
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Act 33, Special Session Laws of Hawaii 2009,
2 sought to provide the department of transportation with the
3 discretion and flexibility to provide relief to various airport
4 concessions due to sudden, extraordinary, and severe economic
5 events. The legislature recognized that the department of
6 transportation's relief efforts were not fair to all concessions
7 in that some concessions had a self-adjusting eighty-five per
8 cent guaranteed rent adjusting formula that provided relief for
9 adverse economic events. Other concessions had a guaranteed
10 rent formula that does not allow for fluctuations in economic
11 circumstances.

12 The legislature finds that the issues prompting the
13 enactment of Act 33 have not been completely resolved as to all
14 airport concessions, so inequities continue among various
15 concessions. In addition, as a result of the recent devastating
16 tsunami and related events taking place in Japan, a number of
17 airport concessions are or will experience a sudden,
18 extraordinary, and severe economic hardship as they do not have



1 the same self-adjusting relief provisions like other airport
2 concessions. It is estimated that these less fortunate
3 concessions could experience a loss of revenues of about
4 twenty-five per cent for twelve months or longer or until the
5 number of visitors from Japan returns to the level that existed
6 prior to the recent tsunami. Those gross revenue losses would
7 be devastating to a concession lacking the self-adjusting
8 formula like other concessions.

9 The purpose of this Act is to provide rent relief to
10 airport concessions that have a guaranteed rent formula with the
11 State.

12 SECTION 2. Act 33, Special Session Laws of Hawaii 2009, is
13 amended as follows:

14 1. By adding a new section to read:

15 "SECTION 2A. The governor, or the director of
16 transportation if so directed by the governor, shall have the
17 discretion and authority to provide additional relief to airport
18 concessions that do not have a self-adjusting lease formula as
19 of March 31, 2011."

20 2. By amending section 6 to read:

21 "SECTION 6. This Act shall take effect on July 1, 2009,
22 and shall be repealed on [~~July 1, 2011.~~] July 1, 2012."



1 SECTION 3. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on June 30, 2011.

4



Report Title:

Transportation; Guaranteed Rent Adjusting Formula

Description:

Provides further rent relief to airport concessions that do not have a self-adjusting rent formula. Extends sunset of Act 33, First Special Session Laws of Hawaii 2009. (SD1)

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