

Honolulu, Hawaii

March 2, 2012

RE: H.B. No. 2800
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2800 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to aid the State in addressing its current fiscal situation while assisting the Department of Transportation with addressing state highway transportation infrastructure needs by:

- (1) Extending the increase in the rental motor vehicle surcharge tax made by Act 104, Session Laws of Hawaii 2011, for an additional five years;
- (2) Extending the suspension of the \$4.50 per day rental motor vehicle customer facility charge for an additional five years; and
- (3) Reducing the remittance of the rental motor vehicle surcharge tax to the general fund from \$4.50 to \$3.50 with \$1.00 being deposited into the State Highway Fund.

Enterprise Rental Car, Avis Budget Group, and The Hertz Corporation testified in opposition to this measure. The Department of Transportation, Department of Budget and Finance, Tax Foundation of Hawaii, and a concerned individual provided comments.



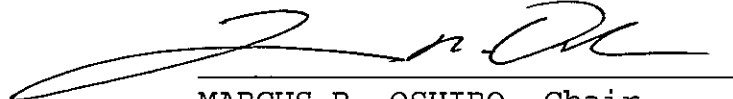
Your Committee has amended this measure by:

- (1) Deleting language reducing the remittance of the rental motor vehicle surcharge tax to the general fund from \$4.50 to \$3.50 and depositing the \$1.00 into the State Highway Fund;
- (2) Stipulating that the rental motor vehicle surcharge taxes assessed and collected during the fiscal years 2012-2013 to 2016-2017, shall be transmitted to the Director of Finance;
- (3) Requiring the Director of Finance to deposit the rental motor vehicle surcharge taxes assessed and collected during the fiscal years 2012-2013 to 2016-2017 as follows:
 - (A) In each of the fiscal years 2012-2013 and 2013-2014, \$50,000,000 into the general fund and the remainder into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
 - (B) In each of the fiscal years 2014-2015, 2015-2016, and 2016-2017, \$30,000,000 into the general fund and the remainder into the Rental Motor Vehicle Customer Facility Charge Special Fund;
- (4) Providing the Director of Finance with the discretion to determine when the surcharge taxes assessed and collected during a fiscal year are deposited into the specified funds; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2800, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2800, H.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 901-12

Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2800	Committee Referral: TRM, FIN	Date: 3/1/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. CHOY, Isaac W.	✓			
4. CULLEN, Ty	✓			
5. GIUGNI, Heather	✓			
6. HAR, Sharon E.	✓			
7. HASHEM, Mark J.	✓			
8. ICHIYAMA, Linda	✓			
9. JORDAN, Jo	✓			
10. KAWAKAMI, Derek S.K.	✓			
11. LEE, Chris	✓			
12. MORIKAWA, Dee	✓			
13. TOKIOKA, James Kunane	✓			
14. YAMASHITA, Kyle T.	✓			
15. MARUMOTO, Barbara C.	✓			
16. RIVIERE, Gil	✓			
17. WARD, Gene	✓			
TOTAL (17)	17	0	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>Marilyn B. Lee</u>				
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