
A BILL FOR AN ACT

RELATING TO CAPITAL IMPROVEMENT PROJECTS FOR AEROSPACE
INFRASTRUCTURE.

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

1 SECTION 1. The legislature finds that investment in
2 aerospace and advanced aviation infrastructure is essential to
3 the State's economic diversification and workforce development,
4 as well as to national security objectives.

5 The legislature further finds that the State's geographic
6 location, existing aviation infrastructure, and proximity to the
7 United States Indo-Pacific command make the State uniquely
8 positioned to support aerospace research, testing, and
9 launch-related activities.

10 The legislature recognizes that public investment in
11 supportive infrastructure at public airports, when paired with
12 private capital investment, can generate long-term lease
13 revenues, high-wage employment, and federal research and defense
14 activities that benefit the State.

15 The purpose of this Act is to appropriate moneys for the
16 planning, design, and construction of an aerospace hangar and



1 support infrastructure at Hilo international airport to support
2 horizontal launch, advanced aviation, and aerospace operations,
3 including defense-related users.

4 SECTION 2. The director of finance is authorized to issue
5 general obligation bonds in the sum of \$15,000,000 or so much
6 thereof as may be necessary and the same sum or so much thereof
7 as may be necessary is appropriated for fiscal year 2026-2027
8 for the planning, design, and construction of an approximately
9 fifty thousand square foot aerospace hangar and related support
10 facilities at Hilo international airport; provided that no
11 moneys from the appropriation shall be released unless matched
12 dollar-for-dollar by the federal government, the private sector,
13 or both, in accordance with section 4 of this Act.

14 SECTION 3. The appropriation made for the capital
15 improvement project authorized by this Act shall not lapse at
16 the end of the fiscal biennium for which the appropriation is
17 made; provided that all moneys from the appropriation
18 unencumbered as of June 30, 2028, shall lapse as of that date.

19 SECTION 4. The value of the matching contribution required
20 by section 2 of this Act shall be documented and verified by the
21 department of transportation prior to final acceptance of the



1 project, and the match may be provided in phases concurrent with
2 the State's expenditure of the moneys. Matching contributions
3 may include moneys from the private sector, the federal
4 government, or both, equipment, or in-kind capital improvements;
5 provided that no state general funds shall be used to satisfy
6 the matching requirement.

7 SECTION 5. The appropriation made under this Act shall be
8 expended by the department of transportation for the purposes of
9 this Act.

10 SECTION 6. The department of transportation shall submit a
11 report to the legislature no later than twenty days prior to the
12 convening of the regular session of 2028 on the status of the
13 project, including expenditures, matching contributions
14 received, and anticipated economic and operational impacts.

15 SECTION 7. This Act shall take effect on July 1, 2050.



S.B. NO. 2693
S.D. 1

Report Title:

Capital Improvement Project; GO Bonds; Aerospace Infrastructure;
Hilo International Airport; DOT; Report; Appropriation

Description:

Authorizes the issuance of \$15 million in general obligation bonds to finance the planning, design, and construction of a 50,000 square foot aerospace hangar and related facilities at Hilo international airport. Requires matching contributions from the federal government and private sector. Directs appropriation to be expended by the Department of Transportation. Requires a report to the Legislature. Effective 7/1/2050. (SD1)

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

