

ACT 221

H.B. NO. 2366

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 action must be taken to address the traffic congestion and other transportation-related problems in the State. An intra-island water ferry transportation system is one alternative that might be able to:

- (1) Reduce traffic congestion;
- (2) Delay the need for costly expansion of the H-1 freeway and other routes; and
- (3) Promote tourism to the extent that transportation is facilitated.

Further, to facilitate transportation, reduce traffic, and promote development, the creation of a public-private partnership in which:

- (1) Fees for the use of public infrastructure and terminals may be waived or assessed at nominal rates and public lands may be leased for a nominal sum to a private entity; and
- (2) The private entity, in consideration for the reduced user fees and land lease, agrees to operate an intra-island water ferry transportation system at no cost or nominal cost to the State for the duration of the concessions as determined jointly by the department of transportation and the department of land and natural resources,

would be ideal in dealing with the traffic problems facing the State.

With the flexibility of having a private entity develop the ferry system, there should be nominal or no cost to the State. This is especially true because the infrastructure, in terms of harbor and docking facilities, already exists at the terminal points for the intra-island water ferry transportation system.

The purpose of this Act is to authorize the department of transportation to implement an intra-island water ferry transportation system.

SECTION 2. The department of transportation is authorized to implement an intra-island water ferry transportation system subject to chapter 103D, Hawaii Revised Statutes. The intra-island water ferry transportation system shall be premised upon the transportation of commuters during peak traffic periods and may be used for other revenue generating purposes during non-peak traffic periods. The system may include landings at various locations along the southern coast of Oahu and shall be integrated with ground transportation.

The department of transportation and the department of land and natural resources are authorized to:

- (1) Waive or assess nominal fees for the use of public infrastructures and terminals by the operator of the intra-island water ferry transportation system; and
- (2) Lease public lands at a nominal cost to the operator of the intra-island water ferry transportation system.

In return for concessions as determined jointly by the department of transportation and the department of land and natural resources, the operator of the intra-island water ferry transportation system shall provide the ferry service at no cost or nominal cost to the State for the duration of the concessions. Operating expenses may be further supplemented by other revenue-generating activities during non-peak traffic periods.

The department of transportation shall aggressively explore the possibility of obtaining federal funds to implement the intra-island water ferry transportation system.

SECTION 3. The department of transportation may conduct an intra-island water ferry transportation system demonstration project which shall be exempt from the statutory provisions of chapters 103D and 271G, Hawaii Revised Statutes. The department may transition the demonstration project into a permanent intra-island water ferry transportation system. The exemptions from chapters 103D and 271G, Hawaii Revised Statutes, shall not apply to the permanent intra-island water ferry transportation system.

SECTION 4. There is established in the state treasury the ferry project special fund, into which shall be deposited revenues collected by the operators of the intra-island water ferry transportation system. Moneys in the ferry project special fund shall be used to offset costs incurred by the intra-island water ferry transportation system or demonstration project, or both; provided that no expenditure shall be made from, and no obligation shall be incurred against the fund in excess of its deposits. Moneys in the fund shall be expended by the department of transportation.

SECTION 5. The department of transportation shall submit a report to the legislature on the intra-island water ferry transportation system no later than thirty days prior to the convening of the regular session of 2000.

SECTION 6. This Act shall take effect on July 1, 1998.

(Approved July 20, 1998.)