
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. Chapter 264, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§264- Mass transit special fund. (a) There is
5 established within the treasury of the State a special fund to
6 be known as the mass transit special fund.

7 (b) The funds collected under section 243-6(b) and any
8 appropriation made by the legislature shall be deposited into
9 the special fund.

10 (c) The fund shall be managed by the department of
11 transportation, which shall make expenditures from the fund for
12 the following purposes:

13 (1) Providing grants-in-aid to the counties to implement
14 or improve mass transit systems, including purchasing
15 buses and subsidizing bus fares; provided that all
16 grants-in-aid shall be made by legislative
17 appropriation; and

18 (2) Expanding and improving the state van pool program.



1 (d) Notwithstanding any other law to the contrary, no
2 moneys from the special fund may be expended for any purposes
3 contrary to this section unless otherwise approved by the
4 legislature.

5 (e) The department of transportation may adopt rules under
6 chapter 91 to effectuate this section."

7 SECTION 3. Section 243-6, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§243-6 Fuel taxes, dispositions.** (a) The "city and
10 county of Honolulu fuel tax" shall be paid by the department of
11 taxation into the state treasury, and shall, by the state
12 director of finance, be paid over to the director of finance of
13 the city and county of Honolulu for deposit into the fund known
14 as the "highway fund" created by section 249-18.

15 The "county of Kauai fuel tax" shall be paid by the
16 department into the state treasury, and shall, by the state
17 director of finance, be paid over to the director of finance of
18 the county of Kauai for deposit into the fund known as the
19 "highway fund" created by section 249-18.

20 The "county of Hawaii fuel tax" shall be paid by the
21 department into the state treasury, and shall, by the state
22 director of finance, be paid over to the director of finance of



1 the county of Hawaii for deposit into the fund known as the
2 "highway fund" created by section 249-18.

3 The "county of Maui fuel tax" collected on account of
4 liquid fuel sold or used on the island of Lanai or sold
5 elsewhere for ultimate use on the island of Lanai, shall be paid
6 by the department into the state treasury, and shall, by the
7 state director of finance, be paid over to the director of
8 finance of the county of Maui for deposit into the fund known as
9 the "highway fund" created by section 249-18, for expenditure on
10 the island of Lanai. The "county of Maui fuel tax" collected on
11 account of liquid fuel sold or used on the island of Molokai or
12 sold elsewhere for ultimate use on the island of Molokai, shall
13 be paid by the department into the state treasury, and shall, by
14 the state director of finance, be paid over to the director of
15 finance of the county of Maui for deposit into the fund known as
16 the "highway fund" created by section 249-18, for expenditure on
17 the island of Molokai. The remainder of the "county of Maui
18 fuel tax" shall be paid by the department into the state
19 treasury, and shall, by the state director of finance, be paid
20 over to the director of finance of the county of Maui for
21 deposit into the fund known as the "highway fund" created by
22 section 249-18.



1 **(b)** per cent of all state taxes collected pursuant to
2 section 243-4(a) (3), (4), (5), and (6) and 243-4(b) and disposed
3 of pursuant to subsection (a) shall be deposited into the mass
4 transit special fund under section 264- .

5 **(c)** Each of the [~~foregoing~~] taxes under subsection (a)
6 shall be expended for the following purposes, for the island for
7 which the tax revenue is specially indicated, or, if none, for
8 the county for which the tax revenue is indicated:

9 (1) For payment of interest on and redemption of any bonds
10 duly issued or sold on or after July 1, 1951, under
11 chapter 47 for the financing or aiding in financing
12 the construction of county highway tunnels, approach
13 roads thereto, and highways. Such payments of
14 interest and principal on the bonds when due, shall be
15 first charges on such moneys so deposited in the fund.

16 (2) For acquisition, designing, construction,
17 reconstruction, improvement, repair, and maintenance
18 of county main and general thoroughfares, highways,
19 and other streets, street lights, storm drains, and
20 bridges, including costs of new land therefor, when
21 expenditures for the foregoing purposes cannot be
22 financed under state-federal aid projects.

1 (3) In the case of the city and county of Honolulu, for
2 payment of the city and county's share in an
3 improvement district initiated by the city and county
4 for an improvement listed in (2) above which is
5 permitted to be constructed in the city and county.

6 (4) For the construction of county highway tunnels,
7 overpasses, underpasses, and bridges, where such
8 improvement cannot be made under state-federal aid
9 projects.

10 (5) For purposes and functions connected with county
11 traffic control and preservation of safety upon the
12 public highways and streets.

13 (6) For purposes and functions in connection with mass
14 transit.

15 (7) For acquisition, design, construction, improvement,
16 repair, and maintenance of bikeways.

17 (8) No expenditure shall be made, out of the revenues paid
18 into any such fund, which will jeopardize federal aid
19 for highway construction."

20 SECTION 2. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



H.B. NO. 2685

1 SECTION 3. This Act shall take effect on January 1, 2007.

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INTRODUCED BY:

PH 4.2

JAN 24 2006



H.B. No. 2685

Report Title:

Fuel Tax; Mass Transit

Description:

Utilizes the fuel tax to fund mass transit programs.

