

STAND. COM. REP. NO.

1192

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 656
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 656, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to create equity among the types of aircraft in the State eligible for the aircraft service and maintenance facility general excise tax exemption.

More specifically, this measure:

- (1) Amends the definition of "aircraft" to include helicopters, thereby expanding the types of aircraft eligible for the aircraft service and maintenance facility general excise tax exemption;
- (2) Amends the aircraft service and maintenance facility general excise tax exemption to eliminate space requirements and to add a requirement that seventy-five per cent of helicopters serviced within any aircraft service and maintenance facility are equipped with quiet technology; and
- (3) Defines the term "quiet technology."



For purposes of a public hearing, your Committee circulated a proposed Senate Draft No. 2 (Proposed Draft) of the measure and notified the public that your Committee would accept testimony on the Proposed Draft, which amends the measure by deleting its contents and adding provisions to:

- (1) Repeal the requirement that the State Auditor conduct an annual review of certain rapid transportation authorities in the State; and
- (2) Repeal the requirements that the Comptroller verify the capital costs of a locally preferred alternative for a mass transit project and submit a certification statement to the Department of Budget and Finance for the allocation of funds from the mass transit special fund.

Your Committee received comments on the Proposed Draft from the Department of Budget and Finance.

Your Committee finds that Act 1, First Special Session Laws of Hawaii 2017, among other things, established several state oversight requirements for certain rapid transportation authorities in the State. Your Committee further finds that some of these requirements are excessive and cumbersome and, accordingly, should be repealed.

Your Committee has amended this measure by replacing its contents with the contents of the Proposed Draft and further amending the Proposed Draft by:

- (1) Repealing the requirement that the Director of Finance only disburse amounts from the mass transit special fund that are certified in the certification statement issued by the Comptroller;
- (2) Repealing a provision that prohibits the Director of Finance from disbursing amounts from the mass transit special fund in excess of the total amount indicated in the certification statement issued by the Comptroller;
- (3) Repealing the requirement that the President of the Senate and Speaker of the House of Representatives each

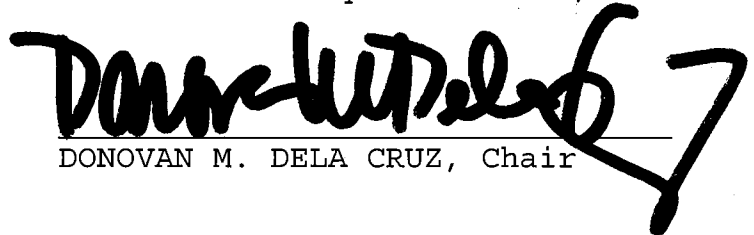


appoint two non-voting, ex-officio members to the board of directors of certain rapid transportation authorities; and

- (4) Making technical nonsubstantive amendments for purposes of consistency, clarity, 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. 656, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 656, S.D. 2.

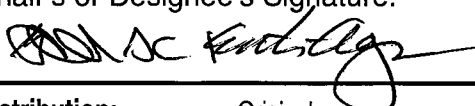
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 656, SDI	Committee Referral: TRS, WAM	Date: 3/1/19		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X <i>CF</i>			X
TOTAL	9			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes