

STAND. COM. REP. NO.

2675

Honolulu, Hawaii

FEB 28 2014

RE: S.B. No. 2727  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 2727, S.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 sunset date of Act 46, Session Laws of Hawaii 2012, to provide the Department of Transportation with additional time to continue negotiations, and to reach an agreement, with airport concessionaires on concession agreements that are extended or modified in exchange for revenue-enhancing improvements by the concessionaire.

Your Committee received written comments in support of this measure from the Department of Transportation; HMS Host; Island Shoppers, Inc.; Airport Concessionaires Committee; Greeters of Hawaii, Ltd.; and Tiare Enterprises, Inc.

Act 46, Session Laws of Hawaii 2012, which expires on July 1, 2014, provides the Department of Transportation with the authority to negotiate with an airport concessionaire an extension or modification of the contract, lease, or permit in exchange for revenue-enhancing improvements made or paid by the concessionaire.

Your Committee finds that a recent Department of Transportation study documented a need for more concession space and the additional revenues that would be generated from concession improvements. The study indicated that Hawaii's public




airports are lacking in concession space by as much as forty per cent and that concession revenues are not being maximized. Your Committee believes that extending the Department of Transportation's authority to negotiate such agreements will result in a mutually beneficial outcome for the State and concessionaires.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2727, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2727, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. ICE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2727, SD1	TIA, WAM	2-25-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
	12	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
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\*Only one measure per Record of Votes