
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to:

2 (1) Extend the increase in the rental motor vehicle
3 surcharge tax under section 251-2(a), Hawaii Revised
4 Statutes, to \$7.50 per day until June 30, 2015, and
5 extend the deposit of \$4.50 per day of the tax revenue
6 into the general fund until June 30, 2015; and

7 (2) Extend the suspension of rental motor vehicle customer
8 facility charges formerly established under section
9 261-7(h), Hawaii Revised Statutes, until June 30,
10 2015.

11 SECTION 2. Section 251-2, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) There is levied and shall be assessed and collected
14 each month a rental motor vehicle surcharge tax of \$7.50 a day,
15 except that after June 30, [~~2012~~] 2015, the tax shall be \$3 a
16 day, or any portion of a day that a rental motor vehicle is
17 rented or leased. The rental motor vehicle surcharge tax shall



1 be levied upon the lessor; provided that the tax shall not be
2 levied on the lessor if:

- 3 (1) The lessor is renting the vehicle to replace a vehicle
- 4 of the lessee that is being repaired; and
- 5 (2) A record of the repair order for the vehicle is
- 6 retained either by the lessor for two years for
- 7 verification purposes or by a motor vehicle repair
- 8 dealer for two years as provided in section 437B-16."

9 SECTION 3. Act 104, Session Laws of Hawaii 2011, is
10 amended by amending section 8 to read as follows:

11 "SECTION 8. This Act shall take effect on June 30, 2011;
12 provided that part II of this Act shall take effect on July 1,
13 2011; provided further that on June 30, [~~2012~~] 2015, sections 4
14 and 5 of this Act shall be repealed and sections 251-5 and
15 261-7, Hawaii Revised Statutes, shall be reenacted in the form
16 in which they read on the day before the effective date of this
17 Act."

18 SECTION 4. The department of transportation is authorized
19 to issue airport revenue bonds in the amount not to exceed
20 \$500,000,000 for airport capital improvement program projects
21 designated to be financed by revenue bond funds or by general
22 obligation bond funds with debt service cost to be paid from



1 special funds, in such principal amount as shall be required to
2 yield the amounts appropriated for such capital improvements
3 program projects, and, if so determined by the department and
4 approved by the governor, any additional principal amount as may
5 be necessary by the department to pay interest on the airport
6 revenue bonds during the estimated period of construction of the
7 capital improvements program project for which the airport
8 revenue bonds are issued, to establish, maintain, or increase
9 reserves for the airport revenue bonds and to pay the expenses
10 of issuance of the bonds. The airport revenue bonds shall be
11 issued pursuant to the provisions of part III of chapter 39,
12 Hawaii Revised Statutes, as the same may be amended from time to
13 time. The principal of and interest on airport revenue bonds,
14 to the extent not paid from the proceeds of such bonds, shall be
15 payable solely from and secured solely by the revenues from
16 airports and related facilities under the ownership of the State
17 or operated and managed by the department and the aviation fuel
18 taxes levied and paid pursuant to sections 243-4(a)(2) and 248-8,
19 Hawaii Revised Statutes, or such parts of either thereof as the
20 department may determine, including rents, landing fees, and
21 other fees or charges presently or hereafter derived from or
22 arising through the ownership, operation, and management of



1 airports and related facilities and the furnishing and supplying
2 of the services thereof, and passenger facility charges pursuant
3 to section 261-5.5, Hawaii Revised Statutes, as amended, and as
4 determined by the department. The expenses of the issuance of
5 such airport revenue bonds, to the extent not paid from the
6 proceeds of such bonds, shall be paid from the airport revenue
7 fund and passenger facility charge special fund as determined by
8 the department.

9 The governor, in the governor's discretion, is authorized
10 to use the airport revenue fund and passenger facility charge
11 special fund to finance those projects where the method of
12 financing is designated to be by airport revenue bond funds;
13 provided that the governor shall submit a report to the
14 legislature of all uses of this authority for the previous
15 twelve month period from December 1 to November 30 no later than
16 thirty days prior to the convening of the 2014 regular session.

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect on June 29, 2012;
20 provided that section 4 shall take effect on July 1, 2012.



Report Title:

Transportation; Rental Motor Vehicle Surcharge Tax; Rental Motor Vehicle Customer Facility Charges

Description:

Extends until 6/30/2015: the increase in the rental motor vehicle surcharge tax to \$7.50 per day; the deposit of \$4.50 per day of the tax into the general fund; and the suspension of the rental motor vehicle customer facility charges. Authorizes issuance of airport revenue bonds. (SD2)

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