

Honolulu, Hawaii

April 25, 2008

RE: S.B. No. 2365
S.D. 1
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 2365, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to:

- (1) Authorize the Department of Transportation to establish and collect rental motor vehicle customer facility charges;
- (2) Create a Rental Motor Vehicle Customer Facility Charge Special Fund;
- (3) Establish a \$1 daily charge on rentals at state airports; and



(4) Appropriate funds.

Your Committee on Conference has amended this measure by:

- (1) Dividing the measure into parts;
- (2) In part I:
 - (A) Expanding the findings and purpose section;
 - (B) Adding conceptual plans and plans in the scope of expenditures authorized from the Rental Motor Vehicle Customer Facility Charge Special Fund;
 - (C) Clarifying that the Director of Transportation shall not approve expenditure of any moneys except for planning and design purposes to improve or construct rental motor car vehicle customer facilities and related services located at an airport until a concession bid for rental motor vehicle concessions located at the public airport as of July 1, 2008, is first advertised, bid upon, and awarded by the Department of Transportation;
 - (D) Exempting the Special Fund from transfers from special funds for central service expenses, section 36-27, Hawaii Revised Statutes;
 - (E) Increasing the appropriation out of the Rental Motor Vehicle Customer Facility Charge Special Fund from \$7,000,000 to \$10,000,000 for fiscal year 2008-2009;
 - (F) Adding a new section on annual reporting requirements of the Department of Transportation to the Legislature on expenditures pursuant to the Act; and
- (3) In part II, incorporating H.B. No. 3196, H.D.1, S.D. 2, by:
 - (A) Extending until August 31, 2011, the \$3 a day rate of the rental motor vehicle surcharge tax; and
 - (B) Requiring the Department of Transportation to report additional revenue-generating initiatives to the Legislature and



- (4) Changing the effective date from July 1, 2020, to July 1, 2008.

With respect to that portion of this bill relating to the rental motor vehicle surcharge tax (surcharge tax), pursuant to section 251-2, Hawaii Revised Statutes, your Committee on Conference's intent is that the surcharge tax up to and including August 31, 2011, should not be increased to an amount higher than \$3 a day unless the Legislature:

- (1) Fairly considers how to equitably raise revenues from all users of the highways, and from other sources; and
- (2) In its considerations, starts from a base of \$2 a day for rental motor vehicles, since the present increase from \$2 a day to \$3 a day is only temporary and directed only to rental motor vehicles.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2365, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2365, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE


JOSEPH M. SOUKI, Co-Chair


J. KALANI ENGLISH, Chair


KYLE T. YAMASHITA, Co-Chair


ROSALYN H. BAKER, Co-Chair


MARCUS R. OSHIRO, Co-Chair


RON MENOR, Co-Chair



