
A BILL FOR AN ACT

RELATING TO TRANSPORTATION ENVIRONMENTAL REVIEW.

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

1 SECTION 1. The legislature finds that enabling the
2 department of transportation to assume certain federal
3 environmental review responsibilities under the National
4 Environmental Policy Act of 1969 for highway projects, as well
5 as railroad, public transportation, or multimodal projects
6 within the State, will streamline project delivery while
7 maintaining environmental protections. This Act authorizes the
8 department to participate in the National Environmental Policy
9 Act Assignment Program under title 23 United States Code
10 sections 326 and 327, similar to the Texas Department of
11 Transportation authorizing statute, and provides a limited
12 waiver of sovereign immunity to comply with federal requirements
13 for participation in the Program.

14 SECTION 2. Section 26-19, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§26-19 Department of transportation. (a) The department
17 of transportation shall be headed by a single executive to be
18 known as the director of transportation. The department shall

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1 establish, maintain, and operate transportation facilities of
2 the State, including highways, airports, harbors, and any other
3 transportation facilities and activities as may be authorized by
4 law.

5 (b) The department shall plan, develop, promote, and
6 coordinate various transportation systems management programs
7 that shall include but not be limited to alternate work and
8 school hours programs, bicycling programs, and ridesharing
9 programs.

10 (c) The department shall develop and promote ridesharing
11 programs that shall include but not be limited to carpool and
12 vanpool programs, and may assist organizations interested in
13 promoting similar programs, arrange for contracts with private
14 organizations to manage and operate these programs, and assist
15 in the formulation of ridesharing arrangements. Ridesharing
16 programs include informal arrangements in which two or more
17 persons ride together in a motor vehicle.

18 (d) The functions and authority heretofore exercised by
19 the department of public works with respect to highways are
20 transferred to the department of transportation established by
21 this chapter.

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1 (e) On July 1, 1961, the Hawaii aeronautics commission,
2 the board of harbor commissioners and the highway commission
3 shall be abolished and their remaining functions, duties, and
4 powers shall be transferred to the department of transportation.

5 (f) Notwithstanding any law to the contrary, the
6 department of transportation may:

7 (1) Acquire, or contract to acquire, by grant or purchase
8 any real, personal, or mixed property or any interest
9 therein for immediate or future use for the purposes
10 of:

11 (A) Climate mitigation and adaptation;

12 (B) Noise and visual buffer zones and barriers;

13 (C) Transportation projects pursuant to section 264-
14 142;

15 (D) This section; or

16 (E) Title 15;

17 (2) Own, hold, improve, and rehabilitate any real,
18 personal, or mixed property acquired pursuant to this
19 subsection; and

20 (3) Sell, assign, exchange, transfer, convey, lease or
21 otherwise dispose of, or encumber any real, personal,
22 or mixed property acquired pursuant to this

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1 subsection. Upon making a finding that it is
2 necessary to acquire any real property for immediate
3 or future use for the purposes of this section or
4 title 15, the department of transportation may acquire
5 the property by condemnation pursuant to chapter 101;
6 provided that the property shall not thereafter be
7 acquired for any other public use without the consent
8 of the department of transportation; provided that for
9 the purposes of this subsection, the director of
10 transportation shall be authorized to exercise all the
11 powers vested in the board of land and natural
12 resources for functions subject to chapter 171;
13 provided further that if state lands, other than
14 public lands, under the control and management of
15 another department or agency are required by the
16 department of transportation for the purposes of this
17 section or title 15, the department or agency having
18 control and management of the required lands shall,
19 upon a request by the department of transportation and
20 with the approval of the governor, transfer title to
21 or lease those lands to the department of

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1 transportation under terms and conditions as may be
2 agreed to by the parties.

3 (g) The department may assume responsibilities of the
4 United States Department of Transportation with respect to
5 duties under the National Environmental Policy Act of 1969 (42
6 U.S.C. §4321 et seq.) and with respect to duties under other
7 federal environmental laws as they apply to designated
8 transportation projects. The department may:

9 (1) Assume responsibilities under title 23 United States
10 Code sections 326 and 327;

11 (2) Enter into one or more agreements, including memoranda
12 of understanding, with the United States Secretary of
13 Transportation related to:

14 (A) Designating categorical exclusions from federally
15 required environmental assessments or impact
16 statements for transportation projects as
17 provided by title 23 United States Code section
18 326; or

19 (B) The federal surface transportation project
20 delivery program for the delivery of
21 transportation projects, including highway,
22 railroad, public transportation, and multimodal

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1 projects as provided by title 23 United States
2 Code section 327; and

3 (3) Adopt rules pursuant to chapter 91 to implement this
4 subsection and adopt relevant federal environmental
5 standards as the standards for this State for a
6 program described in this subsection.

7 (h) Except as provided below, sovereign immunity to suit
8 in federal court and from liability is waived and abolished with
9 regard to the compliance, discharge, or enforcement of a
10 responsibility assumed by the department under subsection (g).
11 The waiver under this subsection does not create liability for
12 the department that exceeds the liability created under title 23
13 United States Code section 326 or 327 and shall only be valid
14 if:

15 (1) The department executes a memorandum of understanding
16 with the United States Department of Transportation
17 accepting the jurisdiction of the federal courts as
18 required by title 23 United States Code sections
19 326(c) and 327(c);

20 (2) The act or omission that is the subject of the lawsuit
21 arises out of compliance, discharge, or enforcement of

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responsibilities assumed by the department pursuant to
title 23 United States Code sections 326 and 327; and
The memorandum of understanding is in effect when the
act or omission that is the subject of the federal
lawsuit occurred."

SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

INTRODUCED BY:

INTRODUCED BY: Nathan K. Nathan

BY REQUEST

JAN 26 2026

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Report Title:

DOT; National Environmental Policy Act; NEPA Assignment

Description:

Authorizes the Department of Transportation to assume responsibilities under the National Environmental Policy Act of 1969 for highway projects, as well as railroad, public transportation, or multimodal projects within the State, allowing streamlined environmental reviews. Provides a limited waiver of sovereign immunity to comply with federal requirements under 23 U.S.C. §§326 and 327.

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

JUSTIFICATION SHEET

DEPARTMENT: TRANSPORTATION

TITLE: A BILL FOR AN ACT RELATING TO TRANSPORTATION
ENVIROMENTAL REVIEW.

PURPOSE: To authorize the Department to assume
federal environmental review
responsibilities under the National
Environmental Policy Act of 1969 (NEPA) for
highway projects, as well as railroad,
public transportation, or multimodal
projects within the State, streamlining
project delivery while maintaining
environmental protections, and to provide a
limited waiver of sovereign immunity to
comply with federal requirements under 23
U.S.C. §§326 and 327.

MEANS: Amend section 26-19, Hawaii Revised Statutes
(HRS).

JUSTIFICATION: The NEPA Assignment Program, authorized
under 23 U.S.C. §§326 and 327, allows state
departments of transportation to assume
federal environmental review
responsibilities for highway projects, as
well as railroad, public transportation, or
multimodal projects within the State,
reducing delays and improving efficiency in
project delivery. States like Texas have
successfully implemented this program, by
achieving faster project approvals while
complying with federal environmental
standards. By amending section 26-19, HRS,
the Department will gain authority to assume
NEPA responsibilities, enter memoranda of
understanding with the U.S. Department of
Transportation, and adopt federal
environmental standards as state standards.
A limited waiver of sovereign immunity is
included to meet federal requirements for
judicial review, ensuring compliance with 23
U.S.C. §§326(b)(4) and 327(c)(3)(B). This
will enhance the department's ability to
deliver critical infrastructure projects,

such as highways, while maintaining environmental protections.

Impact on the public: The public will benefit from faster delivery of transportation infrastructure projects, such as highways, airports, and harbors, due to streamlined environmental reviews. This will reduce delays in addressing traffic congestion, improving safety, and enhancing connectivity across the State. Environmental protections will remain intact, as the Department will adhere to federal NEPA standards.

Impact on the department and other agencies: The Department will assume additional responsibilities for conducting environmental reviews, which may require staff training and process adjustments. However, this will reduce reliance on federal agencies, such as the Federal Highway Administration, for approvals, enabling greater control over project timelines. Other state agencies, such as the Department of Land and Natural Resources, may coordinate with the Department on environmental compliance but are not directly affected by the statutory change. The Department of the Attorney General will be required to defend any lawsuits arising from the Department's NEPA Assignment responsibilities and arising under federal law. As a result, the State could see an increase in litigation in areas of law that are not historically under its jurisdiction.

GENERAL FUND:

No direct impact on the general fund is anticipated. Any costs for training or program implementation will be absorbed within the Department's existing budget or funded through federal transportation grants.

OTHER FUNDS: Federal transportation funds may be used to support program implementation, including training and compliance activities, as permitted under 23 U.S.C. §§326 and 327.

PPBS PROGRAM
DESIGNATION: TRN 595.

OTHER AFFECTED
AGENCIES: None directly affected. The Department of Land and Natural Resources may collaborate on environmental compliance as needed.

EFFECTIVE DATE: Upon approval.