



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
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IN REPLY REFER TO:

March 21, 2011

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION

SENATE BILL NO. 1327 SD 2

COMMITTEE ON TRANSPORTATION

The Department of Transportation (DOT) supports Senate Bill No. 1327 SD2 with comments.

The SD 1 provided changes to the bill that we believe should be changed to reflect the original language. We strongly request that the original language submitted to be re-inserted into Section 1 of 261-5.5 (c), HRS to be as follows:

**Notwithstanding any laws to the contrary and without regard to the requirement of chapter 91, the department may assess passenger facility charges as authorized under 49 United States Code section 40117 and as provided under 14 Code of Federal Regulations part 158 for each overseas or international passenger who uses a state airport. The department shall establish the charges in accordance with applicable federal laws and regulations. No passenger facility charge shall be assessed on flight segments between two or more airports within the State.**

This language makes it clear that the Passenger Facility Charge administrative rules (which cap the PFC at \$4.50) are not applicable.

# TAXBILLSERVICE

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**SUBJECT:** MISCELLANEOUS, Passenger facility charge

**BILL NUMBER:** SB 1327, SD-2

**INTRODUCED BY:** Senate Committee on Ways and Means

**BRIEF SUMMARY:** Amends HRS section 261-5.5 (c) to allow the department of transportation to assess passenger facility charges (PFC) as authorized under 49 United States code section 40117 and as provided under 14 Code of Federal Regulations Part 158 for overseas or international passengers who use a state airport without regard to the provisions of HRS chapter 91. Requires the department of transportation to establish the PFC in accordance with applicable federal laws and regulations. Clarifies that no PFC shall be assessed on any flight segment between two airports within the state.

**EFFECTIVE DATE:** July 1, 2050

**STAFF COMMENTS:** This was an administration measure submitted by the department of transportation TRN-13(11). This measure would allow the department of transportation to adjust the amount of the federally authorized PFC without the administrative "paperwork" of HRS chapter 91. While the amount of the PFC is established on the federal level, this would allow the department of transportation to collect the maximum amount of the fee on a timely basis.

Digested 3/17/11