

STAND. COM. REP. NO.

886

Honolulu, Hawaii

MAR 24 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

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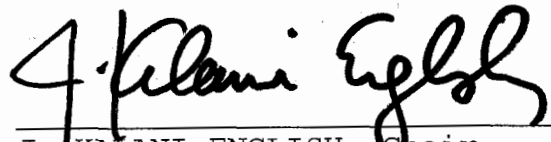


to sudden, extraordinary, and severe economic events. The Legislature recognized that the Department of Transportation's relief efforts were not fair to all concessions in that some concessions had a self-adjusting eighty-five percent guaranteed rent adjusting formula that provided relief for adverse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



