STAND. COM. REP. NO. 3136

Honolulu, Hawaii

#### MAR 2 4 2006

RE: H.B. No. 2214

H.D. 1 S.D. 1

Honorable Robert Bunda President of the Senate Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

#### Sir:

Your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing, to which was referred H.B. No. 2214, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to reduce the \$3 per day rental motor vehicle surcharge tax to \$2 per day.

This measure also clarifies that the retention by the lessor of motor vehicle repair records of the lessee is satisfied by retention by the motor vehicle repair dealer.

Your Committees received testimony in support of this measure from Catrala-Hawaii. Testimony in opposition was received from the Department of Taxation and Department of Transportation. Comments were received from the Tax Foundation of Hawaii.

Enacted by Act 263, Session Laws of Hawaii 1991, the rental motor vehicle surcharge tax was originally \$2 per day. Act 223, Session Laws of Hawaii 1999, temporarily raised this tax to \$3 per day for the period from September 1, 1999, to August 31, 2007. Your Committees are concerned that the \$3 daily surcharge tax on rental motor vehicles could adversely affect Hawaii's competitive image as a fair and attractive tourist destination.



Your Committees find that there was a significant increase in revenues to the state general fund in 2005. This increase is expected to continue through 2007 and probably longer in view of Hawaii's positive tourism outlook. In light of a healthy general fund along with significant increases in revenues to the state highway fund, your Committees believe that it is fair and appropriate to reduce the rental motor vehicle surcharge tax.

Your Committees have amended this measure by changing the effective date to July 1, 2006.

As affirmed by the records of votes of the members of your Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2214, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2214, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and Government Operations and Commerce, Consumer Protection, and Housing,

RON MENOR, Chair

LORRAINE R. INOUYE, Chair

### The Senate Twenty-Third Legislature State of Hawaii

# Record of Votes of the Committee on Transportation and Government Operations (Bills and Resolutions)

Measure:* HB 2214 HD1							
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:							
The Recommendation is to:							
Pass, unamended (2312)							
Members	Ayes	Ayes(WR)	Nays Exc	used			
INOUYE, Lorraine R. (C)							
ESPERO, Will (VC)							
BAKER, Rosalyn H.							
HEE, Clayton							
KANNO, Brian	Explored the College paths of						
MENOR, Ron							
WHALEN, Paul							
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AND							
TOTAL	4			3			
Recommendation:  Adopted  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							

<sup>\*</sup>Do not list more than one measure per Record of Votes.

### The Senate Twenty-Third Legislature State of Hawaii

# Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* HB 2214H01 T60/CPH, WAM 3/21/06							
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:		<u> </u>					
The Recommendation is to:							
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)							
Members	Ayes	Ayes(WR)	Nays	Excused			
MENOR, Ron (C)							
BAKER, Rosalyn H. (VC)		1					
ESPERO, Will							
IGE, David Y.							
SAKAMOTO, Norman							
HOGUE, Bob	. V						
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TOTAL	3	2					
Recommendation:  Adopted Not Adopted							
Chair's proposignee's Signature:  Cossly H Buker							
Distribution:         Original         Yellow         Pink         Goldenrod           File with Committee Report         Clerk's Office         Drafting Agency         Committee File Copy							

<sup>\*</sup>Do not list more than one measure per Record of Votes.