

JAN 23 2008

A BILL FOR AN ACT

RELATING TO TRANSPORTATION FUNDING.

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 the counties to levy, by
3 ordinance adopted no later than December 31, 2005, a county
4 surcharge on state tax to fund public transportation systems.
5 For those counties that met this requirement the surcharge
6 became effective January 1, 2007. The city and county of
7 Honolulu complied with this requirement with the adoption of
8 Ordinance No. 05-027, and the surcharge became effective on
9 January 1, 2007.

10 Subsequently, the city and county of Honolulu adopted
11 Ordinance No. 07-001, which states that the locally preferred
12 alternative for the Honolulu high-capacity transit corridor
13 project shall be a fixed guideway system between Kapolei and the
14 University of Hawaii at Manoa. Ordinance No. 07-001 further
15 states that the Honolulu city council reserves the right to
16 select the technology of the fixed guideway system for the



1 locally preferred alternative through passage of a subsequent
2 ordinance.

3 The city and county of Honolulu has not, however, made the
4 final decision on the technology of the fixed guideway system
5 for the locally preferred alternative, for which the moneys will
6 be directed for operating and capital costs. As of November 30,
7 2007, nearly \$135,000,000 has been distributed to the city and
8 county of Honolulu as a result of the county surcharge - money
9 that could be used for other critical transportation projects in
10 the county.

11 The purpose of this Act is to suspend the assessment and
12 collection of the county surcharge on state tax until the city
13 and county of Honolulu has made the decisions necessary to fully
14 proceed with the locally preferred alternative for a mass
15 transit project.

16 SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is
17 amended by amending subsection (c) to read as follows:

18 "(c) Each county with a population greater than five
19 hundred thousand that adopts a county surcharge on state tax
20 ordinance pursuant to subsection (a) shall use the surcharges
21 received from the State for:



1 (1) Operating or capital costs of a locally preferred
2 alternative for a mass transit project; and
3 (2) Expenses in complying with the Americans with
4 Disabilities Act of 1990 with respect to paragraph
5 (1) [-];
6 provided that if the county has not made a decision by
7 June 30, 2008, on the technology of the fixed guideway system
8 for the locally preferred alternative for a mass transit
9 project, the surcharge shall be suspended effective
10 July 1, 2008, for that county. If by December 31, 2008, the
11 county has not made a decision and awarded any related contracts
12 for the technology of the fixed guideway system for the locally
13 preferred alternative for a mass transit project, the county
14 shall return any unexpended moneys to the State for deposit into
15 the state highway fund for expenditure pursuant to section
16 248-9(c).
17 [The] Any county surcharge on state tax [~~shall not~~], which
18 is returned to the State for deposit in the state highway fund
19 may be used to build or repair public roads or highways, bicycle
20 paths, or support public transportation systems already in
21 existence prior to July 12, 2005[-]; pursuant to section
22 248-9(c)."



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

3 "§248-9 State highway fund. (a) [~~Moneys~~] Except as
4 provided in subsection (c), moneys in the state highway fund may
5 be expended for the following purposes:

6 (1) To pay the costs of operation, maintenance, and repair
7 of the state highway system, including without
8 limitation, the cost of equipment and general
9 administrative overhead;

10 (2) To pay the costs of acquisition (including real
11 property and interests therein), planning, designing,
12 construction, and reconstruction of the state highway
13 system and bikeways, including, without limitation,
14 the cost of equipment and general administrative
15 overhead;

16 (3) To reimburse the general fund for interest on and
17 principal of general obligation bonds issued to
18 finance highway projects where the bonds are
19 designated to be reimbursable out of the state highway
20 fund; and

21 (4) To pay the costs of construction, maintenance, and
22 repair of county roads; provided that none of the



1 funds expended on a county road or program shall be
2 federal funds when such expenditure would cause a
3 violation of federal law or a federal grant agreement.

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

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

15 (2) Amounts on deposit in the state highway fund that are
16 encumbered or otherwise obligated;

17 (3) Budgeted amounts payable from the state highway fund
18 during the period;

19 (4) Revenues anticipated to be received by and
20 expenditures to be made from the state highway fund
21 during the period based on existing agreements and
22 other information for the ensuing twelve months; and



1 (5) Any other factors as the director of transportation
2 shall deem appropriate.

3 (c) Any county surcharge on state tax, which is returned
4 to the State pursuant to section 46-16.8(c), shall be deposited
5 into the state highway fund and shall be expended, as deemed
6 appropriate by the legislature, for transportation projects in
7 the county for which the surcharge was collected."

8 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2008;
11 provided that section 3 of this Act shall be repealed on
12 July 1, , and section 248-9, Hawaii Revised Statutes, shall
13 be reenacted in the form in which it read on June 30, 2008.

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INTRODUCED BY: S. T. L.

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Report Title:

Transportation Funding; Taxation; County Surcharge; State Highway Fund

Description:

Requires the city and county of Honolulu to make a decision by June 30, 2008, on the technology of the fixed guideway system for the locally preferred alternative for a mass transit project, or the surcharge to fund the project shall be suspended effective July 1, 2008, for that county; requires the county by December 31, 2008, to award any related contracts for the technology of the fixed guideway system for the locally preferred alternative for a mass transit project, or return any unexpended moneys to the State for deposit into the state highway fund; authorizes expenditures from the fund, as deemed appropriate by the legislature, for transportation projects in the county for which the surcharge was collected.

