

Honolulu, Hawaii

April 1, 2010

RE: S.B. No. 2461
S.D. 2
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2461, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this bill is to continue to assist in the renovation and development of car rental customer facilities at Hawaii's airports by, among other things:

- (1) Providing the Department of Transportation (DOT) with greater flexibility in determining the Rental Motor Vehicle Customer Facility Charge (Customer Facility Charge);
- (2) Stipulating that any resolution or certificate authorizing any issue of bonds relating to the use of the Customer Facility Charge for an airport capital improvement program project approved by the Legislature may establish other accounts within the Rental Motor Vehicle Customer Facility Charge Special Fund (Special Fund) and require the transfer of the passenger facility charge into the other accounts to pay debt service on the related bonds;
- (3) Authorizing financing on a basis other than a long-term basis, where appropriate, for construction of rental



motor vehicle facilities and other permitted uses when using the Customer Facility Charges to pay for the financing;

- (4) Increasing the Customer Facility Charge from \$1 per day to \$4.50 per day beginning on September 1, 2010;
- (5) Stipulating that the minimum total collections for the charges of \$4.50 per day may not be reduced by DOT for at least 20 years commencing on September 1, 2010, or until such time as necessary to pay any bonds or financial agreements issued or entered into to support or assist in meeting the use or purpose of the Special Fund;
- (6) Providing DOT with sole discretion and greater flexibility in determining the Customer Facility Charge for rental motor vehicle companies that do not operate a concession at a state airport;
- (7) Allowing DOT to establish, levy, assess, and collect these Customer Facility Charges without conducting a public informational hearing prior to implementing any changes;
- (8) Clarifying that DOT may not only contract, but may also negotiate, the operations of the rental motor vehicle facility and related services with not just one, but more than one, airport concession that shares in the use of a facility at a state airport; and
- (9) Appropriating \$286,000,000 from the Special Fund for fiscal year 2010-2011 for various airport rental car facility projects and programs statewide.

DOT and the Hawaii Building and Construction Trades Council, AFL-CIO supported this bill. Catrala-Hawaii, The Hertz Corporation, Dollar Thrifty Automotive Group, Avis Budget Group, and the Tax Foundation of Hawaii provided comments.

Your Committee has amended this bill by:

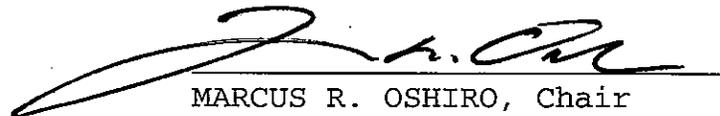
- (1) Inserting language that references the correct facility charge for the transfer of funds to pay debt service on the related bonds for rental motor vehicle facilities;



- (2) Limiting one portion of the use of the appropriation to construction of an overflow vehicle storage lot at Kahului airport and related expenses by deleting the planning and design cost elements in that provision;
- (3) Replacing the appropriation with an unspecified amount;
- (4) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2461, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2461, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



