
A BILL FOR AN ACT

RELATING TO HIGHWAYS.

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

1 **Part I**

2 SECTION 1. The purpose of this part is to prohibit the
3 transfer of moneys out of the state highway fund for non-highway
4 purposes.

5 The legislature finds that this Act is necessary to ensure
6 that moneys in the state highway fund are expended only for
7 state highway projects as intended. The legislature believes
8 that the highway infrastructure needs a guaranteed source of
9 funding. The legislature also finds that public confidence in
10 government is lessened if moneys intended for highway projects
11 are diverted to other uses.

12 This Act does not affect any provision concerning the
13 authorized revenues of or expenditures from the county highway
14 funds. The legislature intends to honor the principle of home
15 rule in this respect.

16 SECTION 2. Section 37-53, Hawaii Revised Statutes, is
17 amended to read as follows:



1 **"§37-53 Transfer of special funds.** At any time during a
2 fiscal year, notwithstanding any other law to the contrary, any
3 department [~~may~~] with the approval of the governor or the
4 director of finance if so delegated by the governor, may
5 transfer from any special fund relating to such department to
6 the general revenues of the State all or any portion of moneys
7 determined to be in excess of fiscal year requirements for such
8 special fund, except for special funds under the control of the
9 department of transportation relating to highways, airports,
10 transportation use, and harbors activities, special funds under
11 the control of the Hawaii health systems corporation or
12 subaccounts under the control of its regional system boards, and
13 special funds of the University of Hawaii. At any time the
14 department of transportation, with the approval of the governor
15 or the director of finance if so delegated by the governor, may
16 transfer from any special fund, other than the state highway
17 fund, under the control of the department of transportation, or
18 from any account within any such special fund, to the general
19 revenues of the State or to any other special fund, including
20 the state highway fund, under the control of the department of
21 transportation all or any portion of moneys determined to be in
22 excess of requirements for the ensuing twelve months determined



1 as prescribed by rules adopted pursuant to chapter 91; provided
2 that no such transfer shall be made [~~which~~] that would cause a
3 violation of federal law or federal grant agreements."

4 SECTION 3. Section 248-9, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§248-9 State highway fund.** [~~(a)~~] Moneys in the state
7 highway fund may be expended for the following purposes:

- 8 (1) To pay the costs of operation, maintenance, and repair
9 of the state highway system, including without
10 limitation, the cost of equipment and general
11 administrative overhead;
- 12 (2) To pay the costs of acquisition (including real
13 property and interests therein), planning, designing,
14 construction, and reconstruction of the state highway
15 system and bikeways, including, without limitation,
16 the cost of equipment and general administrative
17 overhead;
- 18 (3) To reimburse the general fund for interest on and
19 principal of general obligation bonds issued to
20 finance state highway projects where the bonds are
21 designated to be reimbursable out of the state highway
22 fund; and



1 (4) To pay the costs of construction, maintenance, and
2 repair of county roads; provided that none of the
3 funds expended on a county road or program shall be
4 federal funds when such expenditure would cause a
5 violation of federal law or a federal grant agreement.

6 ~~[(b) At any time, the director of transportation may~~
7 ~~transfer from the state highway fund all or any portion of~~
8 ~~available moneys determined by the director of transportation to~~
9 ~~exceed one hundred thirty five per cent of the requirements for~~
10 ~~the ensuing twelve months for the state highway fund as~~
11 ~~permitted by and in accordance with section 37-53. For purposes~~
12 ~~of the determination, the director of transportation shall take~~
13 ~~into consideration:~~

14 ~~(1) The amount of federal funds and bond funds on deposit~~
15 ~~in, and budgeted to be expended from, the state~~
16 ~~highway fund during the period;~~

17 ~~(2) Amounts on deposit in the state highway fund that are~~
18 ~~encumbered or otherwise obligated;~~

19 ~~(3) Budgeted amounts payable from the state highway fund~~
20 ~~during the period;~~

21 ~~(4) Revenues anticipated to be received by and~~
22 ~~expenditures to be made from the state highway fund~~



1 ~~during the period based on existing agreements and~~
2 ~~other information for the ensuing twelve months; and~~
3 ~~(5) Any other factors as the director of transportation~~
4 ~~shall deem appropriate.]"~~

5 **Part II**

6 SECTION 4. The purpose of this part is to generate
7 additional sources of revenue that may be expended for the
8 operation, maintenance, and repair of the state highway system.

9 SECTION 5. Section 251-2, Hawaii Revised Statutes, is
10 amended by amending subsection (b) to read as follows:

11 "(b) There is levied and shall be assessed and collected
12 each month a tour vehicle surcharge tax of:

13 (1) [~~\$65~~] \$ ___ for each tour vehicle used or partially
14 used during the month that falls into the over
15 twenty-five passenger seat category; and

16 (2) [~~\$15~~] \$ ___ for each tour vehicle used or partially
17 used during the month that falls into the eight to
18 twenty-five passenger seat category.

19 The tour vehicle surcharge tax shall be levied upon the
20 tour vehicle operator."



1 **Part III**

2 SECTION 6. Statutory material to be repealed is bracketed
3 and stricken. New statutory material is underscored.

4 SECTION 7. This Act shall take effect on July 1, 2040.



Report Title:

State Highway Fund; Various Amendments; Tour Vehicle Surcharge Tax

Description:

Repeals provisions authorizing transfers of revenues deemed excess out of the state highway fund; replaces the tour vehicle surcharge tax of \$65 for each tour vehicle that falls into the over 25 passenger seat category, and \$15 for the 8 to 25 passenger seat category, with unspecified surcharge amounts.
(SB3149 SD3)

