

Honolulu, Hawaii

FEB - 8 2010

RE: S.B. No. 2461  
S.D. 1

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

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred S.B. No. 2461 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that the Department of Transportation may administratively change the amount of the rental motor vehicle customer facility charges, which are exempted from the administrative procedures for rule making but requiring that any such change receive a public informational hearing;
- (2) Raise the statutorily designated amount of the rental motor vehicle customer facility charge from \$1 to \$4.50;
- (3) Raise the ceiling on the balance of the moneys in the rental motor vehicle customer facility charge special fund from \$25,000,000 to \$483,908,000;
- (4) Make an appropriation from the rental motor vehicle customer facility charge special fund for the:
  - (A) Planning, conceptual design, and design of rental motor vehicle customer facilities at state airports and related services; and



- (B) Planning, conceptual design, design, and improvement, pavement, lighting, construction, and fencing to an existing ground-level storage area shared by rental motor vehicle concessions at the state airport located in Kahului, Maui; and
- (5) Clarify that any unexpended or unencumbered balance of any appropriation made by Act 226, Session Laws of Hawaii 2008, as of the close of business on June 30, 2011 shall lapse into the rental motor vehicle customer facility charge special fund.

Your Committee received testimony in support of this bill from The Hertz Corporation; Avis Budget Group; Dollar Thrifty Automotive Group, Inc.; Catrala Hawaii; Hawaii Laborers' Union; Alamo Rent A Car; Enterprise Rent A Car, and National Car Rental. Testimony in opposition to this bill was received from Paradise Cruise, Ltd. The Tax Foundation of Hawaii provided comments. Written testimony presented to the Committee may be reviewed on the Legislature's website.

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 266 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.



Your Committee finds that 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 has amended this measure by:

- (1) Deleting language that specifically exempts the Department of Transportation from complying with chapter 91, Hawaii Revised Statutes, when changing the rental motor vehicle customer facility charge, since your Committee finds that existing law sufficiently declares that the Department already has such authority;
- (2) Providing for a minimum of \$500,000,000 in the collection ceiling of the rental motor vehicle customer facility charge;
- (3) Appropriating \$320,000,000 out of the rental motor vehicle customer facility charge special fund to continue to fast-track projects;
- (4) Clarifying that the \$4.50 per day rental motor vehicle customer facility charge shall not be reduced by the Department of Transportation for at least twenty years following September 1, 2010, or until such time as necessary to satisfy bond obligations and financial agreements entered into by the Department; and
- (5) Making technical, nonsubstantive amendments for clarity and to conform terminology to existing law.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, as amended



herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2461, S.D. 1, and be referred to the Committee on Ways and Means.


Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,  
International and  
Intergovernmental Affairs,

  
\_\_\_\_\_  
J. KALANI ENGLISH, Chair



The Senate  
 Twenty-Fifth Legislature  
 State of Hawaii

**Record of Votes**  
**Committee on Transportation, International and Intergovernmental Affairs**  
**TIA**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2461	TIA, WAM	2-1-10		
<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 <small>2312</small>	<input checked="" type="checkbox"/> Pass, with amendments <small>2311</small>	<input type="checkbox"/> Hold <small>2310</small>		
<input type="checkbox"/> Recomit <small>2313</small>				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam			✓	
<b>TOTAL</b>	<b>4</b>	<b>—</b>	<b>1</b>	<b>—</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted				
<input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b>				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes