

Honolulu, Hawaii

Feb 26, 2010

RE: H.B. No. 2370  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2370, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to continue to assist in the renovation and development of car rental customer facilities at Hawaii's airports by, among other things:

- (1) Providing the Department of Transportation (DOT) with sole discretion and greater flexibility in determining the rental motor vehicle customer facility charge;
- (2) Increasing the initial rental motor vehicle customer facility charge from \$1 per day to \$4.50 per day beginning on September 1, 2010;
- (3) Stipulating that the minimum total collections for the charges of \$4.50 per day shall not be lowered by the department for a minimum period of at least 20 years commencing on September 1, 2010, or until such time as necessary to pay any bonds or financial agreements issued or entered into to support or assist in meeting the use or purpose of the Rental Motor Vehicle Customer Facility Charge Special Fund (Special Fund), whichever occurs later;



- (4) Stipulating that any unexpended or unencumbered balance of any appropriation of Act 226, Session Laws of Hawaii 2008, as of the close of business on June 30, 2011, will lapse into the Special Fund;
- (5) Clarifying that the rental motor vehicle customer facility charge must be used to pay for, or finance on a long-term or other term basis where appropriate, the design, planning, construction, and other uses of the rental motor vehicle customer facility charges;
- (6) Clarifying that DOT may negotiate and contract the management, maintenance, and operations of the facility and related services with one or more airport concessions or their designee that share in the use of a rental motor vehicle customer facility at a state airport;
- (7) Allowing money to continue to be collected as necessary to meet the needs and purposes of the Special Fund;
- (8) Appropriating \$320,000,000 out of the Special Fund for fiscal year 2010-2011 for various airport rental car facility projects; and
- (9) Including the purchase, or reimbursement for the purchase, of land near the Lihue Airport for planning, design, and construction of a consolidated rental motor vehicle facility as one of the specified projects.

The Hertz Corporation, Alamo Rent A Car, Enterprise Rent A Car, National Car Rental, Avis Rent A Car, Budget Rent A Car Hawaii, and Dollar Thrifty Automotive Group testified in support of this bill. DOT, Catrala-Hawaii, and Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

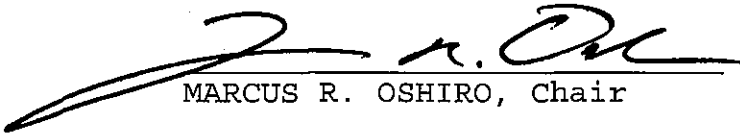
- (1) Replacing the \$320,000,000 appropriation of funds out of the Special Fund for multiple purposes to an unspecified amount;
- (2) Changing its effective date to July 1, 2020, to encourage further discussion; and



- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2370, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2370, H.D. 2.

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

  
MARCUS R. OSHIRO, Chair



