

STAND. COM. REP. NO.

2414

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2683
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committees on Transportation and Energy and Commerce,
Consumer Protection, and Health, to which was referred S.B.
No. 2683 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL
INDUSTRY,"

beg leave to report as follows:

The purpose and intent of this measure is to allow lessors of
rental motor vehicles to pass on to lessees a vehicle license
recovery fee.

Your Committees received testimony in support of this measure
from The Hertz Corporation, Enterprise Holdings LLC, and Avis
Budget Group. Your Committees received testimony in opposition to
this measure from the Department of Commerce and Consumer Affairs.

Your Committees find that existing law permits rental car
companies to recover from rental car customers certain mandatory
government fees, for the purpose of making a vehicle road-ready.
However, the prorated formula is calculated over a period of three
hundred sixty-five days, which results in a significant portion of
the fees going unrecovered. This is partially because rental cars
are rented significantly less than one hundred percent of the
time.

Your Committees further find that other states, including
California, have enacted laws that allow rental car companies to



pass on to consumers an amount closer to the full recovery of mandatory government fees.

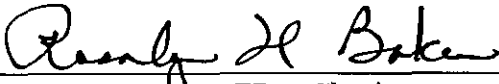
Your Committees have amended this measure by:

- (1) Removing language expanding the category of fees that can be recovered;
- (2) Removing the addition of a definition of "vehicle license recovery fee" from statute;
- (3) Reducing the pro rata apportionment of the vehicle license and registration fee and weight taxes that may be passed on from 1/365th to 1/300th of the annual fees and taxes;
- (4) Requiring the motor vehicle rental industry to report to the Legislature prior to the 2019 Regular Session concerning the effect of this measure on the average vehicle license recovery fee charged to each customer on each motor vehicle rental, the profit margin of each motor vehicle rental, and the actual time in service of each motor vehicle rental;
- (5) Inserting an effective date of July 22, 2022, to encourage further discussion; and
- (6) Inserting a three-year sunset.

As affirmed by the records of votes of the members of your Committees on Transportation and Energy and Commerce, Consumer Protection, and Health that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2683, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2683, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Energy and Commerce,
Consumer Protection, and
Health,



ROSALYN H. BAKER, Chair



LORRAINE R. ENOUYE, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i


Record of Votes
Committee on Transportation and Energy
TRE

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2683	TRE/CPH, WAM	17 Feb 2016		
<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
INOUE, Lorraine R. (C)	/			
GABBARD, Mike (VC)				/
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
KIDANI, Michelle N.	/			
NISHIHARA, Clarence K.				/
SLOM, Sam				/
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>J. Kalani English</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes

The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2683	TRE/CPH, WAM	2-16-16		
<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
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.				/
RUDERMAN, Russell E.				/
SLOM, Sam				/
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
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