

Honolulu, Hawaii

MAR 25 2009

RE: H.B. No. 1166  
H.D. 1  
S.D. 1

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

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred H.B. No. 1166, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE PASSENGER FACILITY CHARGE SPECIAL FUND,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Clarify that the passenger facility charge is a charge for the use and services of an undertaking for the purposes and within the meaning of the law relating to the financing of revenue bonds;
- (2) Allow moneys paid into the passenger facility charge special fund to be appropriated, applied, or expended by the Department of Transportation for airport capital improvement program projects approved by the Legislature and as permitted by federal law; and
- (3) Allow the establishment of other accounts within the passenger facility charge special fund; and require the transfer of the passenger facility charge into the other accounts to pay debt service on the related bonds.

Your Committee received testimony in support of this measure from the Department of Transportation. Written testimony



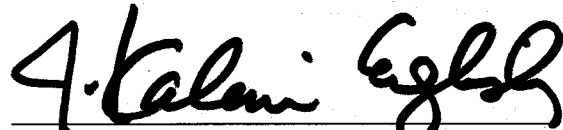
presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that the passenger facility charge provides the Department of Transportation with an additional capital funding source to provide for the expansion of the airport system. Current law is unclear regarding the use of the passenger facility charge for the indirect financing of structures through the issuance of bonds. This measure, among other things, enables the Department to finance the cost of airport projects with the proceeds of bonds completely or partially backed by the passenger facility charge. Accordingly, this measure supplies the Department with the appropriate flexibility needed to fund the expansion of the airport system.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1166, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1166, 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,  
International and  
Intergovernmental Affairs,

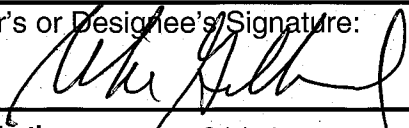


J. KALANI ENGLISH, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Transportation, International and Intergovernmental Affairs**  
**TIA**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1166, HD1	TIA, WAM	3-18-09		
<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
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	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