STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 2 4 2011

RE: H.B. No. 1039

H.D. 1 S.D. 1

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Transportation and International Affairs, to which was referred H.B. No. 1039, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to enact the federal highway revenue anticipation notes and bonds law.

Prior to holding a hearing on this measure, a proposed S.D. 1 was prepared and made available for public review. The purpose and intent of the proposed S.D. 1 is to provide rent relief to airport concessions that have a guaranteed rent formula with the State, and to extend the sunset date of Act 33, Special Session Laws of Hawaii 2009, from July 1, 2011, to July 1, 2012. The proposed S.D. 1 takes effect on June 30, 2011.

Your Committee received testimony in support of the proposed S.D. 1 from the Airports Concessionaires Committee; HMS Host; Tiare Enterprises, Inc.; International Currency Exchange; Greeters of Hawaii, Ltd.; DFS Hawaii Division; EAN Holdings, LLC; and Island Shoppers, Incorporated. Your Committee received comments on the proposed S.D. 1 from the Department of Transportation and Airlines Committee of Hawaii.

Act 33, Special Session Laws of Hawaii 2009, sought to provide the Department of Transportation with the discretion and flexibility to provide relief to various airport concessions due



to sudden, extraordinary, and severe economic events. The Legislature recognized that the Department of Transportation's relief efforts were not fair to all concessions in that some concessions had a self-adjusting eighty-five percent guaranteed rent adjusting formula that provided relief for adverse economic events. Other concessions had a guaranteed rent formula that does not allow for fluctuations in economic circumstances.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the proposed S.D. 1 by clarifying that the Governor, or the Director of Transportation if so requested by the Governor, shall have the discretion and authority to provide additional relief to airport concessions.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1039, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1039, 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 Committee on Transportation and International Affairs,

J. KALANI ENGLISH, Co

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## The Senate Twenty-Sixth Legislature State of Hawai'i

## Record of Votes Committee on Transportation and International Affairs TIA

Bill / Resolution No.:*	Committee Referral: Date:				
HB 1039, HD1 TIA, WAM 3/21/11					
The committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)					
ESPERO, Will (VC)					
DELA CRUZ, Donovan M.					
GABBARD, Mike					
KAHELE, Gilbert					
KOUCHI, Ronald D.					
SLOM, Sam					
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TOTAL		6	The second second		
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					

\*Only one measure per Record of Votes