

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2662
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 2662, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to assist airport vendors while enhancing the ambiance of Hawaii's airports by granting the Department of Transportation (DOT):

- (1) The flexibility to allow airport concessions to make improvements to their facilities; and
- (2) The authority to:
 - (A) Grant short-term extensions to concession leases or concession permits within specified limits in exchange for improvements; and
 - (B) Modify and alter older leases and permits by changing relief terms to similar terms found in newer concession leases that provide emergency economic relief to concessions in case of disruptive economic events.



DOT testified in support of this bill. HMSHost and the Legislative Committee for the Airports Concessionaires Committee supported this measure with amendments.

Your Committee finds that Hawaii's airports, as well as their concessions, are in need of repair and remodeling. However, statutory language and stringent accounting rules often make such projects difficult. Granting DOT the authority and flexibility to modify short-term leases and provide relief to a concession in return for improvements to the concession's premises would lead to meaningful investment by concessionaires and assist the State in meeting its airport modernization and improvement goals.

Your Committee has amended this bill by:

- (1) Clarifying that the ability afforded DOT to modify lease terms shall apply to concession leases that did not receive rent relief after April 30, 2002, by way of negotiations or pursuant to Act 201, Session Laws of Hawaii 2004; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2662, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2662, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-third Legislature

HSR 1134-06

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 2662 SDI		Date: 3/20/06		
Committee Referral: TRN, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Recommit				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CALDWELL, Kirk	✓			
4. CHONG, Pono	✓			
5. ITO, Ken	✓			
6. NAKASONE, Bob	✓			
7. SHIMABUKURO, Maile S. L.	✓			
8. TANAKA, Kameo	✓			
9. YAMANE, Ryan I.				✓
10. MOSES, Mark S.	✓			
11. STEVENS, Anne V.	✓			
TOTAL	10			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation. committee acronym(s)				
<i>Joseph M. Souki</i> Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				