

Honolulu, Hawaii

APR 23 2010 , 2010

RE: S.B. No. 2461
S.D. 2
H.D. 2
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2461, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to establish a means of financing for capital improvements to car rental facilities at state airports by raising the rental motor vehicle customer facility charge to \$4.50 per day.

This measure also:

- (1) Specifies that the \$4.50 charge is not to be reduced by the Department of Transportation for at least twenty years following September 1, 2010, or as necessary to satisfy payment of any bonds issued or financial agreements



entered into by the department in furtherance of the purpose of the rental motor vehicle customer facility charge special fund;

- (2) Exempts the Department of Transportation from the administrative rule making process when determining the amount of the rental motor vehicle customer facility charge;
- (3) Repeals section 9 of Act 226, Session Laws of Hawaii 2008, establishing a \$1 per day rental motor vehicle customer facility charge; and
- (4) Makes an unspecified appropriation out of the rental motor vehicle customer facility charge special fund for fiscal year 2010-2011 for certain improvements to state airports.

Act 226, Session Laws of Hawaii 2008 (Act 226), implemented a car rental facility charge of \$1 daily and appropriated up to \$10 million for planning, design, and some possible improvements to car-rental facilities at public airports throughout Hawaii. The construction of improved rental motor vehicle facilities and the improvement of services that would occur as a result of these improved facilities would enhance customer opportunities and satisfaction.

Act 226 also established the rental motor vehicle customer facility charge special fund into which was deposited the car rental facility charge of \$1. Moneys in the rental motor vehicle customer facility charge special fund are used for enhancement, renovation, operation, and maintenance of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities and related services at state airports.

Act 226 provided for a \$1 rental motor vehicle customer facility charge, but simultaneously provided for the Department of Transportation to set the rate without legislative enactment. This measure clarifies that henceforth the Department of Transportation may set the rate, thus negating the necessity for a legislative enactment to change those rates.

Under this measure, the charge of \$4.50 daily and the revenues that are generated therefrom will strongly support both the program as well as the bonds to finance the related construction projects, which will total approximately \$500,000,000. It is very important that the program have strong financing and the stream of revenues to



attract the buyers of the bonds during these turbulent economic times in order to avoid program delays. In spite of years of discussions, the motor vehicle rental facilities over time have deteriorated and have not kept pace with similar facilities and services provided to visitors and residents at other public airports across the United States.

Your Committee on Conference has amended this measure by:


- (1) Inserting an appropriation out of the rental motor vehicle customer facility charge special fund for rental car improvements statewide, the sum of \$71,800,000 for fiscal year 2010-2011, for planning, land and utility acquisition, design and program management, and construction to provide consolidated car rental facilities for the car rental agencies and other related improvements for the Department of Transportation's airport modernization program, and deleting all other references to appropriations;
- (2) Deleting the requirement that the \$4.50 charge stay in effect for at least twenty years; and
- (3) Changing the effective date to July 1, 2010; provided that the \$4.50 charge shall take effect on September 1, 2010.

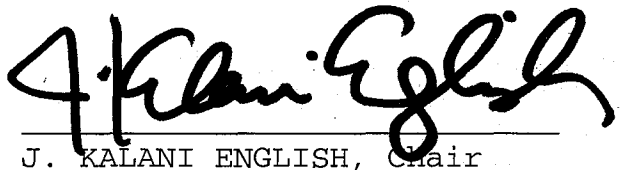
As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2461, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2461, S.D. 2, H.D. 2, C.D. 1.

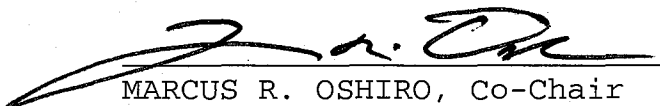
Respectfully submitted on behalf of the managers:

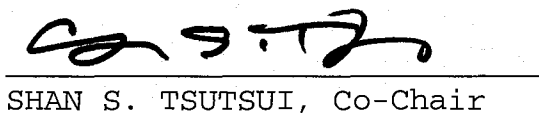
ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE


JOSEPH M. SOUKI, Co-Chair


J. KALANI ENGLISH, Chair


MARCUS R. OSHIRO, Co-Chair


SHAN S. TSUTSUI, Co-Chair



Hawaii State Legislature

Record of Votes of a Conference Committee

124-10

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|---|--|
| Bill / Concurrent Resolution No.: SB 2461, SD 2, HD 2 | Date/Time: 23 April 2010 5:46 pm |
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

| Senate Managers | A | WR | N | E | House Managers | A | WR | N | E |
|---------------------------|----------|----------|----------|----------|----------------------------|----------|----------|----------|----------|
| ENGLISH, J. Kalani, Chr. | ✓ | | | | SOUKI, Joseph M., Co-Chr. | ✓ | | | |
| TSUTSUI, Shan S., Co-Chr. | ✓ | | | | OSHIRO, Marcus R., Co-Chr. | ✓ | | | |
| NISHIHARA, Clarence K. | ✓ | | | | AWANA, Karen Leinani | ✓ | | | |
| | | | | | YAMASHITA, Kyle T. | ✓ | | | |
| | | | | | FINNEGAN, Lynn | ✓ | | | |
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| TOTAL | 3 | - | - | - | TOTAL | 5 | - | - | - |

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:

House Lead Chair's or Designee's Signature:

Distribution:

| | | | |
|---|--|---|--|
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