

STAND. COM. REP. NO.

1199

Honolulu, Hawaii

March 25, 2009

RE: S.B. No. 1614
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 1614, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE PASSENGER FACILITY CHARGE SPECIAL FUND,"

begs leave to report as follows:

The purpose of this bill is to assist the Airports Division of the Department of Transportation (DOT) in constructing capital improvement projects (CIPs) by establishing additional financing options for these projects that:

- (1) Allow for the establishment of separate accounts within the Passenger Facility Special Fund; and
- (2) Require the transfer of funds from the passenger facility charges (PFC) into these accounts to pay debt service on bonds issued for the CIPs.

DOT testified in support of this bill.

PFCs were authorized by federal law in the 1990s to provide public agencies with a method of financing for the expansion of the airport system. PFCs are assessed on departing passengers on all international and domestic overseas flights, excluding interisland flights, and are overseen by the Federal Aviation Administration. Under Hawaii law, PFCs may only be used to

SB1614 HD1 HSCR TRN HMS 2009-3313



directly pay costs related to airport projects approved by the Legislature. However, it is unclear as to whether or not PFCs can be used to pay debt service on bond financing for larger projects. This measure will amend current law to allow for such use and provide DOT with an additional means of financing larger projects.

Your Committee has amended this bill by:

- (1) Changing its effective date from July 1, 2050, to upon its approval; 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. 1614, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1614, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

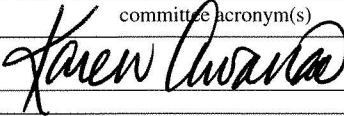
Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



Record of Votes of the Committee on Transportation

| | | | | |
|--|--|----------------------------|-------------|----------------|
| Bill/Resolution No.: SB 1614, SD2 | Committee Referral: TRN, FIN | Date: 03/23/2009 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| TRN Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. SOUKI, Joseph M. (C) | / | | | |
| 2. AWANA, Karen Leinani (VC) | / | | | |
| 3. AQUINO, Henry J.C. | / | | | |
| 4. HANOHANO, Faye P. | / | | | |
| 5. KEITH-AGARAN, Gilbert S.C. | / | | | |
| 6. LEE, Marilyn B. | / | | | |
| 7. NAKASHIMA, Mark M. | / | | | |
| 8. RHOADS, Karl | / | | | |
| 9. SAIKI, Scott K. | / | | | |
| 10. TAKUMI, Roy M. | / | | | |
| 11. YAMASHITA, Kyle T. | / | | | |
| 12. PINE, Kymberly Marcos | / | | | |
| TOTAL (12) | 12 | 0 | 0 | 0 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation. | | | | |
| Vice Chair's or designee's signature:  | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |