

Honolulu, Hawaii
February 16, 2018

RE: H.B. No. 2601
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2601 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to create a supplemental rental motor vehicle user fee ("fee") of \$4.50 per day to be levied, assessed, and collected for motor vehicles rented from a rental motor vehicle concession located in any medium-hub airport serving a county that includes at least three islands inhabited by permanent residents. This measure authorizes the use of the revenues from the fee to pay for certain highway projects. This measure also requires the Director of Transportation to cease collecting the supplemental rental motor vehicle fee upon completion of the specified highway projects.

The Mayor of the County of Maui, three Councilmembers from the Maui County Council, West Maui Taxpayers Association Inc., and a few concerned individuals testified in support of this measure. The Department of the Attorney General, Hawai'i Lodging & Tourism Association, Maui Hotel & Lodging Association, Avis Budget Group, and Patients Without Time testified in opposition to this measure. The Department of Budget and Finance and EAN Holdings, LLC provided comments on this measure.



Your Committee has amended this measure by:

- (1) Making the supplemental rental motor vehicle user fee applicable statewide rather than only in Maui;
- (2) Changing the fee amount to an unspecified amount;
- (3) Allowing rental car companies to pass the fee onto their customers;
- (4) Requiring that the revenues generated from the fee be used for capacity road projects statewide;
- (5) Changing its effective date to July 1, 2050; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Should the Committee on Finance deliberate this measure further, your Committee on Transportation respectfully requests that it consider whether the revenues generated by each specific county can be made available for use in only that county.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2601, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2601, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



HENRY J.C. AQUINO, Chair



State of Hawaii
House of Representatives
The Twenty-ninth Legislature

HSCR 699-18

Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 2601	Committee Referral: TRN, FIN	Date: 2/14/18		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)	✓			
2. QUINLAN, Sean (VC)	✓			
3. BROWER, Tom	✓			
4. HASHEM, Mark J.				✓
5. NAKAMURA, Nadine K.	✓			
6. SAN BUENAVENTURA, Joy A.	✓			
7. MCDERMOTT, Bob	✓			
TOTAL (7)	6	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				