees from and against
- 9 any and all claims arising out of or resulting
- 10 from activities carried out or projects
- 11 undertaken with funds received from the pilot
- 12 program; and
- 13 (B) Obtain sufficient insurance to provide the
- 14 indemnification under subparagraph (A), if
- 15 requested to do so by the department of
- 16 transportation;
- 17 (7) The applicant shall agree to make available to the
- 18 department of transportation all records the applicant
- 19 may have relating to the subsidy to monitor the
- 20 applicant's compliance with the requirements of the
- 21 pilot program; and



1 (8) The applicant shall comply with other requirements as
2 the department of transportation may prescribe.

3 (c) The department of transportation shall submit a report
4 of its findings and recommendations regarding the airline
5 subsidy pilot program, including any proposed legislation, to
6 the legislature no later than twenty days prior to the convening
7 of the regular session of 2025.

8 (d) The airline subsidy pilot program shall cease to exist
9 on July 1, 2025.

10 SECTION 3. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so
12 much thereof as may be necessary for fiscal year 2023-2024 and
13 the same sum or so much thereof as may be necessary for fiscal
14 year 2024-2025 for the airline subsidy pilot program.

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

17 SECTION 4. This Act shall take effect on June 30, 3000.



Report Title:

Airlines; Subsidy; Pilot Program; Molokai Airport; Appropriation

Description:

Requires the department of transportation to establish and implement a two-year airline subsidy pilot program at Molokai airport to assist airlines in offsetting the costs of operation. Appropriates funds. Sunsets 7/1/2025. Effective 6/30/3000.
(HD2)

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