

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2687  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2687, 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 raise revenue for necessary capital improvement projects on highways in certain counties of the State.

More specifically, this measure:

- (1) Increases to \$8 per day the rental motor vehicle surcharge tax in any county having a resident population of more than 125,000, but less than 195,000;
- (2) Allocates \$3 of the \$8 per day increase of the rental motor vehicle surcharge tax required by this measure for deposit into the impacted county's subaccount within the state highway fund; and
- (3) Specifies that for the County of Maui, the moneys collected pursuant to this measure for deposit into the County of Maui's subaccount within the state highway fund shall be directed first toward the Honoapiilani Highway realignment project before those funds may be expended for any other project.



Your Committee received written comments in support of this measure from the Office of the Mayor, County of Maui; Department of Transportation, County of Maui; a member of the Maui County Council; Maui Metropolitan Planning Organization Policy Board; West Maui Taxpayers Association, Inc.; Maui Chamber of Commerce; Maui Bicycle League; and three individuals.

Your Committee received written comments in opposition to this measure from the Avis Budget Group and Enterprise Holdings.

Your Committee received written comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that this measure will raise needed revenue to fund capital improvement projects on highways in the State that will relieve traffic congestion and improve the quality of life of Hawaii's residents and visitors.

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 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. 2687, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2687, 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.:* <b>SB2687, SD1</b>	Committee Referral: <b>TRS, WAM</b>	Date: <b>02/20/20</b>
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The Committee is reconsidering its previous decision on this measure.  
If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312     Pass, with amendments 2311     Hold 2310     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		
<b>TOTAL</b>	<b>10</b>	<b>1</b>		<b>2</b>

Recommendation:     Adopted     Not Adopted

Chair's or Designee's Signature:  


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\*Only one measure per Record of Votes