

STAND. COM. REP. NO.

703

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 37
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 37, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INTRA-COUNTY FERRY SERVICE,"

begs leave to report as follows:

The purpose of this measure is to provide a general excise tax exemption for the sale of liquid fuels for certain intra-county ferry services.

Specifically, this measure exempts from the general excise tax the value or gross proceeds arising from the sale of liquid fuel consumed in the operation of an intra-county ferry service that serves a county with a population of less than 500,000 and that includes at least three islands inhabited by permanent residents.

Your Committee finds that the recent introduction of inter-island ferries has fostered competition commercially between transportation companies and provided the traveling public with reasonable fares and the ability to spread economic activity across the island chain. Although not as glamorous and publicized as inter-island ferries, intra-county ferries have also served a distinct function in rural communities, such as West Maui and Lanai. Intra-island ferries have provided service for passengers who are faced with limited modes of transportation. This measure provides a modest tax exemption to support intra-island ferries that provide needed transportation services in underserved areas of the State.

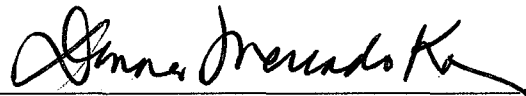
SB37 SD2 SSCR LRB 09-2633.doc



Your Committee has amended this measure by changing the effective date to July 1, 2050, to facilitate further discussion and by making technical nonsubstantive changes for the purposes of 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. 37, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 37, S.D. 2.

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

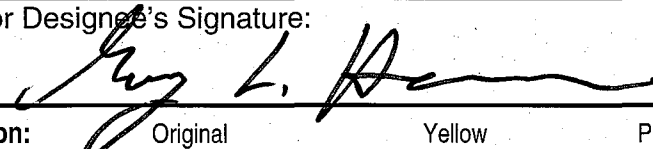


DONNA MERCADO KIM, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 37, SD1	Committee Referral: WTL/TIA, WAM	Date: FEB 27, 2009		
<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
KIM, Donna Mercado (C)	✓			
TSUTSUI, Shan S. (VC)				✓
CHUN OAKLAND, Suzanne	✓			
ENGLISH, J. Kalani	✓			
FUKUNAGA, Carol	✓			
GALUTERIA, Brickwood				✓
HEE, Clayton				✓
HOOSER, Gary L.	✓			
KIDANI, Michelle N.				✓
KOKUBUN, Russell S.				✓
TOKUDA, Jill N.	✓			
HEMMINGS, Fred	✓			
TOTAL	7			5
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