
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The legislature finds that Act 247, Session
2 Laws of Hawaii 2005, authorized counties to levy a county
3 surcharge on state tax to fund public transportation systems in
4 their respective counties. Section 9 of Act 247, Session Laws
5 of Hawaii 2005, provides that if any county does not adopt an
6 ordinance to levy a county surcharge on state tax by
7 December 31, 2005, it shall be prohibited from adopting such an
8 ordinance pursuant to Act 247 unless otherwise authorized by the
9 legislature through a separate legislative act.

10 The purpose of this Act is to authorize, until December 31,
11 2010, a county that has not adopted an ordinance to levy a
12 county surcharge on state tax to fund a public transportation
13 system pursuant to Act 247, Session Laws of Hawaii 2005.

14 SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is
15 amended by amending subsections (a) to (c) to read as follows:

16 "(a) Each county may establish a surcharge on state tax at
17 the rates enumerated in sections 237-8.6 and 238-2.6. A county



1 electing to establish this surcharge shall do so by ordinance;
2 provided that:

3 (1) No ordinance shall be adopted until the county has
4 conducted a public hearing on the proposed ordinance;

5 (2) The ordinance shall be adopted prior to December 31,
6 2005[+], or December 31, 2010, as applicable; and

7 (3) No county surcharge on state tax that may be
8 authorized under this section shall be levied prior to
9 January 1, 2007[-], or January 1, 2012, as applicable.

10 Notice of the public hearing required under paragraph (1) shall
11 be published in a newspaper of general circulation within the
12 county at least twice within a period of thirty days immediately
13 preceding the date of the hearing.

14 (b) A county electing to exercise the authority granted
15 under this section shall notify the director of taxation within
16 ten days after the county has adopted a surcharge on state tax
17 ordinance and, beginning no earlier than January 1, 2007, or
18 January 1, 2012, as applicable, the director of taxation shall
19 levy, assess, collect, and otherwise administer the county
20 surcharge on state tax.

21 (c) Each county with a population greater than five
22 hundred thousand that adopts a county surcharge on state tax



1 ordinance pursuant to subsection (a) shall use the surcharges
2 received from the State for:

3 (1) Operating or capital costs of a locally preferred
4 alternative for a mass transit project; and

5 (2) Expenses in complying with the Americans with
6 Disabilities Act of 1990 with respect to paragraph

7 (1).

8 The county surcharge on state tax shall not be used to build or
9 repair public roads or highways, bicycle paths, or support
10 public transportation systems already in existence prior to
11 July 12, 2005[-], or July 1, 2008, as applicable."

12 SECTION 3. Section 237-8.6, Hawaii Revised Statutes, is
13 amended by amending subsection (b) to read as follows:

14 "(b) Each county surcharge on state tax that may be
15 adopted pursuant to section 46-16.8(a) shall be levied beginning
16 in the taxable year after the adoption of the relevant county
17 ordinance; provided that no surcharge on state tax may be levied
18 prior to January 1, 2007[-], or January 1, 2012, as applicable."

19 SECTION 4. Section 238-2.6, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:

21 "(b) Each county surcharge on state tax that may be
22 adopted shall be levied beginning in the taxable year after the



1 adoption of the relevant county ordinance; provided that no
2 surcharge on state tax may be levied prior to January 1,
3 2007[-], or January 1, 2012, as applicable."

4 SECTION 5. Any county that has not adopted an ordinance to
5 levy a county surcharge on state tax by December 31, 2005,
6 pursuant to Act 247, Session Laws of Hawaii 2005, may adopt such
7 an ordinance, by December 31, 2010, to fund public
8 transportation systems in its respective county pursuant to Act
9 247, Session Laws of Hawaii 2005.

10 SECTION 6. Act 247, Session Laws of Hawaii 2005, is
11 amended by amending section 9 to read as follows:

12 "SECTION 9. This Act shall take effect upon its approval;
13 provided that:

14 (1) If none of the counties of the State adopt an
15 ordinance to levy a county surcharge on state tax by
16 December 31, 2005, or by December 31, 2010, as
17 applicable, this Act shall be repealed and section
18 437D-8.4, Hawaii Revised Statutes, shall be reenacted
19 in the form in which it read on the day prior to the
20 effective date of this Act;

21 (2) If [~~any~~] a county does not adopt an ordinance to levy
22 a county surcharge on state tax by December 31, 2005,



1 or by December 31, 2010, as applicable, it shall be
2 prohibited from adopting such an ordinance pursuant to
3 this Act, unless otherwise authorized by the
4 legislature through a separate legislative act;

5 (3) If an ordinance to levy a county surcharge on state
6 tax is adopted by December 31, 2005[+], or by
7 December 31, 2010, as applicable:

8 (A) The ordinance shall be repealed on December 31,
9 2022[+], or on December 31, 2027, as applicable;

10 (B) This Act shall be repealed on December 31,
11 2022[+], or on December 31, 2027, as applicable;
12 and

13 (C) [~~Section~~] On December 31, 2027, section 437D-8.4,
14 Hawaii Revised Statutes, shall be reenacted in
15 the form in which it read on the day prior to the
16 effective date of this Act."

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

19 SECTION 8. This Act shall take effect upon its approval.

20

INTRODUCED BY: _____

[Signature]

[Signature]
Hannin
Mele Carroll
Cindy Evans



Report Title:

County Surcharge on State Tax; Ordinance; Extension of Deadline

Description:

Authorizes a county to adopt an ordinance to levy a county surcharge on state tax to fund public transportation systems through 12/31/2010.

