ACT 207 H.B. NO. 960

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 the State has been struggling to expedite capital advancement projects that increase harbor resilience and operational efficiency. The department of transportation is authorized to enter into capital advancement contracts with private parties for any public improvement to, or construction of, a state harbor facility if the director of transportation determines that the contract promotes the best interest of the State and meets certain requirements.

The legislature further finds that the fiscal caps on capital advancement projects limit the scope, type of work, and number of projects that can be executed under such contracts.

Accordingly, the purpose of this Act is to:

(1) Increase the maximum value of capital advancement contracts that may be executed by the department of transportation without legislative approval;

(2) Increase the minimum value of capital advancement contracts requirement for the department of transportation to obtain legislative approval through concurrent resolution;

(3) Increase the total aggregate value of capital advancement contracts that the department of transportation may enter into in a fiscal year; and

(4) Establish certain reporting requirements related to capital advancement contracts.

SECTION 2. Section 266-19.5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) The department of transportation may execute capital advancement contracts pursuant to subsection (a) with a total contract value of [~~$2,000,000~~] <u>$5,000,000</u> or less without legislative approval. If the total value of a capital advancement contract pursuant to subsection (a) is greater than [~~$2,000,000~~] <u>$5,000,000</u> then the department of transportation shall obtain legislative approval in the form of the adoption of a concurrent resolution affirming the purpose, project, and contract issuance [~~prior to~~] <u>before</u> executing the capital advancement contract. The total aggregate value of all capital advancement contracts entered into by the department pursuant to this section shall not exceed [~~$5,000,000~~] <u>$30,000,000</u> in any [~~calendar~~] <u>fiscal</u> year. <u>The department shall submit a report to the legislature of all executed capital advancement contracts for the previous twelve-month period from July 1 to June 30 no later than twenty days prior to the convening of each regular session.</u>"

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2025.

(Approved June 25, 2025.)