

Honolulu, Hawaii

FEB 07 2007

RE: S.B. No. 1506
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and Affordable Housing and Transportation and International Affairs, to which was referred S.B. No. 1506 entitled:

"A BILL FOR AN ACT RELATING TO RENTAL MOTOR VEHICLE SURCHARGE TAX,"

beg leave to report as follows:

The purpose of this measure is to maintain the rental motor vehicle surcharge at \$3 a day and to appropriate funds out of the State Highway Fund for operational costs, maintenance, and capital improvements on the State highway system.

Your Committees received testimony in support of this measure from the Department of Taxation and the Department of Transportation.

Catralla Hawaii, Avis Budget Group, Dollar Rent A Car, Enterprise Rent-A-Car, and Thrifty Car Rental submitted testimony in opposition to this measure.

Comments on this measure were received from the Hawaii Insurers Council and the Tax Foundation of Hawaii.

Your Committees find that the rental vehicle surcharge tax is a major revenue source for the State Highway Fund, contributing approximately twenty-five per cent of all the revenues deposited into the fund. The existing law allows for the rental vehicle surcharge tax to revert to \$2 a day on September 1, 2007, which



would reduce revenue for much needed repairs on the State highway system.

Your Committees have amended this measure by deleting the specific amount appropriated from the State Highway Fund to promote further discussion, making the appropriation effective on July 1, 2007, and making technical, nonsubstantive changes for purposes of clarity and style.

Your Committees note that this measure, as part of the Administration Package, would maintain the tax at \$3 per day and make this amount permanent instead of allowing the tax to revert back to \$2 per day.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Transportation and International Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1506, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1506, S.D. 1, and be referred to the Committee on Economic Development and Taxation.

Respectfully submitted on behalf of the members of the Committees on Commerce, Consumer Protection, and Affordable Housing and Transportation and International Affairs,




J. KALANI ENGLISH, Chair



BRIAN T. TANIGUCHI, Chair

The Senate
 Twenty-Fourth Legislature
 State of Hawaii


Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1506	CPH/MIA, EDT, WAM	2/2/7		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
SLOM, Sam			✓	
TOTAL	3		1	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

*Only one measure per Record of Votes

The Senate
Twenty-Fourth Legislature
State of Hawaii

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1506	CPH/TIA, EDT, WAM	2/2/07		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
INOUE, Lorraine R. (VC)				✓
ESPERO, Will	✓			
HOOSER, Gary L.				✓
TANIGUCHI, Brian T.	✓			
TSUTSUI, Shan S.				✓
GABBARD, Mike	✓			
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Clerk's Office	Drafting Agency		

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