

STAND. COM. REP. NO. 2120

Honolulu, Hawaii

FEB 13 2012

RE: S.B. No. 2946  
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 S.B. No. 2946 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Extend the increase in the rental motor vehicle surcharge tax to \$7.50 per day until June 30, 2013, and deposit \$4.50 per day of the tax into the general fund until June 30, 2013; and
- (2) Extend the suspension of the rental motor vehicle customer facility charges until June 30, 2013.

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

Your Committee finds that the rental motor vehicle surcharge tax was created to provide a funding source to build consolidated rental car facilities at airports throughout the State.

According to testimony of the Department of Transportation, the Airports Division has the following projects planned, which



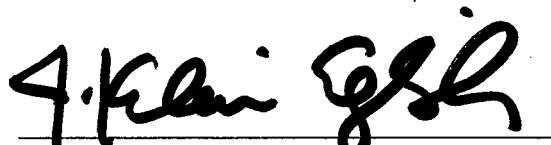
will utilize the rental motor vehicle surcharge tax as a means of financing:

- (1) Honolulu International Airport Consolidated Car Rental Facility Design; Project Cost \$22,500,000;
- (2) Honolulu International Airport Consolidated Car Rental Facility Roadway Improvements; Project Cost \$11,600,000;
- (3) Honolulu International Airport Consolidated Car Rental Facility Interim Facility; Project Cost \$43,000,000;
- (4) Honolulu International Airport Consolidated Car Rental Facility; Project Cost \$270,000,000;
- (5) Kahului Airport Consolidated Car Rental Facility Design; Project Cost \$8,000,000;
- (6) Kahului Airport Consolidated Car Rental Facility; Project Cost \$180,000,000; and
- (7) Kahului Airport Access Road and Parking Improvements; Project Cost \$67,000,000.

Your Committee has amended this measure by adding an authorization to issue airport revenue bonds in an amount not to exceed \$500,000,000 for airport capital improvement projects.

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 S.B. No. 2946, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2946, 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



