



GOV. MSG. NO. 1399

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

July 10, 2012

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

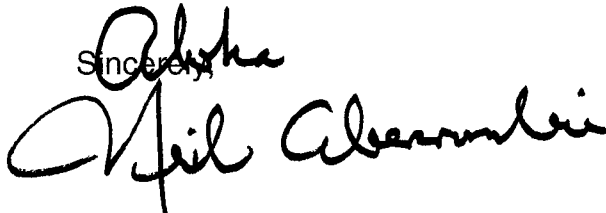
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

I am transmitting herewith SB2946 SD2 HD2, without my approval, and with the statement of objections relating to the measure.

SB2946 SD2 HD2

RELATING TO TRANSPORTATION.

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2012

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2946

Honorable Members  
Twenty-Sixth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, Senate Bill No. 2946, entitled "A Bill for an Act Relating to Transportation."

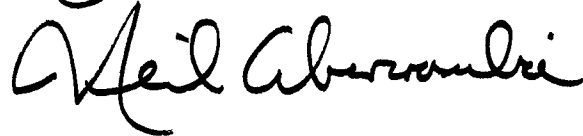
The purposes of this bill are (1) to extend until June 30, 2016, the rental motor vehicle surcharge tax \$7.50 per day that was increased in 2011; (2) to extend until June 30, 2016, the suspension of the rental motor vehicle customer facility charge under section 261-7(h), Hawaii Revised Statutes; (3) to amend section 251-5, Hawaii Revised Statutes, to require that \$3 of the rental motor vehicle surcharge tax continue to be deposited in the State Highway Fund, but to change the \$4.50 of the rental motor vehicle surcharge tax currently deposited in the general fund to be deposited instead in the Rental Motor Vehicle Customer Facility Charge Special Fund; and (4) to authorize the issuance of up to \$500,000,000 of rental motor vehicle customer facility revenue bonds.

The bill fails to provide for the deposit of the \$7.50 per day rental motor vehicle surcharge tax into the general fund. In addition, the bill, if enacted, will disproportionately affect residents and military families who rent cars at non-airport facilities and who must pay the motor vehicle surcharge tax.

STATEMENT OF OBJECTIONS  
SENATE BILL NO. 2946  
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For the foregoing reasons, I am returning Senate Bill No. 2946 without my approval.

Respectfully,  

NEIL ABERCROMBIE  
Governor of Hawaii

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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The purpose of this Act is to:

2 (1) Extend the increase in the rental motor vehicle  
3 surcharge tax under section 251-2(a), Hawaii Revised  
4 Statutes, to \$7.50 per day until June 30, 2016, and  
5 extend the deposit of \$4.50 per day of the tax revenue  
6 up to a specified amount into the general fund until  
7 June 30, 2016 and deposit a specified amount of the  
8 tax revenue and any remainder of the tax revenue into  
9 the rental motor vehicle customer facility charge  
10 special fund; and

11 (2) Extend the suspension of rental motor vehicle customer  
12 facility charges formerly established under section  
13 261-7(h), Hawaii Revised Statutes, until June 30,  
14 2016.

15 SECTION 2. Section 251-2, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

17 "(a) There is levied and shall be assessed and collected  
18 each month a rental motor vehicle surcharge tax of \$7.50 a day,



1 except that after June 30, [~~2012,~~] 2016, the tax shall be \$3 a  
2 day, or any portion of a day that a rental motor vehicle is  
3 rented or leased. The rental motor vehicle surcharge tax shall  
4 be levied upon the lessor; provided that the tax shall not be  
5 levied on the lessor if:

- 6 (1) The lessor is renting the vehicle to replace a vehicle
- 7 of the lessee that is being repaired; and
- 8 (2) A record of the repair order for the vehicle is
- 9 retained either by the lessor for two years for
- 10 verification purposes or by a motor vehicle repair
- 11 dealer for two years as provided in section 437B-16."

12 SECTION 3. Act 104, Session Laws of Hawaii 2011, is  
13 amended by amending section 8 to read as follows:

14 "SECTION 8. This Act shall take effect on June 30, 2011;  
15 provided that part II of this Act shall take effect on July 1,  
16 2011; provided further that on June 30, [~~2012,~~] 2016, sections 4  
17 and 5 of this Act shall be repealed and sections 251-5 and  
18 261-7, Hawaii Revised Statutes, shall be reenacted in the form  
19 in which they read on the day before the effective date of this  
20 Act."

21 SECTION 4. Section 251-5, Hawaii Revised Statutes, is  
22 amended to read as follows:



1       "**§251-5 Remittances.** All remittances of surcharge taxes  
2 imposed under this chapter shall be made by cash, bank draft,  
3 cashier's check, money order, or certificate of deposit to the  
4 office of the taxation district to which the return was  
5 transmitted. The department shall [~~deposit the moneys into the~~  
6 ~~state treasury to the credit of the state highway fund; provided~~  
7 ~~that of~~] transmit the rental motor vehicle surcharge taxes  
8 assessed and collected pursuant to section 251-2(a) [~~, the~~  
9 ~~equivalent of \$4.50 of the tax assessed and collected per day~~  
10 ~~shall be deposited into the state treasury to the credit of the~~  
11 ~~general fund.~~] to the director of finance, who shall deposit the  
12 moneys into the state treasury in the order and as set forth  
13 below:

- 14       (1) In each of fiscal years 2012-2013 and 2013-2014:
- 15           (A) An amount equal to \$3 per day per rental  
16           transaction shall be deposited into the state  
17           highway fund established pursuant to section 248-  
18           8;
- 19           (B) \$ \_\_\_\_\_ shall be deposited into the rental  
20           motor vehicle customer facility charge special  
21           fund established pursuant to section 261-5.6;



- 1           (C) \$ \_\_\_\_\_ shall be deposited into the general
- 2                           fund; and
- 3           (D) The remainder shall be deposited into the rental
- 4                           motor vehicle customer facility charge special
- 5                           fund established pursuant to section 261-5.6; and
- 6       (2) In each of fiscal years 2014-2015 and 2015-2016:
- 7           (A) An amount equal to \$3 per day per rental
- 8                           transaction shall be deposited into the state
- 9                           highway fund established pursuant to section 248-
- 10                           8;
- 11           (B) \$ \_\_\_\_\_ shall be deposited into the rental
- 12                           motor vehicle customer facility charge special
- 13                           fund established pursuant to section 261-5.6;
- 14           (C) \$ \_\_\_\_\_ shall be deposited into the general
- 15                           fund; and
- 16           (D) The remainder shall be deposited into the rental
- 17                           motor vehicle customer facility charge special
- 18                           fund established pursuant to section 261-5.6."

19           SECTION 5. The department of transportation is authorized  
20 to issue rental motor vehicle customer facility revenue bonds in  
21 an amount not to exceed \$500,000,000, in one or more series,  
22 from time to time, as determined by the director of

1 transportation, for the enhancement and renovation of existing  
2 rental motor vehicle customer facilities and the development of  
3 new rental motor vehicle customer facilities, and if so  
4 determined by the department and approved by the governor, any  
5 additional principal amount as may be necessary for the  
6 department to pay interest on the revenue bonds during the  
7 estimated period of enhancement, renovation, or construction of  
8 the rental motor vehicle customer facility project for which the  
9 revenue bonds are issued, to establish, maintain, or increase  
10 reserves for the revenue bonds and to pay the expenses of  
11 issuance of the bonds. The principal, interest, and premium, if  
12 any, on such revenue bonds, to the extent not paid from the  
13 proceeds of such revenue bonds, shall be paid solely from and  
14 secured solely by rental motor vehicle surcharge taxes and  
15 rental motor vehicle customer facility charges deposited in the  
16 rental motor vehicle customer facility charge special fund  
17 established by section 261-5.6, Hawaii Revised Statutes, and  
18 designated for payment thereof, which rental motor vehicle  
19 surcharge taxes and rental motor vehicle customer facility  
20 charges shall be pledged to payment of such revenue bonds. The  
21 rental motor vehicle surcharge tax and rental motor vehicle  
22 customer facility charge shall both be a charge for the use and





1 services of an undertaking for the purposes and within the  
2 meaning of section 39-61(a)(1) and (3), Hawaii Revised Statutes.  
3 The revenue bonds shall be issued pursuant to the provisions of  
4 part III of chapter 39, Hawaii Revised Statutes, as the same may  
5 be amended from time to time.

6 SECTION 6. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 7. This Act shall take effect on June 29, 2012;  
9 provided that sections 4 and 5 shall take effect on July 1,  
10 2012.

APPROVED this                      day of                      , 2012

GOVERNOR OF THE STATE OF HAWAII