

STAND. COM. REP. NO.

1243

Honolulu, Hawaii

APR 08 2011

RE: H.B. No. 1039
H.D. 1
S.D. 2

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1039, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to mitigate the impact of sudden and severe economic events by amending the authority granted to the Governor by Act 33, First Special Session Laws of Hawaii 2009, to provide rent relief to certain airport concessionaires to include providing rent relief to those concessionaires that do not have a self-adjusting rent formula.

This measure would also extend the sunset date of Act 33, First Special Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2012.

Your Committee deferred decision-making on this measure and conducted a public hearing on a proposed S.D. 2 that was prepared and made available for public review. The proposed S.D. 2 deleted the substantive contents of the S.D. 1 and inserted new provisions, the purposes of which are to:

- (1) Increase the motor vehicle rental surcharge tax levied under section 251-2, Hawaii Revised Statutes, from \$2.00 per day to \$7.00 per day until June 30, 2013;



- (2) Deposit \$4.50 of the motor vehicle rental surcharge tax levied into the general fund until June 30, 2013; and
- (3) Suspend until June 30, 2013, the \$4.50 per day rental motor vehicle customer facility charge authorized by section 261-7, Hawaii Revised Statutes.

Your Committee received comments in opposition to the proposed S.D. 2 from the Department of Transportation; Garrick Higuchi, Hawaii Area Director, Dollar Thrifty Automotive Group; Donald Fonte, Director, Government Relations, The Hertz Corporation; and Maurice Morita, Assistant Director, Hawaii Laborers Employers Corporation and Education Trust.

Your Committee received comments on the proposed measure from the Tax Foundation of Hawaii.

Your Committee finds that due to sudden, extraordinary, and severe economic events, the Legislature granted the Governor the authority to provide relief to various airport concessionaires pursuant to Act 33, Special Session Laws of 2009. That relief, however, was inequitable, because it applied only to those concessionaires that had a self-adjusting eighty-five per cent guaranteed rent formula that provided relief in the event of adverse economic occurrences. This measure equitably assists all airport concessionaires by providing rent relief to those concessionaires that have a guaranteed rent formula under their lease with the State.

Your Committee has amended this measure by:

- (1) Retaining the contents of the proposed S.D. 2 and designating those provisions as part II of the measure;
- (2) Reinserting the contents of House Bill No. 1039, H.D. 1, S.D. 1 as part I of the measure;
- (3) Amending the rent relief provisions by extending the repeal date of Act 33, Special Session Laws of Hawaii 2009, to July 1, 2013, rather than to July 1, 2012; and
- (4) Inserting provisions that authorize the issuance of general obligation bonds for the purpose of constructing



car rental facilities at various airports throughout the State.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1039, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1039, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

David Y. Ige

DAVID Y. IGE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB 1039, HDI, SDI</i>	<i>TIA, WAM</i>	<i>4-8-11</i>		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)		✓		
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
FUKUNAGA, Carol	✓			
KIM, Donna Mercado				✓
KAHELE, Gilbert		✓		
KOUCHI, Ronald D.	✓			
RYAN, Pohai	✓			
TOKUDA, Jill N.	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	<i>10</i>	<i>2</i>	<i>0</i>	<i>2</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>Michelle N. Kidani</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes