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## A BILL FOR AN ACT

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RELATING TO WATER CARRIERS.

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

1           SECTION 1. Chapter 271G, Hawaii Revised Statutes, is  
2 amended by adding three new sections to be appropriately  
3 designated and to read as follows:

4           "§271G-     Certificates of public convenience and necessity  
5 for water carriers. (a) No person which holds itself out to  
6 the general public to engage in the transportation by water of  
7 passengers or property or any class or classes thereof for  
8 compensation, between points in the State, shall operate, unless  
9 there is in force with respect to the water carrier a  
10 certificate of public convenience and necessity issued by the  
11 department authorizing the transportation; provided that this  
12 section shall not apply to any water carrier to the extent that  
13 the carrier is excluded from the definition of a public utility  
14 under section 269-1(2) (E) and (F).

15           (b) Applications for certificates shall be made in writing  
16 under oath to the department in the form as it requires.



1       (c) A certificate shall be issued to any qualified  
2 applicant therefor, authorizing the whole or any part of the  
3 operations covered by the application, if it is found that the  
4 applicant is fit, willing, and able properly to perform the  
5 service proposed and to conform to the provisions of this  
6 chapter and the requirements, rules, and regulations of the  
7 department, and that the proposed service, to the extent  
8 authorized by the certificate, is or will be required by the  
9 present or future public convenience and necessity; otherwise  
10 the application shall be denied. Any certificate issued shall  
11 specify the service to be rendered and the routes and ports that  
12 the water carrier is to serve and there shall be attached to the  
13 exercise of the privileges granted by the certificate, at the  
14 time of issuance and from time to time thereafter, the  
15 reasonable conditions and limitations as the public convenience  
16 and necessity may require.

17       (d) The department may at any time suspend, change, or  
18 revoke the certificate in the manner provided in section  
19 271G-15.

20       \$271G-     Preferential water carrier service rates for  
21 agricultural activities. The department may authorize



preferential water carrier service rates by tariff for  
ratepayers that engage in agricultural activities. The  
application process for obtaining preferential water carrier  
service rates by tariff may be established by the department.

**§271G- Liability of initial and delivering water carrier**  
**for loss; limitation of liability; notice and filing of claim.**

Any water carrier receiving property for transportation from a  
point in Hawaii to a point in Hawaii shall issue a receipt or  
bill of lading therefor, and shall be liable to the lawful  
holder thereof for any loss, damage, or injury to the property  
caused by it or by any water carrier to which the property may  
be delivered or over whose line or lines the property may pass  
when transported on a bill of lading, and no contract, receipt,  
rule, regulation, or other limitation of any character  
whatsoever shall exempt the water carrier from the liability  
imposed; provided that if the loss, damage, or injury occurs  
while the property is in the custody of the water carrier the  
liability of the water carrier shall be determined by the bill  
of lading of the water carrier and by and under the laws and  
regulations applicable to transportation by water, and the  
liability of the initial or delivering carrier shall be the same



1 as that of the water carrier; provided further that nothing in  
2 this section shall deprive any holder of the receipt or bill of  
3 lading of any remedy or right of action which the holder has  
4 under existing law; provided further that it shall be unlawful  
5 for any such receiving or delivering water carrier to provide by  
6 rule, contract, regulation, or otherwise a shorter period for  
7 the filing of claims than four months, and for the institution  
8 of suits than two years, the period for institution of suits to  
9 be computed from the day when notice in writing is given by the  
10 water carrier to the claimant that the water carrier has  
11 disallowed the claim or any part or parts thereof specified in  
12 the notice."

13 SECTION 2. Section 269-1, Hawaii Revised Statutes, is  
14 amended by amending the definition of "public utility" to read  
15 as follows:

16 ""Public utility":

17 (1) Includes every person who may own, control, operate,  
18 or manage as owner, lessee, trustee, receiver, or  
19 otherwise, whether under a franchise, charter,  
20 license, articles of association, or otherwise, any  
21 plant or equipment, or any part thereof, directly or



1 indirectly for public use for the transportation of  
2 passengers or freight; for the conveyance or  
3 transmission of telecommunications messages; for the  
4 furnishing of facilities for the transmission of  
5 intelligence by electricity within the State or  
6 between points within the State by land, water, or  
7 air; for the production, conveyance, transmission,  
8 delivery, or furnishing of light, power, heat, cold,  
9 water, gas, or oil; for the storage or warehousing of  
10 goods; or for the disposal of sewage; provided that  
11 the term shall include:

12 (A) An owner or operator of a private sewer company  
13 or sewer facility; and

14 (B) A telecommunications carrier or  
15 telecommunications common carrier; and

16 (2) Shall not include:

17 (A) An owner or operator of an aerial transportation  
18 enterprise;

19 (B) An owner or operator of a taxicab as defined in  
20 this section;



1 (C) Common carriers that transport only freight on  
2 the public highways, unless operating within  
3 localities, along routes, or between points that  
4 the public utilities commission finds to be  
5 inadequately serviced without regulation under  
6 this chapter;

7 (D) Persons engaged in the business of warehousing or  
8 storage unless the commission finds that  
9 regulation is necessary in the public interest;

10 (E) A carrier by water to the extent that the carrier  
11 enters into private contracts for towage,  
12 salvage, hauling, or carriage between points  
13 within the State; provided that the towing,  
14 salvage, hauling, or carriage is not pursuant to  
15 either an established schedule or an undertaking  
16 to perform carriage services on behalf of the  
17 public generally;

18 (F) A carrier by water, substantially engaged in  
19 interstate or foreign commerce, that transports  
20 passengers on luxury cruises between points



1           within the State or on luxury round-trip cruises  
2           returning to the point of departure;

3           (G) Any user, owner, or operator of the Hawaii  
4           electric system as defined under section 269-141;

5           (H) A telecommunications provider only to the extent  
6           determined by the public utilities commission  
7           pursuant to section 269-16.9;

8           (I) Any person who controls, operates, or manages  
9           plants or facilities developed pursuant to  
10          chapter 167 for conveying, distributing, and  
11          transmitting water for irrigation and other  
12          purposes for public use and purpose;

13          (J) Any person who owns, controls, operates, or  
14          manages plants or facilities for the reclamation  
15          of wastewater; provided that:

16          (i) The services of the facility are provided  
17               pursuant to a service contract between the  
18               person and a state or county agency and at  
19               least ten per cent of the wastewater  
20               processed is used directly by the state or



county agency that entered into the service contract;

(ii) The primary function of the facility is the processing of secondary treated wastewater that has been produced by a municipal wastewater treatment facility owned by a state or county agency;

(iii) The facility does not make sales of water to residential customers;

(iv) The facility may distribute and sell recycled or reclaimed water to entities not covered by a state or county service contract; provided that, in the absence of regulatory oversight and direct competition, the distribution and sale of recycled or reclaimed water shall be voluntary and its pricing fair and reasonable. For purposes of this subparagraph, "recycled water" and "reclaimed water" means treated wastewater that by design is intended or used for a beneficial purpose; and





(v) The facility is not engaged, either directly or indirectly, in the processing of food wastes;

(K) Any person who owns, controls, operates, or manages any seawater air conditioning district cooling project; provided that at least fifty per cent of the energy required for the seawater air conditioning district cooling system is provided by a renewable energy resource, such as cold, deep seawater;

(L) Any person who owns, controls, operates, or manages plants or facilities primarily used to charge or discharge a vehicle battery that provides power for vehicle propulsion;

(M) Any person who:

(i) Owns, controls, operates, or manages a renewable energy system that is located on a customer's property; and

(ii) Provides, sells, or transmits the power generated from that renewable energy system to an electric utility or to the customer on



1           whose property the renewable energy system  
2           is located; provided that, for purposes of  
3           this subparagraph, a customer's property  
4           shall include all contiguous property owned  
5           or leased by the customer without regard to  
6           interruptions in contiguity caused by  
7           easements, public thoroughfares,  
8           transportation rights-of-way, and utility  
9           rights-of-way; and

10           (N) Any person who owns, controls, operates, or  
11           manages a renewable energy system that is located  
12           on the person's property and provides, sells, or  
13           transmits the power generated from that renewable  
14           energy system to an electric utility or to  
15           lessees or tenants on the person's property where  
16           the renewable energy system is located; provided  
17           that:

18           (i) An interconnection, as defined in section  
19           269-141, is maintained with an electric  
20           public utility to preserve the lessees' or



1 tenants' ability to be served by an electric  
2 utility;

3 (ii) The person does not use an electric public  
4 utility's transmission or distribution lines  
5 to provide, sell, or transmit electricity to  
6 lessees or tenants;

7 (iii) At the time that the lease agreement is  
8 signed, the rate charged to the lessee or  
9 tenant for the power generated by the  
10 renewable energy system shall be no greater  
11 than the effective rate charged per kilowatt  
12 hour from the applicable electric utility  
13 schedule filed with the public utilities  
14 commission;

15 (iv) The rate schedule or formula shall be  
16 established for the duration of the lease,  
17 and the lease agreement entered into by the  
18 lessee or tenant shall reflect the rate  
19 schedule or formula;

20 (v) The lease agreement shall not abrogate any  
21 terms or conditions of applicable tariffs



1 for termination of services for nonpayment  
2 of electric utility services or rules  
3 regarding health, safety, and welfare; and

4 (vi) The lease agreement shall disclose: (1) the  
5 rate schedule or formula for the duration of  
6 the lease agreement; (2) that, at the time  
7 that the lease agreement is signed, the rate  
8 charged to the lessee or tenant for the  
9 power generated by the renewable energy  
10 system shall be no greater than the  
11 effective rate charged per kilowatt hour  
12 from the applicable electric utility  
13 schedule filed with the public utilities  
14 commission; (3) that the lease agreement  
15 shall not abrogate any terms or conditions  
16 of applicable tariffs for termination of  
17 services for nonpayment of electric utility  
18 services or rules regarding health, safety,  
19 and welfare; and (4) whether the lease is  
20 contingent upon the purchase of electricity  
21 from the renewable energy system; provided



1 further that any disputes concerning the  
2 requirements of this provision shall be  
3 resolved pursuant to the provisions of the  
4 lease agreement or chapter 521, if  
5 applicable.

6 If the application of this chapter is ordered by the  
7 commission in any case provided in paragraph (2) (C), (D), (H),  
8 and (I), the business of any public utility that presents  
9 evidence of bona fide operation on the date of the commencement  
10 of the proceedings resulting in the order shall be presumed to  
11 be necessary to the public convenience and necessity, but any  
12 certificate issued under this proviso shall nevertheless be  
13 subject to terms and conditions as the public utilities  
14 commission may prescribe, as provided in ~~[sections]~~ section  
15 269-16.9 ~~[and 269-20]~~."

16 SECTION 3. Section 269-19.5, Hawaii Revised Statutes, is  
17 amended by amending subsection (a) to read as follows:

18 "(a) For purposes of this section "affiliated interests"  
19 with a public utility includes the following:

20 (1) Every person owning or holding, directly or  
21 indirectly, ten per cent or more of the voting



1 securities of a public utility, and every person  
2 having ownership of ten per cent or more of voting  
3 securities of a person owning ten per cent or more of  
4 the voting securities of a public utility;

5 (2) Every corporation ten per cent or more of whose voting  
6 securities is owned by any person owning ten per cent  
7 or more of the voting securities of a public utility;

8 (3) Every person who is an officer or director of a public  
9 utility;

10 (4) Every corporation operating a public utility, or  
11 providing engineering, accounting, legal, or similar  
12 service to public utilities [~~or common carriers by~~  
13 ~~water, which~~] that has three or more officers or three  
14 or more directors in common with a public utility, and  
15 every other corporation which has directors in common  
16 with a public utility where the number of common  
17 directors is more than one-third of the total number  
18 of the utility's directors."

19 SECTION 4. Section 269-23, Hawaii Revised Statutes, is  
20 amended to read as follows:



1       "§269-23   Liability of initial and delivering common  
2   carrier for loss; limitation of liability; notice and filing of  
3   claim. Any common carrier receiving property for transportation  
4   from a point in Hawaii to a point in Hawaii shall issue a  
5   receipt or bill of lading therefor, and shall be liable to the  
6   lawful holder thereof for any loss, damage, or injury to the  
7   property caused by it or by any common carrier or transportation  
8   company to which the property may be delivered or over whose  
9   line or lines the property may pass when transported on a  
10   through bill of lading, and no contract, receipt, rule,  
11   regulation, or other limitation of any character whatsoever  
12   shall exempt the common carrier from the liability imposed; and  
13   any [~~such~~] common carrier so receiving property for  
14   transportation or any common carrier or transportation company  
15   delivering the property so received and transported shall be  
16   liable to the lawful holder of the receipt or bill of lading or  
17   to any party entitled to recover thereon, whether the receipt or  
18   bill of lading has been issued or not, for the full actual loss,  
19   damage, or injury to [~~such~~] the property caused by it or by any  
20   common carrier or transportation company to which the property  
21   may be delivered or over whose line or lines the property may



1 pass when transported on a through bill of lading,  
2 notwithstanding any limitation of liability or limitation of the  
3 amount of recovery or representation or agreement as to value in  
4 any receipt or bill of lading, or in any contract, rule,  
5 regulation, or in any tariff filed with the public utilities  
6 commission; and any [~~such~~] limitation, without respect to the  
7 manner or form in which it is sought to be made is declared to  
8 be unlawful and void[~~;~~ ~~provided that if the loss, damage, or~~  
9 ~~injury occurs while the property is in the custody of a carrier~~  
10 ~~by water the liability of the carrier shall be determined by the~~  
11 ~~bill of lading of the carrier by water and by and under the laws~~  
12 ~~and regulations applicable to transportation by water, and the~~  
13 ~~liability of the initial or delivering carrier shall be the same~~  
14 ~~as that of the carrier by water]; provided that the provisions~~  
15 ~~[hereof]~~ respecting liability for full actual loss, damage, or  
16 injury, notwithstanding any limitation of liability or recovery  
17 or representation or agreement or release as to value, and  
18 declaring any [~~such~~] limitation to be unlawful and void, shall  
19 not apply, first, to baggage carried on passenger trains [~~or~~  
20 ~~boats~~], or trains [~~or boats~~] carrying passengers; second, to  
21 property, except ordinary livestock, received for transportation





1 concerning which the carrier shall have been or shall be  
2 expressly authorized or required by order of the commission to  
3 establish and maintain rates dependent upon the value declared  
4 in writing by the shipper or agreed upon in writing as the  
5 released value of the property, in which case the declaration or  
6 agreement shall have no other effect than to limit liability and  
7 recovery to an amount not exceeding the value so declared or  
8 released, and any tariff schedule which may be filed with the  
9 commission pursuant to the order shall contain specific  
10 reference thereto and may establish rates varying with the value  
11 ~~[se]~~ declared and agreed upon; and the commission may make  
12 ~~[such]~~ the order in cases where rates dependent upon and varying  
13 with declared or agreed values would, in its opinion, be just  
14 and reasonable under the circumstances and conditions  
15 surrounding the transportation; provided further that nothing in  
16 this section shall deprive any holder of the receipt or bill of  
17 lading of any remedy or right of action which the holder has  
18 under the existing law; provided further that it shall be  
19 unlawful for any ~~[such]~~ receiving or delivering common carrier  
20 to provide by rule, contract, regulation, or otherwise a shorter  
21 period for the filing of claims than four months, and for the



1 institution of suits than two years, [~~such~~] the period for  
2 institution of suits to be computed from the day when notice in  
3 writing is given by the carrier to the claimant that the carrier  
4 has disallowed the claim or any part or parts thereof specified  
5 in the notice; [~~and~~] provided further that the liability imposed  
6 by this section shall also apply in the case of property  
7 reconsigned or diverted in accordance with the applicable  
8 tariffs filed as provided by the commission."

9 SECTION 5. Section 269-33, Hawaii Revised Statutes, is  
10 amended by amending subsections (a) and (b) to read as follows:

11 "(a) There is established in the state treasury a public  
12 utilities commission special fund to be administered by the  
13 public utilities commission. The proceeds of the fund shall be  
14 used by the public utilities commission and the division of  
15 consumer advocacy of the department of commerce and consumer  
16 affairs for all expenses incurred in the administration of  
17 chapters 269, 271, [~~271G,~~] 269E, and 486J, and for costs  
18 incurred by the department of commerce and consumer affairs to  
19 fulfill the department's limited oversight and administrative  
20 support functions; provided that the expenditures of the public  
21 utilities commission shall be in accordance with legislative



1 appropriations. On a quarterly basis, an amount not exceeding  
2 thirty per cent of the proceeds remaining in the fund after the  
3 deduction for central service expenses, pursuant to section  
4 36-27, shall be allocated by the public utilities commission to  
5 the division of consumer advocacy and deposited in the  
6 compliance resolution fund established pursuant to section  
7 26-9(o); provided that all moneys allocated by the public  
8 utilities commission from the fund to the division of consumer  
9 advocacy shall be in accordance with legislative appropriations.

10 (b) All moneys appropriated to, received, and collected by  
11 the public utilities commission that are not otherwise pledged,  
12 obligated, or required by law to be placed in any other special  
13 fund or expended for any other purpose shall be deposited into  
14 the public utilities commission special fund including, but not  
15 limited to, all moneys received and collected by the public  
16 utilities commission pursuant to sections 92-21, 243-3.5,  
17 269-28, 269-30, 271-27, 271-36, [~~271G-19, 271G-19, 271G-19~~] 269E-6, 269E-14, and  
18 607-5."

19 SECTION 6. Section 271G-3, Hawaii Revised Statutes, is  
20 amended to read as follows:



1       "~~§271G-3 Administration~~~~[; governing provisions of other~~  
2 ~~acts]~~. This chapter shall be administered by the [~~public~~  
3 ~~utilities commission of the State]~~ department and the provisions  
4 of this chapter [~~and of chapter 269, not inconsistent with this~~  
5 ~~chapter,~~] shall govern its administration~~[; provided that~~  
6 ~~sections 269-16 to 269-28 shall not apply in any respect to the~~  
7 ~~regulation of water carriers]~~."

8       SECTION 7. Section 271G-5, Hawaii Revised Statutes, is  
9 amended as follows:

10       1. By adding a new definition to be appropriately  
11 inserted and to read:

12       "Department" means the department of transportation."

13       2. By amending the definitions of "document" and  
14 "enforcement officer" to read:

15       ""Document" includes any application, complaint, pleading,  
16 brief, answer, motion, memorandum, declaration, exhibit,  
17 certificate of service, and other papers filed by or with the  
18 [~~commission.~~] department.

19       "Enforcement officer" means any person employed and  
20 authorized by the [~~commission]~~ department to investigate any  
21 matter on behalf of the [~~commission]~~ department."



1           3. By repealing the definition of "commission".

2           [~~"Commission" means the public utilities commission."~~]

3           SECTION 8. Section 271G-7, Hawaii Revised Statutes, is  
4 amended to read as follows:

5           "**§271G-7 General duties and powers of the ~~commission~~**  
6 **department**. The general duties and powers of the [~~public~~  
7 ~~utilities commission~~] department shall be:

8           (1) To regulate water carriers, and to that end the  
9           ~~[commission]~~ department shall have and utilize [~~the~~  
10 ~~investigative powers set forth in section 269-7 as~~  
11 ~~well as]~~ all of the duties and powers specifically  
12 enumerated in this chapter[, ~~and water carriers shall~~  
13 ~~be subject to the duties set forth in sections 269-8~~  
14 ~~and 269-9 as well as all of the duties specifically~~  
15 ~~enumerated herein]~~.

16           (2) To establish [~~such~~] just and reasonable  
17 classifications of water carriers as the special  
18 nature of the services performed by the carriers shall  
19 require, and [~~such~~] just and reasonable rules,  
20 regulations, and requirements, consistent with this  
21 chapter, to be observed by the carriers so classified



1 or grouped, as the [~~commission~~] department deems  
2 necessary or desirable in the public interest. [~~Such~~]  
3 The classifications, rules, regulations, and  
4 requirements shall be adopted and promulgated pursuant  
5 to the provisions of chapter 91 and shall have the  
6 force and effect of law.

7 (3) Upon complaint in writing to the [~~commission~~]  
8 department by any person or body politic, or upon its  
9 own initiative without complaint, the [~~commission~~]  
10 department may investigate whether any water carrier  
11 has failed to comply with any provision of this  
12 chapter, or with any rule or order adopted or issued  
13 [~~hereunder.~~] under this section.

14 (4) The [~~commission~~] department may investigate any person  
15 acting in the capacity of or engaging in the business  
16 of a water carrier within the State, without having a  
17 certificate of public convenience and necessity or  
18 other authority previously obtained under and in  
19 compliance with this chapter or the rules promulgated  
20 under this chapter."



1       SECTION 9. Section 286-271, Hawaii Revised Statutes, is  
2 amended by amending subsection (e) to read as follows:

3       "(e) This section shall not apply to:

4       (1) Any motor vehicle rental company as defined in section  
5       431:9A-141 that periodically ships in quantities of  
6       ten vehicles or more;

7       (2) Licensed dealers who periodically ship in quantities  
8       of ten vehicles or more, or whose primary business is  
9       the auction of insurance salvage vehicles;

10      (3) Except for a lessee of a rental motor vehicle under  
11      paragraph (4), drivers of vehicles transported by any  
12      water carrier authorized by the [~~public utilities~~  
13      ~~commission~~] department of transportation to transport  
14      vehicles interisland; provided that the driver  
15      presents identification, a current certificate of  
16      registration for the vehicle, and proof of motor  
17      vehicle insurance. The interisland water carrier  
18      shall keep a record of transporting the vehicle by  
19      recording the vehicle identification number and  
20      retaining the information for three years after the  
21      date of travel; or



1 (4) A lessee of a rental motor vehicle; provided that:

2 (A) The rental motor vehicle is transported by any  
3 water carrier authorized by the ~~[public utilities~~  
4 ~~commission]~~ department of transportation to  
5 transport vehicles interisland;

6 (B) The water carrier has a written agreement with  
7 the owner of the rental motor vehicle; and

8 (C) The water carrier records and retains the  
9 information required under subsections (d) and  
10 (f).

11 For purposes of this subsection, "lessee" and "rental motor  
12 vehicle" have the same meanings as ~~[those terms are]~~ defined in  
13 section 437D-3."

14 SECTION 10. Section 269-20, Hawaii Revised Statutes, is  
15 repealed.

16 ~~["§269-20 Certificates of public convenience and necessity~~  
17 ~~for water carriers. (a) No person which holds itself out to~~  
18 ~~the general public to engage in the transportation by water of~~  
19 ~~passengers or property or any class or classes thereof for~~  
20 ~~compensation, between points in the State of Hawaii, shall~~  
21 ~~operate unless there is in force with respect to such carrier a~~





1 ~~certificate of public convenience and necessity issued by the~~  
2 ~~commission authorizing such transportation; provided that this~~  
3 ~~section shall not apply to any carrier by water to the extent~~  
4 ~~that the carrier is excluded from the definition of a public~~  
5 ~~utility under section [269-1(2) (E) and (F)].~~

6 ~~(b) Applications for certificates shall be made in writing~~  
7 ~~under oath to the commission in such form as it requires.~~

8 ~~(c) A certificate shall be issued to any qualified~~  
9 ~~applicant therefor, authorizing the whole or any part of the~~  
10 ~~operations covered by the application, if it is found that the~~  
11 ~~applicant is fit, willing, and able properly to perform the~~  
12 ~~service proposed and to conform to the provisions of this~~  
13 ~~chapter and the requirements, rules and regulations of the~~  
14 ~~commission thereunder, and that the proposed service, to the~~  
15 ~~extent authorized by the certificate, is or will be required by~~  
16 ~~the present or future public convenience and necessity;~~  
17 ~~otherwise such application shall be denied. Any certificate~~  
18 ~~issued shall specify the service to be rendered and the routes~~  
19 ~~and ports which the water carrier is to serve and there shall be~~  
20 ~~attached to the exercise of the privileges granted by the~~  
21 ~~certificate, at the time of issuance and from time to time~~



1 ~~thereafter, such reasonable conditions and limitations as the~~  
2 ~~public convenience and necessity may require.~~

3 ~~(d) The commission may at any time suspend, change or~~  
4 ~~revoke such certificate in the manner provided in section 271-~~  
5 ~~19."]~~

6 SECTION 11. Section 269-26.6, Hawaii Revised Statutes, is  
7 repealed.

8 ~~["~~\$269-26.6~~ Preferential water carrier service rates for~~  
9 ~~agricultural activities. The public utilities commission may~~  
10 ~~authorize preferential water carrier service rates by tariff for~~  
11 ~~ratepayers that engage in agricultural activities. The~~  
12 ~~application process for obtaining preferential water carrier~~  
13 ~~service rates by tariff may be established by the public~~  
14 ~~utilities commission."]~~

15 SECTION 12. Sections 271G-7.5, 271G-8, 271G-9, 271G-10,  
16 271G-12, 271G-13, 271G-14, 271G-15, 271G-16, 271G-17, 271G-17.5,  
17 271G-18, 271G-19, 271G-20, 271G-21, 271G-22, 271G-23, 271G-23.5,  
18 271G-24, and 271G-25, Hawaii Revised Statutes, are amended by  
19 substituting the term "department of transportation",  
20 "department", or similar term, wherever the term "public



1 utilities commission", "commission", or similar term, appears,  
2 as the context requires.

3 SECTION 13. All rights, powers, functions, and duties of  
4 the public utilities commission are transferred to the  
5 department of transportation as it relates to the Hawaii water  
6 carrier act.

7 All officers and employees whose functions are transferred  
8 by this Act shall be transferred with their functions and shall  
9 continue to perform their regular duties upon their transfer,  
10 subject to the state personnel laws and this Act.

11 No officer or employee of the State having tenure shall  
12 suffer any loss of salary, seniority, prior service credit,  
13 vacation, sick leave, or other employee benefit or privilege as  
14 a consequence of this Act, and such officer or employee may be  
15 transferred or appointed to a civil service position without the  
16 necessity of examination; provided that the officer or employee  
17 possesses the minimum qualifications for the position to which  
18 transferred or appointed; and provided that subsequent changes  
19 in status may be made pursuant to applicable civil service and  
20 compensation laws.



1           An officer or employee of the State who does not have  
2   tenure and who may be transferred or appointed to a civil  
3   service position as a consequence of this Act shall become a  
4   civil service employee without the loss of salary, seniority,  
5   prior service credit, vacation, sick leave, or other employee  
6   benefits or privileges and without the necessity of examination;  
7   provided that such officer or employee possesses the minimum  
8   qualifications for the position to which transferred or  
9   appointed.

10           If an office or position held by an officer or employee  
11   having tenure is abolished, the officer or employee shall not  
12   thereby be separated from public employment, but shall remain in  
13   the employment of the State with the same pay and classification  
14   and shall be transferred to some other office or position for  
15   which the officer or employee is eligible under the personnel  
16   laws of the State as determined by the head of the department or  
17   the governor.

18           SECTION 14. All appropriations, records, equipment,  
19   machines, files, supplies, contracts, books, papers, documents,  
20   maps, and other personal property heretofore made, used,  
21   acquired, or held by the public utilities commission relating to



1 the functions transferred to the department of transportation  
2 shall be transferred with the functions to which they relate.

3 SECTION 15. All rules, policies, procedures, guidelines,  
4 and other material adopted or developed by the public utilities  
5 commission to implement provisions of the Hawaii Revised  
6 Statutes that are made reenacted or applicable to the department  
7 of transportation by this Act shall remain in full force and  
8 effect until amended or repealed by the department of  
9 transportation pursuant to chapter 91, Hawaii Revised Statutes.  
10 In the interim, every reference to the public utilities  
11 commission in those rules, policies, procedures, guidelines, and  
12 other material is amended to refer to the department of  
13 transportation, as appropriate.

14 SECTION 16. All deeds, leases, contracts, loans,  
15 agreements, permits, or other documents executed or entered into  
16 by or on behalf of the public utilities commission, pursuant to  
17 the provisions of the Hawaii Revised Statutes, that are  
18 reenacted or made applicable to the office of real estate  
19 operations by this Act shall remain in full force and effect.  
20 Upon effective date of this Act, every reference to the public  
21 utilities commission or the chairperson of the public utilities



1 commission therein shall be construed as a reference of the  
2 department of transportation or the director of transportation,  
3 as appropriate.

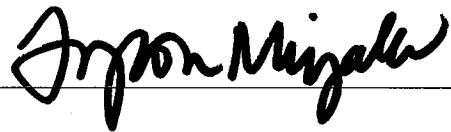
4 SECTION 17. There is appropriated out of the general  
5 revenues of the State of Hawaii the sum of \$200,000 or so much  
6 thereof as may be necessary for fiscal year 2026-2027 for the  
7 transfer of functions related to the Hawaii water carrier act to  
8 the department of transportation.

9 The sum appropriated shall be expended by the department of  
10 transportation for the purposes of this Act.

11 SECTION 18. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 19. This Act shall take effect on July 1, 2026.

14  
INTRODUCED BY:



JAN 20 2026



# H.B. NO. 1709

**Report Title:**

PUC; DOT; Water Carrier Act; Transfer; Appropriation

**Description:**

Transfers the jurisdiction of the Hawaii Water Carrier Act from the Public Utilities Commission to the Department of Transportation. Makes conforming amendments. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

