

STAND. COM. REP. NO. 1573-12

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 2946  
S.D. 2  
H.D. 2

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 S.B. No. 2946, S.D. 2, H.D. 1, 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 and state airport rental motor vehicle infrastructure needs by:

- (1) Extending the suspension of the rental motor vehicle customer facility charge for an additional four years;
- (2) Extending the increase in the rental motor vehicle surcharge tax made by Act 104, Session Laws of Hawaii 2011, for an additional four years;
- (3) Requiring the Department of Transportation to allocate and transmit the rental motor vehicle surcharge taxes assessed and collected pursuant to section 251-2(a), Hawaii Revised Statutes, to the Director of Finance for deposit into the state treasury as follows:

(A) In each of fiscal years 2012-2013 and 2013-2014:

SB2946 HD2 HSCR FIN HMS 2012-3388



- (i) An amount equal to \$3 per day per rental transaction shall be deposited into the State Highway Fund;
  - (ii) \$10,000,000 shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund;
  - (iii) \$50,000,000 shall be deposited into the general fund; and
  - (iv) The remainder shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
- (B) In each of fiscal years 2014-2015 and 2015-2016:
- (i) An amount equal to \$3 per day per rental transaction shall be deposited into the State Highway Fund;
  - (ii) \$30,000,000 shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund;
  - (iii) \$30,000,000 shall be deposited into the general fund; and
  - (iv) The remainder shall be deposited into the Rental Motor Vehicle Customer Facility Charge Special Fund; and
- (4) Authorizing the issuance of \$500,000,000 in rental motor vehicle customer facility revenue bonds for the enhancement and renovation of existing rental motor vehicle customer facilities and the development of new rental motor vehicle customer facilities.

The Department of Budget and Finance and the Department of Transportation testified in support of this measure. The Hertz Corporation and EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii testified in opposition to this measure. The Department of Taxation, Tax Foundation of Hawaii, and Avis Budget Group provided comments.

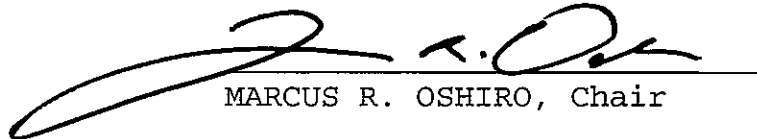


Your Committee has amended this measure by:

- (1) Deleting the specific amounts of the rental motor vehicle surcharge tax assessed and collected that are to be deposited into the state treasury by the Director of Finance to the credit of the Rental Motor Vehicle Customer Facility Charge Special Fund and general fund for fiscal years 2012 - 2016; and
- (2) 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 S.B. No. 2946, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2946, S.D. 2, H.D. 2.

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

  
MARCUS R. OSHIRO, Chair



