

ACT 257

H.B. NO. 1422

A Bill for an Act Relating to Motor Carriers.

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

SECTION 1. The legislature finds that the State's beach parks, scenic viewpoints, hiking trailheads, cultural sites, wildlife habitats, and other natural resources are popular destinations for visitors to the State. However, these sites are often located alongside congested state highways or county roads with limited parking.

The legislature further finds that there are community-based organizations that collaborate with the State, counties, visitor industry, and impacted neighborhoods to address traffic congestion in these areas, such as the shuttle system currently in use in Haena, Kauai, which reduces the number of vehicles on the narrow Kuhio highway. This shuttle system generates revenues to fund shuttle operations, as well as improvements at the Haena state park, parking attendant salaries, and the costs of maintaining and expanding loi and cultural sites within Haena state park.

The purpose of this Act is to exempt community-based organizations that provide transportation services from the State's motor carrier law, under certain circumstances.

SECTION 2. Section 271-5, Hawaii Revised Statutes, is amended to read as follows:

“§271-5 Exemptions, generally. Notwithstanding any other provisions of this chapter, its contents shall not apply to:

- (1) Persons transporting their own property where the transportation is in furtherance of a primary business purpose or enterprise of that person, except where the transportation is undertaken by a motor carrier to evade the regulatory purposes of this chapter;

- (2) Persons operating motor vehicles when engaged in the transportation of school children and teachers to and from school, and to and from school functions; provided that these persons may engage in providing transportation at special rates for groups of persons belonging to an eleemosynary or benevolent organization or association domiciled in [this] the State where the organization or association sponsors or is conducting a nonregular excursion; provided further that whenever the persons engage in the transportation of persons other than those exempted in this paragraph, that portion of their operation shall not be exempt from this chapter. Nothing in this paragraph shall be construed to authorize any person to engage in the transportation of persons, other than the transportation of persons exempted by the terms of this paragraph, without a permit or certificate issued by the commission authorizing such transportation;
- (3) Persons operating taxicabs or other motor vehicles utilized in performing a bona fide taxicab service. "Taxicab" includes:
 - (A) Any motor vehicle used in the movement of passengers on the public highways under the following circumstances, namely the passenger hires the vehicle on call or at a fixed stand, with or without baggage for transportation, and controls the vehicle to the passenger's destination;
 - (B) Any motor vehicle for hire having seating accommodations for eight or fewer passengers used in the movement of passengers on the public highways that may, as part of a continuous trip, pick up or discharge passengers from various unrelated locations; provided that they shall be regulated by the counties in accordance with section 46-16.5(c); ~~[and]~~ provided further that this subparagraph shall not apply to any exclusive rights granted by the department of transportation for taxicab services at facilities under the department's control; and
 - (C) Any motor vehicle having seating accommodations for eight or fewer passengers used in the movement of passengers on the public highways between a terminal, i.e., a fixed stand, in the Honolulu district, as defined in section 4-1 and a terminal in a geographical district outside the limits of the Honolulu district, and vice versa, without picking up passengers other than at the terminals or fixed stands; provided that the passengers may be picked up by telephone call from their homes in the rural area or may be unloaded at any point between the fixed stands or may be delivered to their homes in the rural area;
- (4) Persons operating motor vehicles in the transportation of persons pursuant to a franchise from the legislature and whose operations are presently regulated under chapter 269;
- (5) Nonprofit agricultural cooperative associations to the extent that they engage in the transportation of their own property or the property of their members;
- (6) Persons operating motor vehicles specially constructed for the towing of disabled or wrecked vehicles but not otherwise used in the transportation of property for compensation or hire;
- (7) Persons operating motor vehicles in the transportation of mail, newspapers, periodicals, magazines, messages, documents, letters, or blueprints;

- (8) Persons operating funeral cars or ambulances;
- (9) Persons operating motor vehicles in the transportation of garbage or refuse;
- (10) Persons operating the type of passenger carrying motor vehicles known as "sampan buses" within the radius of twenty miles from the city of Hilo, Hawaii;
- (11) Persons transporting unprocessed pineapple to a cannery, seed corn to a processing facility, or returning any containers used in ~~[such]~~ the transportation to the fields;
- (12) Sugar plantations transporting sugarcane, raw sugar, molasses, sugar by-products, and farming supplies for neighboring farmers pursuant to contracts administered by the United States Department of Agriculture;
- (13) Persons engaged in the ranching or meat or feed business who transport cattle to slaughterhouses for hire where such transportation is their sole transportation for hire and where their earnings from the transportation constitute less than fifty per cent of their gross income from their business and the transportation for hire;
- (14) Persons transporting unprocessed raw milk to processing plants and returning any containers used in ~~[such]~~ the transportation to dairy farms for reloading;
- (15) Persons transporting animal feeds to animal husbandry farmers and farming supplies directly to animal husbandry farmers and returning any containers used in ~~[such]~~ the transportation to these sources of ~~[such]~~ the feeds and supplies for reloading;
- (16) Persons engaged in transporting ~~[not]~~ no more than fifteen passengers between their places of abode, or termini near such places, and their places of employment in a single daily round trip where the driver is also on the driver's way to or from the driver's place of employment;
- (17) Persons transporting passengers without charge in motor vehicles owned or operated by ~~[such]~~ the person, where ~~[such]~~ the transportation is provided in conjunction with and in furtherance of a related primary business purpose or enterprise of that person, and ~~[such]~~ the transportation is provided only directly to and from the place of business of ~~[such]~~ the person, except that this exemption shall not apply to persons making any contract, agreement, or arrangement to provide, procure, furnish, or arrange for transportation as a travel agent or broker or a person engaged in tour or sightseeing activities, nor shall this exemption apply where the transportation is undertaken by a person to evade the regulatory purposes of this chapter; ~~and~~
- (18) Persons conducting the type of county-regulated passenger carrying operation known as "jitney services". For the purposes of this paragraph, "jitney services" means public transportation services utilizing motor vehicles that have seating accommodations for six to twenty-five passengers, operate along specific routes during defined service hours, and levy a flat fare schedule[-]; and
- (19) Community-based organizations engaged in community-based economic development providing transportation services; provided that:

- (A) The transportation services are operated within the parameters of a state- or county-approved plan that is contracted or regulated under the authority of that state or county government agency. The state or county government agency shall require, or may exceed, the minimum requirements for commercial and business insurance required under section 271-17;
- (B) The community-based organization owns the transportation service-related assets, and these assets cannot be sold for personal gain for the duration of the exemption from this chapter;
- (C) Community stakeholders have a role in the operation of the community-based organization; and
- (D) The state or county government agency shall notify the commission of the agency's determination that the community-based organization qualifies for this exemption.
For the purposes of this paragraph:
"Community-based economic development" has the same meaning as defined in section 210D-2.
"Community-based organization" has the same meaning as defined in section 210D-2.
"Community stakeholders" means individuals, groups, or other organizations within the geographically defined area served by, and that have a direct interest in the activities and outcomes of, the community-based organization and community-based economic development."

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

SECTION 4. This Act shall take effect upon its approval.

(Approved July 1, 2025.)