

STAND. COM. REP. NO.

2915

Honolulu, Hawaii

MAR 22 2012

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

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Transportation and International Affairs,
to which was referred H.B. No. 2800, H.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 extend the increase in the rental motor vehicle surcharge tax from June 30, 2012, to June 30, 2017, and to allocate the revenues to the general fund and the rental motor vehicle customer facility charge special fund.

Your Committee received testimony in support of this measure from the Department of Budget and Finance. Testimony in opposition to this measure was received from Hertz Corporation and Avis Budget Group. Comments were received from the Department of Taxation, Tax Foundation of Hawaii, Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental.

Your Committee has amended this measure by deleting its contents and inserting the provisions of S.B. No. 2960, S.D. 2, which temporarily waive landing fees for air carriers for flights landing at Molokai Airport, Lanai Airport, Kapalua-West Maui Airport, Hana Airport, Kalaupapa Airport, and Waimea-Kohala Airport, beginning on an unspecified date in 2012. Your Committee finds that these airports typically service smaller aircraft that are in grave financial straits due to the state of the economy. It is the intent of your Committee that the savings in landing

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fees that are provided by this measure be passed on to customers who reside in rural Hawai'i and are suffering economically. Air transportation is a vital link between their communities and the rest of the State.

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



J. KALANI ENGLISH, Chair



