

STAND. COM. REP. NO.

13

Honolulu, Hawaii

FEB 02 2011

RE: S.B. No. 1327
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 S.B. No. 1327 entitled:

"A BILL FOR AN ACT RELATING TO PASSENGER FACILITY CHARGES,"

begs leave to report as follows:

The purpose and intent of this measure is to allow the Department of Transportation to assess passenger facility charges as authorized under federal law for each overseas or international passenger who uses a state airport.

Your Committee received testimony in support of this measure from the State Department of Transportation and the Hawaii Laborers' Union. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that this measure eliminates the necessity for the Department of Transportation to amend its administrative rules each time the Federal Aviation Administration changes the maximum allowable rate of passenger facility charges for Hawaii.

This measure requires the Department to establish the charges in accordance with applicable federal laws and regulations. No passenger facility would be assessed on flight segments between two or more airports within the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purpose of clarity.

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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 S.B. No. 1327, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1327, 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



