

Honolulu, Hawaii

FEB 14 2025RE: S.B. No. 1197
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 1197 entitled:

"A BILL FOR AN ACT RELATING TO AIRCRAFT,"

begs leave to report as follows:

The purpose and intent of this measure is to require the Director of Transportation to adopt rules that require tour aircraft operators to carry aircraft liability insurance coverage.

Your Committee received testimony in support of this measure from the Department of Transportation, Windward Coalition, Hawaii Association for Justice, and Blue Hawaiian.

Your Committee received testimony in opposition to this measure from the Department of the Attorney General, Rainbow Helicopters, Vertical Aviation International, and Jack Harter Helicopters.

Your Committee finds that the use of helicopters for business and recreational purposes in the State carries the risk of property damage, bodily injury, and even death. The recent helicopter crash in Kauai that killed three people brings the total count of victims killed in the State in air tour accidents since 2000 to forty-eight. This measure will address the need for greater safety and risk mitigation among tour helicopter operators



in the State by requiring helicopter operators to carry aircraft liability insurance coverage.

Your Committee notes the concerns raised by the Department of the Attorney General regarding the preemption of accident liability insurance established by federal rules. Presently, federal law establishes minimum liability insurance coverage requirements for air carriers based on classification and passenger capacity. As this bill may conflict with federal law, your Committee respectfully requests your subsequent Committees who choose to deliberate on this measure to examine federal preemption of liability insurance coverage.

Accordingly, your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



