

STAND. COM. REP. NO. 1272

Honolulu, Hawaii

MAR 22 2023

RE: H.B. No. 74
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred H.B. No. 74, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a five-year general excise tax exemption beginning January 1, 2024, for amounts received from the servicing and maintenance of helicopters in an aircraft service and maintenance facility or from the construction of a facility that services and maintains helicopters where at least seventy-five percent of the helicopters serviced and maintained annually in the facility are equipped with quiet technology.

Your Committee received testimony in support of this measure from the Department of Transportation, Aircraft Owners and Pilots Association, and Blue Hawaiian. Your Committee received testimony in opposition to this measure from Jack Harter Helicopters. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that the aviation industry is a major stakeholder in the State's transportation sector and economy. The State's remote geography requires a reliance on a variety of air transportation, including medical operations, air tours, and



disaster relief. Your Committee further finds that, with the prevalence of daily air transportation operations, certain communities are affected by noise pollution. Incentivizing aircraft service and maintenance facilities to service and maintain more helicopters that are equipped with quiet technology may provide timely, continued air transportation service while also prioritizing public health needs. This measure modernizes existing law to provide parity for smaller aviation operators while also addressing public health concerns arising from noise pollution.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "quiet technology" to specify the usage of a shrouded tail rotor or removal of the tail rotor to achieve a reduction or redirection of sound; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 74, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 74, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,

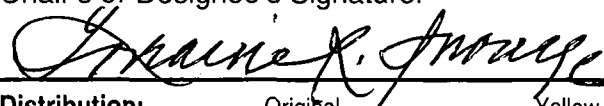


CHRIS LEE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and Culture and the Arts
TCA

Bill / Resolution No.:* HB 74 HD1	Committee Referral: TCA, WAM	Date: 3/14/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✓			
INOUYE, Lorraine R. (VC)	✓			
ELEFANTE, Brandon J.C.		✓		
KEOHOKALOOLE, Jarrett	✓			
AWA, Brenton	✓			
TOTAL	4	1		
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes