

A Bill for an Act Relating to Transportation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that an integrated transportation system that services statewide needs and promotes safe, reliable, efficient, and convenient movement of people and goods is of vital concern to our island state and is central to Hawaii's economic development.

The legislature finds that it is imperative that initiatives are continued to slow the number of motor vehicles on our highways. The legislature further finds that mass transportation, or more specifically the transportation of individuals by bus or fixed rail rapid transit, is a very viable means of slowing the number of motor vehicles on our highways.

The legislature recognizes that the capital costs for the development of an efficient mass transportation system may be substantial and agrees that a reasonable distribution of financial responsibility between participating government and private parties is essential.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

**“CHAPTER  
TRANSIT CAPITAL DEVELOPMENT FUND**

§ -1 Purpose. The purpose of this chapter is to establish a transit capital development fund to assist the counties with the capital costs involved in developing mass transportation.

§ -2 Definitions. As used in this chapter unless the context otherwise requires:

“Mass transportation” means transportation by bus, rail, or other conveyance either publicly or privately owned, which provides general or special service to the public on a regular and continuing basis, excluding school buses, charter, or sightseeing service.

“Private source revenues” means all funds, concessions, development rights, or other assets of value contractually agreed upon with the county from sources other than state, county, or federal government as a result of, or for the purposes of, developing mass transportation.

“Transit fund” means the transit capital development fund created in section -3.

**§ -3 Transit capital development fund; establishment.** (a) There is created in the treasury of the State a special fund to be known as the transit capital development fund, into which shall be deposited each year and from time to time, moneys as shall be appropriated by the legislature. All interest earned or accrued on moneys deposited in the transit fund shall become part of the transit fund. The director of finance shall administer the transit fund and shall direct the comptroller to expend available moneys from the transit fund as provided by a development agreement between the executive branch of a county and the governor, subject to the disapproval of the legislature pursuant to section -5.

(b) The transit fund shall be used solely to provide financial assistance to the counties for capital and construction costs, including costs related to acquiring land, reconstructing, improving, extending, equipping, or furnishing mass transportation. Moneys in the transit fund shall not be used for operational costs for mass transportation.

(c) Expenditures from the transit fund shall be limited to projects authorized by a development agreement between the executive branch of a county and the governor, subject to the disapproval of the legislature pursuant to section -5 and shall be subject to section 37-31.

**§ -4 Matching requirements by the county.** Moneys from the transit fund shall be made available under this chapter provided the county obligates itself to match the amount of requested moneys dollar for dollar over the term of the project for the purpose for which the county is making the request. For the matching requirements under this section, the county may use private source revenues, county revenues, or both, but shall not use any federal government funds.

**§ -5 Projects; authorization.** (a) Any county by ordinance may authorize the executive branch of the county to enter into a development agreement with the governor, subject to the disapproval of the legislature for a mass transportation project; provided that the development agreement shall:

- (1) Describe the type of mass transportation project, the areas to be served, and anticipated ridership;
- (2) Provide a breakdown of costs and identify the anticipated funding sources including the amount being requested from the transit fund and the source of county matching funds, together with a phasing schedule of both costs and funding sources, and a breakdown of actions taken or required to be taken in order to provide for such matching funds;
- (3) Provide a schedule of disbursements from the transit fund which shall be allowed;
- (4) Provide a timetable for the development of the mass transportation project; and
- (5) Provide for amendment at any subsequent time by mutual consent of the parties subject to legislative disapproval as provided in this section.

(b) Any development agreement shall provide that the obligation to disburse moneys from the transit fund shall constitute a limited obligation payable solely from moneys on deposit in the transit fund and not otherwise. The obligation to disburse moneys from the transit funds shall be subject to the availability of moneys in the transit fund from time to time and evidence, satisfactory to the director of finance, that the county has complied with the matching funds requirement of section -4. Such obligation shall not constitute a general obligation of the State or any agency or department thereof.

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(c) The governor and the county shall submit the development agreement to the legislature. The legislature shall approve or disapprove the development agreement within sixty days of its first regular legislative session convened after receipt of the development agreement from the governor and the county. If the development agreement is not disapproved after the sixtieth day, it shall be deemed approved by the legislature.

**§ -6 Transit capital development fund; appropriation.** Each year beginning with fiscal year 1992 through fiscal year 2008, the legislature shall appropriate to the transit capital development fund created by section -3 the sum of \$53,000,000 or so much as may be deemed necessary for the purpose of financially assisting counties for capital costs in developing mass transportation.

**§ -7 Private source adequacy; lapsing of funds.** If the director of finance determines that the private source revenues relating to any development agreement are inadequate, the director shall submit a report of such findings to the legislature. Upon legislative acceptance of the findings within sixty days of the first regular legislative session convened following the submittal of such findings, no additional moneys may be expended pursuant to such development agreements from the transit fund. Except that such limitation on the expenditure of moneys from the transit fund shall not occur prior to December 31, 1992. Any unencumbered moneys remaining in the transit fund at that time shall lapse to the general fund. The remaining terms and conditions of the development agreement shall remain in effect.

**§ -8 Reports.** The director of finance shall prepare and submit an annual report on the transit fund to the legislature forty-five days prior to the convening of each regular legislative session.”

SECTION 3. Notwithstanding anything to the contrary in this Act or in any development agreement described in or authorized by this Act, it is the expressed intent of the legislature that nothing contained in this Act or in any development agreement described in or authorized by this Act shall be or shall create or shall be deemed to be or shall be deemed to create a general obligation of the State or any agency or department thereof.

SECTION 4. This Act shall take effect on July 1, 1990.

(Approved June 19, 1990.)