Honolulu, Hawaii

FEB 14 , 2020

RE: H.B. No. 2604

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Labor & Public Employment, to which was referred H.B. No. 2604 entitled:

"A BILL FOR AN ACT RELATING TO CONCESSIONS,"

begs leave to report as follows:

The purpose of this measure is to provide state and county governments more flexibility and discretion to address substantial hardship situations that impact concession stands.

Your Committee received testimony in support from the Office of the Mayor of the County of Kauai, Airport Concessionaires Committee, and one individual. Your Committee received testimony in opposition to this measure from the Airlines Committee of Hawaii. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that there is a need to provide flexibility in the modification of concession contract terms when the concessionaire has suffered significant harm because of improvements or operations on the premises governed by the contract. This measure permits modification of the terms of a concessionaire's contract to address significant hardship situations that impact concession stands.

Your Committee has amended this measure by:

- (1) Limiting the term of any extension based on significant hardship situations to no more than fifty percent of the maximum term of sixty-five years when counting the remaining term of the concession plus any extension thereof;
- (2) Exempting the modification of concession contracts from chapter 171, Hawaii Revised Statutes, when the provisions of chapter 171, Hawaii Revised Statutes, are in conflict with the intent and purpose of providing broad discretion to state and county governments to grant relief;
- (3) Changing the effective date to January 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Labor & Public Employment that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2604, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2604, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Labor & Public Employment,

AARDN LING JOHANSON, Chair

## State of Hawaii House of Representatives The THIRTIETH Legislature

## Record of Votes of the Committee on Labor & Public Employment

Bill/Resolution No.:  HB2604	Committee	e Referral: By FIN		Date: 2 - C	4-2-O
☐ The committee is reconsidering its previous decision on the measure.					
The recommendation is to:  □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)					
LAB Members		Ayes	Ayes (W	R) Nays	s Excused
1. JOHANSON, Aaron Ling (C)		<b>\</b>			
2. ELI, Stacelynn K.M. (VC)					
3. ICHIYAMA, Linda					
			Poder States Poder Local Association (NAS)		
4. KITAGAWA, Lisa	<u> </u>	<b>✓</b>			
5. McKELVEY, Angus L.K.		<b>/</b>	e december kan se dia non 1971		
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6. QUINLAN, Sean					
7. YAMASHITA, Kyle T.					
8. MATSUMOTO, Lauren		V			
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TOTAL (8)		8			
	Adopted int referral,	☐ Not Adopted  did not support recommendation.  committee acronym(s)			
Vice Chair's or designee's signature:					
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