

SENATE BILL REPORT

SB 5584

As Reported By Senate Committee On:
Transportation, February 22, 2005

Title: An act relating to consolidated rental car facilities at airports.

Brief Description: Authorizing a customer facility charge on rental car customers to finance consolidated rental car facilities.

Sponsors: Senators Jacobsen, Swecker and Haugen.

Brief History:

Committee Activity: Transportation: 2/15/05, 2/22/05 [DPS, w/oRec].

SENATE COMMITTEE ON TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5584 be substituted therefor, and the substitute bill do pass.

Signed by Senators Haugen, Chair; Jacobsen, Vice Chair; Swecker, Ranking Minority Member; Eide, Esser, Kastama, Oke and Weinstein.

Minority Report: That it be referred without recommendation. Signed by Senator Benson and Mulliken.

Staff: David Ward (786-7341)

Background: Rental car facilities at the Seattle-Tacoma International Airport are located at numerous sites near the airport as well as the first two floors of the airport parking garage. The decentralization of rental car facilities contributes to area and airport congestion in the form of trip counts in and out of the airport by multiple commercial shuttle operators and rental cars. Also, by having car rental facilities located in the airport parking garage, on-site parking capacity for other customers is diminished.

Summary of Substitute Bill: Municipal airports are authorized to levy a customer finance charge (CFC) on rental car patrons at the airport for the purpose of financing the design, construction, and operation of a consolidated rental car facility and common use busing system to shuttle passengers between the facility and airport terminal. The CFC is a user fee paid only by those using rental cars at the airport. Rental car companies would collect the CFC as part of each rental car agreement and remit revenue to the municipality for costs associated with the facility, common use busing operations, and debt service on bonds used to finance the construction of the facility. The CFC is similar to the passenger facility charge collected by airlines on behalf of airports.

Substitute Bill Compared to Original Bill: Limits CFC to per-day basis by removing the per-transaction option.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The benefits of financing a new consolidated, rental car facility through the imposition of a customer facility charge on rental cars using the airport are numerous. The facility would help alleviate congestion on airport roadways and make additional general purpose parking available in existing facilities. Approximately 11,000 vehicle trips per day would be eliminated from surface streets in the city of Sea Tac having a positive impact on air quality as well. The levying of a direct user fee with limited purpose is equitable and although this additional fee would make car rental at Sea Tac airport one of the most expensive places to rent a car in the country, the benefits are worthwhile. The bill simply seeks clarifying legal authority to allow the Port of Seattle to implement what is becoming the industry standard in managing airport rental car activity in the interest of congestion relief, air quality, efficiency and service.

Testimony Against: None.

Who Testified: PRO: Mark Reis, Port of Seattle; Rick Jensen, Car and Truck Rental and Leasing Association; Joe Daniels, City of Sea Tac; Ron Main, Hertz and Avis Rental Cars.