

JAN 28 2009

S.B. NO. 1611

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# A BILL FOR AN ACT

RELATING TO HIGHWAYS.

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

**PART I.**

1  
2 SECTION 1. The legislature finds that: (1) in order to  
3 meet the economic needs of the State and preserve the unique  
4 quality of life of its residents and visitors to these precious  
5 islands, the department of transportation must provide safe,  
6 efficient, and effective land transportation facilities for the  
7 movement of people and goods; (2) a modern and efficient land  
8 transportation infrastructure system is essential to a healthy  
9 and vibrant economic future; (3) congestion on our highway  
10 systems has severe detrimental impacts on our economy and  
11 quality of life of Hawaii's people; and (4) condition on our  
12 highway system continues to deteriorate at alarming and  
13 unacceptable rates.

14 The legislature further finds that the department of  
15 transportation's ability to fulfill its critical infrastructure  
16 responsibilities with fixed resources is an extreme challenge  
17 that continues to intensify due to programmatic and project



1 needs far exceeding the necessary resources available and needed  
2 to properly address them. The land transportation system will  
3 continue to deteriorate as demand for travel continues to  
4 increase, and as costs to manage, construct, and administer the  
5 system increase. Opportunities to expand the system come at too  
6 high a consequence.

7 As an island state, Hawaii has evolved from mostly rural,  
8 agriculturally-based communities to more and more urban  
9 development. The land transportation system has also evolved  
10 from native trail systems linking historic communities, to a  
11 belt road system providing both mobility and access to and  
12 between towns and agricultural communities (plantation  
13 villages). Presently, the land transportation system is a  
14 hierarchal multimodal land transportation system that provides  
15 high speed travel for the movement of people and goods. The  
16 inherent trade-off between mobility and accessibility continues  
17 to be a challenge in balancing the need to accommodate access to  
18 property while minimizing congestion.

19 Land is a scarce commodity in our island state and  
20 affordable land is an ever more limited resource. As our  
21 statewide population has grown, a pent up demand for housing has  
22 resulted due to the lack of affordable housing. Economic



1 realities have resulted in affordable housing developments being  
2 pursued on former agricultural lands that are located farther  
3 and farther away from the urban core where the majority of jobs  
4 are located. This land use development pattern has resulted in  
5 ever greater commute demand and commute distances, with  
6 corresponding increases in regional congestion. Historic lows  
7 in mortgage interest rates have further exacerbated this  
8 situation having stimulated a housing boom while the regional  
9 land transportation infrastructure has not been able to keep  
10 pace with this accelerated development.

11 Evolving life styles have also resulted in ever increasing  
12 demands for travel. Single vehicle occupancy continues to be  
13 the predominant trend even during highly congested peak commute  
14 periods. Motor vehicle usage has evolved to become an ever more  
15 basic component in our everyday social and recreational  
16 activities. Multiple vehicle ownership per household has become  
17 common place. In some cases, vehicle ownership per household  
18 even exceeds the number of licensed drivers.

19 Inherently, there are greater challenges in expanding  
20 capacity through new or existing corridors as adjoining lands  
21 become more urbanized. As open space diminishes the potential  
22 impacts of new capacity enhancement projects become ever more



1 deleterious. Since the easier, more cost effective routes have  
2 often already been used and improvements implemented. Available  
3 corridors or options often come with greater geographic and  
4 construction challenges, and higher associated costs.

5 There are also significantly greater complexities due to  
6 stricter archaeological, environmental, and legal compliance  
7 requirements. There is heightened awareness and greater value  
8 placed on our precious archaeological and environment resources  
9 requiring avoidance where possible and appropriate mitigation.  
10 There are also increased legal requirements prohibiting  
11 discrimination of the disadvantaged and disabled.

12 On average, one hundred forty lives are lost on Hawaii's  
13 roadways each year. Hawaii ranked twenty-ninth in freeway  
14 safety with 1.45 traffic fatalities per million vehicle miles  
15 traveled. Hawaii also ranked highest in the nation in  
16 alcohol-related fatalities, second highest in the nation in  
17 motorcycle-related fatalities, and seventh highest in the nation  
18 in pedestrian-related fatalities. These statistics are high,  
19 necessitating immediate and directed action to significantly  
20 reduce fatalities. Increased funding and additional resources  
21 are needed to expedite the implementation of various



1 recommendations in seven emphasis areas developed through the  
2 multi-agency strategic highway safety program.

3       The infrastructure deterioration continues to progress with  
4 vehicle miles traveled increasing faster than the State's  
5 ability to construct additional lanes of travel, thereby  
6 resulting in greater congestion. The morning commute on H-1  
7 Freeway from Kapolei into downtown Honolulu has risen to an  
8 average of sixty-five minutes and is expected to increase every  
9 year. There is a significant human cost to congestion, with ten  
10 minutes of time spent in traffic, equating to approximately \$600  
11 per person, per year, and \$3,300 per commercial vehicle, per  
12 year.

13       Traffic congestion also has a significant negative impact  
14 on the environment and related deterioration in overall quality  
15 of life. Motor vehicles caught in congestion experience higher  
16 energy consumption and emit greater air and noise pollution.  
17 The resultant green house gas emission impacts not only the  
18 local environment but also the global environment. Congestion  
19 also results in elevated stress of drivers and takes time away  
20 from families and loved ones.

21       The cost for materials and thus construction has  
22 dramatically increased due in a large part to the aggressive



1 expansion in emerging Asian nations. Significant fluctuations  
2 in petroleum prices have also directly impacted construction  
3 costs since the raw construction materials rely heavily on  
4 petroleum-based products to manufacture them. The liquid fuel  
5 tax is assessed on a per gallon basis without adjustments for  
6 inflation or other factors. Motor vehicles manufacturers are  
7 also striving for greater fuel efficiency and electric vehicle  
8 usage continues to expand, further diminishing gas tax  
9 collection that pays for the very infrastructure that these  
10 vehicle use.

11 The department of transportation continues to judiciously  
12 allocate its limited resources on the most critical needs.  
13 There comes a point at which, however, where the limitation in  
14 resources has significant and dire detrimental impacts on the  
15 efficacy of the organization.

16 Due to the extreme imbalance between programmatic needs and  
17 available resources, the department of transportation is  
18 committed to undertaking a comprehensive transformation,  
19 re-evaluating its strategic policies, priorities, and  
20 organizational structure to meet the challenges of the twenty-  
21 first century. A major initiative of this comprehensive  
22 transformation is the development of clear performance criteria



1 to properly drive investment decisions to ensure that the  
2 greatest public benefit will be achieved through the responsible  
3 management and expenditure of public funds.

4 The department of transportation has developed a  
5 \$4,000,000,000 comprehensive six-year work plan and financial  
6 plan to implement critical programs and projects. As a part of  
7 this effort, the department of transportation seeks a one-time,  
8 extraordinary infusion of \$2,000,000,000 in capital to aid in  
9 rectifying critical deficiencies by pursuing those programs and  
10 projects that have the greatest potential to improve the  
11 performance categories relating to safety, congestion, system  
12 preservation, and other programs and initiatives.

13 The overall six-year work program is broken down by  
14 performance category, by county, and by transportation corridors  
15 to better manage, monitor, and inform the public on the progress  
16 being made in improving performance. By accelerating the  
17 implementation of the identified programs and projects, the  
18 department of transportation seeks major improvements in the  
19 identified performance categories.

20 Safety: Safety is and continues to be one of the highest  
21 priorities for the department of transportation. While the  
22 safety program receives priority funding, careful balancing of



1 available resources among programs is required in order to avoid  
2 jeopardizing essential services, functions, and responsibilities  
3 of the department of transportation. Additional resources are  
4 needed to more expeditiously address these critical and urgent  
5 needs.

6 The bridge, rockfall and slope stabilization, and shoreline  
7 protection programs serve core safety purposes in providing and  
8 preserving essential connections to and between communities.  
9 With much of our State served through a belt road system, the  
10 statewide highway system serves fundamental and essential life  
11 functions, as well as serving core emergency response and  
12 emergency evacuation functions. Bridges, rockfall, and slope  
13 stabilization, and shoreline protection are also critical safety  
14 concerns as catastrophic failures have dire consequences with  
15 the potential for loss of life or serious injury.

16 Of an estimated seven hundred sixty bridges in the  
17 statewide highway system, two hundred seventy-five are  
18 structurally deficient or unsafe. In 2006, Hawaii ranked  
19 forty-sixth nationally based on the percentage of structurally  
20 safe bridges. Hawaii also had the worst compliance record in  
21 the nation with respect to federal bridge inspection  
22 requirements, exceeding the requirement that all bridges be





1 inspected within two years. Although this distinction has  
2 subsequently been improved to currently, one of the best in the  
3 nation, these kinds of statistics are unacceptable if allowed to  
4 perpetuate.

5 It is difficult to precisely predict when rocks will fall  
6 or when a landslide will occur. Topography, geologic  
7 conditions, and weather conditions factor into a risk assessment  
8 of locations where there is greater potential for such  
9 occurrences. Shoreline protection is a constant and continuing  
10 battle as sea levels rise due to global warming, and the  
11 shoreline erodes due to storm surges and runoff.

12 Due to current resource limitations, the department of  
13 transportation can only address the most critical locations that  
14 are at greatest risks for failure and defers other locations.  
15 Infusion of additional resources will allow the department to  
16 accelerate implementation of corrective measures, and  
17 proactively address more locations that are at risk.

18 The goals of this modernization effort in the safety  
19 performance category are to: (1) reduce average number of lives  
20 lost on our state highways to one hundred or less per year; (2)  
21 bring fifty of the most deficient bridges up to current  
22 structural design standards, (3) inspect all seven hundred sixty



1 bridges in the statewide highway system within a two-year cycle;  
2 (4) pursue the top fifteen sites identified in the rock fall and  
3 slope stabilization program that are on the most critical routes  
4 where severance of access would have the greatest potential  
5 negative impact; and (5) pursue the top ten sites identified in  
6 the shoreline protection program that are on the most critical  
7 routes where severance of access would have the greatest  
8 potential negative impact.

9 To achieve these goals: (1) the recommendations of the  
10 strategic highway safety program in the seven emphasis areas  
11 must be implemented; (2) legislative and statutory changes must  
12 be approved as part of the department of transportation's  
13 highway safety initiative that is separate and yet an integral  
14 part of this highway modernization plan; (3) the highway safety  
15 improvement program that targets locations with high accident  
16 rates must be implemented; (4) the planning and design on the  
17 most critical bridges identified in the bridge program must be  
18 accelerated and federal funding pursued to the maximum extent  
19 practicable should the federal infrastructure stimulus plan be  
20 implemented; (5) implementation of fifteen sites identified as  
21 priority in the rockfall and slope stabilization program must be  
22 accelerated; (6) implementation of ten sites identified as



1 priority in the shoreline protection program must be  
2 accelerated, and (7) other critical projects identified in the  
3 guardrail and shoulder improvement program and motor vehicle  
4 safety program must be pursued.

5 Congestion: There are currently unacceptable levels of  
6 congestion in every county. Unacceptable congestion currently  
7 occurs on Queen Kaahumanu highway and on Keaau-Pahoa road in the  
8 county of Hawaii, on Honoapiilani highway and on Hana highway in  
9 the county of Maui, through the H-1 freeway corridor and along  
10 Fort Weaver road in the city and county of Honolulu, on Kuhio  
11 highway and on Kamualii highway in the county of Kauai, and on  
12 many other facilities throughout the State.

13 The department of transportation pursues capacity and  
14 congestion relief projects based on greatest need. Current  
15 resource limitations and rising costs to implement the  
16 improvements have resulted in severe diminishment in the number  
17 and locations where necessary improvement can be pursued and  
18 deferral of projects that are of lesser priority.

19 Land use development patterns have also greatly contributed  
20 to the exacerbation of congestion on our regional highway  
21 system. While developers are required to mitigate the direct  
22 impacts of their proposed projects, their regional impacts are



1 typically only a portion of the total regional improvements  
2 needed to address current and future congestion.

3 Regional improvements are major and extremely expensive  
4 undertakings that require significant resources to implement.  
5 The indirect regional impacts of a development are also  
6 difficult to definitively quantify. The department of  
7 transportation typically receives only a small fraction of the  
8 necessary funds needed to implement regional improvements  
9 through developer exactions.

10 Rising cost, greater urbanization, and more comprehensive  
11 environmental and legal requirements restrict the State's  
12 ability to simply add capacity to reduce congestion. The stark  
13 reality is the State cannot build its way out of congestion.  
14 The department of transportation has initiated several new  
15 programs aimed at preserving and better managing the existing  
16 statewide highway system. Resource limitations, however,  
17 diminish the efficacy of these initiatives.

18 The goals of this modernization program in the congestion  
19 performance category are to: (1) achieve a minimum of ten per  
20 cent reduction in congestion along two major corridors, within  
21 each county within ten years; (2) achieve a ten per cent  
22 increase in overall operational efficiency of existing statewide



1 infrastructure system; and (3) achieve a ten per cent increase  
2 in the use of alternative travel modes.

3       The strategies to achieve these goals include the infusion  
4 of additional capital that will provide the department of  
5 transportation with the necessary resources to expedite the  
6 implementation of thirty-five regional improvement projects  
7 spread out over each county to aid in relieving congestion. The  
8 department of transportation will programmatically address  
9 recurring and non-recurring congestion. The department's goal  
10 is to reduce recurring congestion by eliminating bottlenecks and  
11 non-recurring congestion through the implementation of a freeway  
12 management system that will respond to accidents or stalled  
13 vehicles that contribute to congestion. The department seeks to  
14 more efficiently and effectively manage the existing land  
15 transportation highway system through the traffic signal  
16 optimization program and other transportation system management  
17 techniques. The department also seeks to expand implementation  
18 of intelligent transportation systems including the freeway  
19 management system. The department is committed to expanding and  
20 enhancing multimodal and inter-modal options and facilities to  
21 provide greater alternative travel choices. The department will  
22 enhance its current bicycle and pedestrian programs to better



1 promote, encourage, and proactively pursue bicycle and  
2 pedestrian usage. The department will also seek greater  
3 opportunities to facilitate transit use and service.

4 System preservation: Due to severe resource limitations,  
5 the department of transportation has had to make difficult  
6 choices and forgo necessary maintenance when possible to divert  
7 resources to more critical programs such as safety and  
8 congestion. Forgoing basic preservation and preventative  
9 maintenance, however, comes at a much greater long-term cost as  
10 infrastructure deteriorates prematurely and requires greater  
11 capital investment in the long run.

12 The significant infusion of additional capital will allow  
13 the department of transportation to take appropriate and  
14 necessary preventative action to extend the service life of a  
15 greater portion of the existing infrastructure.

16 Investing in preventative maintenance not only extends the  
17 service life of the facilities but can also aid in reducing  
18 exposure to liability. Many claims filed against the State are  
19 attributed to allegedly poor roadway conditions. Preserving the  
20 infrastructure in better condition improves the overall safety  
21 of the facilities and also reduces exposure to liability.



1           Pavement conditions, as measured by roughness and thus  
2 "ride-ability", have been improving as the department has made  
3 system preservation a higher priority and retained a base level  
4 of funding committed to this program. Current statewide average  
5 pavement condition index ratings are seventy-five, on Hawaii are  
6 seventy-eight, on Maui are eighty, on Oahu are seventy, and on  
7 Kauai are seventy-six.

8           The goals of this modernization program in the system  
9 preservation performance category are to achieve and maintain  
10 seventy-five per cent of the infrastructure system within  
11 nationally accepted guidelines for the infrastructure type  
12 within ten years to achieve and maintain a pavement condition  
13 index of eighty or higher on all roadways in the statewide  
14 highway system.

15           The strategies to achieve these goals include performing  
16 one hundred miles of pavement preservation every year, and  
17 increasing base systems preservation program expenditures to  
18 ensure proper system preservation and preventative maintenance.

19           Other initiatives: A major initiative of the department of  
20 transportation's effort to transform the energy is transparency  
21 and accountability to the public. The department of  
22 transportation is committed to achieving this through the



1 development of appropriate performance criteria and being  
2 transparent by reporting the department of transportation's  
3 progress in achieving performance goals that better reflect what  
4 the public values.

5 Current practices are to measure regional congestion based  
6 on volume-to-capacity ratio or levels-of-service or both rather  
7 than on outcomes the public can better relate to such as travel  
8 time and delay. While current practices provide a reliable  
9 means to prioritize capacity programs and projects, volume-to-  
10 capacity does not easily translate in terms of what the general  
11 public values. It also does not take into account variations in  
12 local community tolerances and acceptance regarding levels of  
13 congestion.

14 Through performance monitoring, the department of  
15 transportation will be better able to direct its resources to  
16 those programs and activities that provide the greatest public  
17 benefit and value. Through transparency, the department of  
18 transportation will be more accountable to the public in how the  
19 department of transportation prioritizes and pursues programs  
20 and projects to meet core functional needs.

21 The department of transportation's current practice is to  
22 meet compliance thresholds as mandated by federal and state





1 regulations. Cultural, ecological, and archaeological resources  
2 hold far greater public value than in the past. Recognizing the  
3 value of these precious and unique resources, the department of  
4 transportation is committed to their preservation through the  
5 creation of a formalized environmental program and committing  
6 greater resources to ensure impacts are minimized to the  
7 greatest extent possible.

8         The department of transportation seeks to gather and  
9 disseminate more relevant and reliable real time information so  
10 that motorists can make better, more informed decisions  
11 regarding their personal travel. By providing reliable real  
12 time information, motorist will know the severity of a  
13 disruption allowing them the opportunity to adjust their route  
14 or planned travel time or both. Real time information can also  
15 aid in reducing overall driver anxiety and stress generated by  
16 the unknown.

17         In addition to accelerating projects and programs, the  
18 department of transportation is also committed to review  
19 alternative policies and initiatives that may be able to affect  
20 the demand for travel, to explore alternative travel modes, and  
21 ways to better manage the overall transportation system to  
22 achieve greatest efficiency. The department of transportation



1 will also investigate opportunities to partner with other  
2 governmental agencies to influence land use development patterns  
3 to reduce overall need for travel and associated transportation  
4 impacts.

5 Financial plan: As part of the overall financial plan to  
6 generate the additional capital required for this modernization  
7 program, the department of transportation proposes to increase  
8 state liquid fuel taxes, state vehicle registration fees, state  
9 vehicle weight taxes, and rental motor vehicle surcharge taxes.  
10 Creation of a new special fund into which these additional  
11 revenues will be placed is also proposed. The creation of this  
12 special fund will allow for greater accountability and greater  
13 transparency to the public and ensure the public that the  
14 increases in revenues are being appropriately used on programs  
15 and projects that achieve the desired improvements in the  
16 adopted performance categories.

17 The state liquid fuel tax, state vehicle registration fee,  
18 state vehicle weight tax, and rental motor vehicle surcharge tax  
19 will be increased as follows:

20 (1) Increase the state tax on liquid fuel by ten cents per  
21 gallon increase;

22 (2) Increase the state vehicle registration fee by \$20;



1           (3) Increase the rental motor vehicle surcharge tax  
2                   permanently to \$5 per day; and

3           (4) Increase the state vehicle weight tax.

4           The state liquid fuel tax, state vehicle registration fee,  
5 state vehicle weight tax, and rental motor vehicle surcharge tax  
6 are the major sources of revenues for the state highway fund.  
7 Appropriations from the fund are used for the construction,  
8 operation, and maintenance of the state highway system. The  
9 highways financial plan relies on these revenues to support the  
10 continued operations and maintenance of the state highway  
11 system.

12           These revenues also serve as pledged revenues for highway  
13 revenue bonds. The additional revenues derived from the  
14 increased taxes and fees will help to increase the revenue  
15 bonding capacity of the state highways program and provide  
16 funding for additional capital improvement projects.

17           Highway fuel license taxes: Highway fuel license taxes  
18 consist of license taxes on fuel sold to motor vehicle operators  
19 pursuant to chapter 243, Hawaii Revised Statutes. The  
20 distributor of motor vehicle fuel pays the fuel license tax for  
21 liquid fuel produced or imported by the distributor to be sold  
22 or used by the distributor. Highway fuel license taxes are



1 currently assessed at a rate of 17 cents per gallon of gasoline  
2 and diesel oil used for general highway purposes; and 2 cents  
3 per gallon of gasoline, diesel oil, and liquid petroleum gas  
4 used for non-highway purposes. The highway fuel license taxes  
5 are collected by the department of taxation, which then  
6 transfers the receipts to the state highway fund.

7 The rate of taxation on fuel increased significantly  
8 between 1975 and 1991. Highway fuel license taxes increased in  
9 1975 from 8.5 cents per gallon of gasoline and diesel oil and  
10 6 cents per gallon of liquid petroleum gas, to 11 cents per  
11 gallon of gasoline and diesel oil, and 8 cents per gallon of  
12 liquid petroleum gas in 1985; and in 1991, to 16 cents per  
13 gallon of gasoline and diesel oil and 11 cents per gallon of  
14 liquid petroleum gas. The state fuel tax was increased to  
15 17 cents per gallon for gasoline and diesel oil used for general  
16 highway purposes; and 2 cents per gallon for gasoline, diesel  
17 oil, and liquid petroleum gas used for non-highway purposes in  
18 2007.

19 Vehicle registration fees: All vehicles, including motor  
20 vehicles, must be registered annually with one of the four  
21 counties of the State. The vehicle owner must pay a State  
22 registration fee of \$25 for each vehicle, pursuant to section



1 249-31, Hawaii Revised Statutes. The State vehicle registration  
2 fee has been increased from \$1 per vehicle in 1979, to \$10 per  
3 vehicle in 1985, to \$20 per vehicle in 1991, and to \$25 per  
4 vehicle in 2004. From each annual motor vehicle registration  
5 fee collected, \$20 is deposited into the state highway fund, and  
6 \$5 into the emergency medical services special fund. The four  
7 counties each collect the vehicle registration fee along with  
8 their respective county registration fees and transfer the  
9 State's portion of the vehicle registration fee into the state  
10 highway fund.

11 Vehicle weight taxes: All vehicles, including motor  
12 vehicles, are assessed an annual state vehicle weight tax  
13 pursuant to section 249-33, Hawaii Revised Statutes. The tax  
14 rate is \$0.0075 per pound for vehicles less than 4,000 pounds;  
15 \$0.01 per pound for vehicles between 4,001 and 7,000 pounds;  
16 \$0.0125 per pound for vehicles between 7,001 and 10,000 pounds;  
17 and \$150 per vehicle for vehicles over 10,000 pounds. Vehicle  
18 weight taxes increased from a minimum rate of \$0.0045 per pound  
19 to \$0.0050 per pound to \$0.0075 per pound and a maximum charge  
20 of \$36 per vehicle to \$65 per vehicle to \$150 per vehicle over  
21 the period from 1991 to 2002. The four counties each collect  
22 the vehicle weight tax along with their respective county



1 vehicle taxes, and transfer the State's portion of the vehicle  
2 weight tax into the state highway fund.

3 Rental motor vehicle and tour vehicle surcharge taxes:  
4 chapter 251, Hawaii Revised Statutes, imposes a surcharge tax on  
5 all rental motor vehicles and tour vehicles. The rental motor  
6 vehicle surcharge tax is imposed on the owner of the rental  
7 company when a rental motor vehicle is rented or leased. In  
8 1999, the surcharge tax was increased from \$2 per day to \$3 per  
9 day or any portion of the day, and was further extended in 2007  
10 and again in 2008 to extend the increase through August 31,  
11 2011.

12 Trigger: The current economic downturn has severely  
13 impacted the State and its people, and actions that could lead  
14 to further reductions in personal income could have detrimental  
15 and undesirable impact the people of Hawaii. The liquid fuel  
16 tax, state vehicle registration fee, state vehicle weight tax,  
17 and rental motor vehicle surcharge tax increases will take  
18 effect only if the economy has improved with a resultant one per  
19 cent growth in Hawaii's statewide non-agricultural wage and  
20 salary job growth for two consecutive quarters as compared with  
21 the same quarters in the previous year as published by the  
22 department of business, economic development, and tourism.



1           If, however, the tax and fee increases are not triggered by  
2 the third year following the effective date of this legislation,  
3 the department of transportation will return to current  
4 operational and priority status, scaling back its efforts to  
5 match and appropriately manage available resources. Projects  
6 must be put on hold and the department of transportation must  
7 carefully reprioritize its efforts based on funding levels that  
8 can appropriately sustain expenditures.

9           The department of transportation intends to seek the  
10 services of a master consultant to assist with overall program  
11 management and support services in the implementation of this  
12 major highway modernization program undertaking. This master  
13 consultant effort will aid in the development of specific  
14 performance criteria to assess overall effectiveness of the  
15 programs and projects. The master consultant will assist in  
16 reviewing, evaluating, and recommending structural,  
17 organizational, and procedural changes to the department of  
18 transportation's highways division including recommendations on  
19 staffing and other resource needs. The master consultant will  
20 also assist with the creation and maintenance of web based  
21 information for dissemination of project status and performance  
22 indicators.



1 Transfers of highway fund: Due to the dire need to heavily  
2 invest in the state land transportation infrastructure system  
3 and the fact that there exists a significant backlog in  
4 maintenance of existing facilities; the transfer of funds from  
5 the highway fund and the new land transportation modernization  
6 special fund must be strictly prohibited. The department of  
7 transportation requires a secure, stable, and reliable funding  
8 source to properly administer and manage the extreme challenges  
9 faced by the state land transportation infrastructure system.

10 Nationally, there is much discussion regarding a proposed  
11 federal infrastructure stimulus plan to stimulate the national  
12 economy. Should this federal initiative come to fruition, the  
13 department of transportation must be prepared to actively pursue  
14 the funds to the maximum extent practical. For this reason, the  
15 department of transportation seeks authorization to pursue a  
16 comprehensive six-year program that accounts for an infusion of  
17 federal funds should federal infrastructure stimulus plan funds  
18 become available.

19 Funding needed to operate and maintain our existing highway  
20 infrastructure is estimated to cost \$7,000,000,000. Of this  
21 \$7,000,000,000, the sum of \$1,960,000,000 is needed to address  
22 safety program needs; \$1,530,000,000 is needed to address





1 preservation program needs; \$150,000,000 is needed to address  
2 congestion program needs; \$3,100,000,000 to address capacity  
3 program needs; \$160,000,000 to address enhancement program  
4 needs; and \$100,000,000 billion to address other program needs.  
5 At current funding levels of \$250,000,000 per year, it will take  
6 over thirty years to address the estimated \$7,000,000,000 in  
7 current infrastructure and programmatic needs.

8         The land transportation modernization special fund is  
9 proposed. Moneys from the increase in state liquid fuel taxes,  
10 state vehicle registration fees, state vehicle weight taxes, and  
11 rental motor vehicle surcharge taxes. Expenditures from the  
12 land transportation modernization special fund shall be made for  
13 the purpose of the transportation modernization program of the  
14 department of transportation program.

15         The land transportation modernization special fund shall be  
16 managed to allow for greater accountability and greater  
17 transparency to the public and ensure the public that the  
18 increases in revenues are being appropriately used on programs  
19 and projects that achieve the desired improvements in the  
20 adopted performance categories.

21         The purpose of this Act is to:



- 1           (1) Increase the state liquid fuel tax, state vehicle  
2                    registration fee, state vehicle weight fee, and rental  
3                    motor vehicle surcharge tax;
- 4           (2) Create the land transportation modernization special  
5                    fund;
- 6           (3) Provide funding for a six-year comprehensive  
7                    modernization program;
- 8           (4) Implement one or more pilot programs to test  
9                    alternatives to current state and county system of  
10                  motor vehicle fuel taxes; and
- 11          (5) Require the department of transportation to implement  
12                  the vehicle miles traveled pilot program.

13                                   **PART II.**

14           SECTION 2. (a) The department of transportation shall  
15           establish the vehicle miles traveled pilot program.

16           Paying less and avoiding having to pay any liquid fuel tax  
17           is often viewed as a factor that encourages motorists to  
18           purchase or use more fuel-efficient motor vehicles or motor  
19           vehicles that use alternative sustainable fuel sources. The  
20           liquid fuel tax, however, is the primary means of funding the  
21           infrastructure improvements needed to support motor vehicular  
22           travel, regardless of fuel type. As the use of fuel efficient



1 and alternative energy vehicles becomes more prevalent, less gas  
2 will be consumed and liquid fuel tax collections will  
3 correspondingly diminish. The current method of assessing the  
4 motor vehicle liquid fuel tax on a per gallon basis will become  
5 less and less effective at generating a stable revenue source to  
6 fund the land transportation infrastructure program.

7 The current liquid fuel tax per gallon is also not indexed  
8 to account for inflation or other cost escalation factors.  
9 Political realities make the periodic raising of the liquid fuel  
10 tax to match rises in inflation difficult to accomplish. The  
11 net result, therefore, being continual erosion in the actual  
12 buying power of the revenue collected.

13 As gas prices recently rose to historic highs, demand for  
14 more fuel efficient vehicles also rose. This correlation shows  
15 that the price of gas has a far greater influence on encouraging  
16 use of fuel efficient vehicles and alternative energy use, as  
17 opposed to avoiding the liquid fuel tax.

18 The number of miles each vehicle travels is a better gauge  
19 of its actual use and associated impact on the land  
20 transportation infrastructure.

21 (b) The department of transportation shall evaluate a  
22 vehicle miles traveled user fee as a more equitable means of



1 assessing all users of the highway system a fee based on their  
 2 actual use and impact on the highways. This approach would  
 3 better correlate usage and fees and would provide a more  
 4 reliable and stable source of funds to administer and manage the  
 5 land transportation infrastructure system.

6 SECTION 3. The department of transportation shall develop  
 7 one or more pilot programs to test alternatives to the current  
 8 state and county system of motor vehicle fuel taxes. The pilot  
 9 programs may include but are not limited to programs to test the  
 10 reliability, ease of use, cost, and public acceptance of  
 11 technology and methods for:

- 12 (1) Identifying vehicles;
- 13 (2) Collecting and reporting the number of miles traveled  
 14 by particular vehicles; and
- 15 (3) Collecting payments from or making payments to  
 16 participants in pilot programs.

17 SECTION 4. Chapter 248, Hawaii Revised Statutes, is  
 18 amended by adding a new section to be appropriately designated  
 19 and to read as follows:

20 "§248- Land transportation modernization special fund.

21 (a) There is established in the state treasury the land  
 22 transportation modernization special fund, that excludes the



1 taxes and fees collected on any island with a total resident  
2 population of less than 20,000 persons, to be administered by  
3 the department of transportation, into which shall be deposited:

4 (1) A portion of the tax collected under section 2(a) of  
5 Act \_\_\_\_\_, Session Laws of Hawaii 2009, equal to 10  
6 cents per gallon of liquid fuel;

7 (2) A portion of the state registration fee collected  
8 under section 3 of Act \_\_\_\_\_, Session Laws of Hawaii  
9 2009, equal to \$20 for each annual motor vehicle  
10 registration fee collected;

11 (3) A portion of the annual state vehicle weight tax  
12 collected under section 4 of Act \_\_\_\_\_, Session Laws of  
13 Hawaii 2009, equal to 2 cents a pound for vehicles up  
14 to and including ten thousand pounds net weight, and a  
15 rate of \$300 per vehicle for vehicles over ten  
16 thousand pounds net weight;

17 (4) A portion of the rental vehicle surcharge tax under  
18 section 5 of Act \_\_\_\_\_, Session Laws of Hawaii 2009,  
19 equal to \$2 a day, or any portion of a day that a  
20 rental motor vehicle is rented or leased;

21 (5) Interest from investment of deposits; and

22 (6) Legislative and county appropriations.



1           (b) Moneys in the land transportation modernization  
2 special fund shall be used for the purposes of Act           , Session  
3 Laws of Hawaii 2009, and shall be authorized for expenditure by  
4 the department of transportation for payment of revenue bond  
5 debt service, including principal and interest.

6           (c) The land transportation modernization special fund  
7 shall be exempt from the requirements of section 36-27 transfers  
8 from special funds for central service expenses, and section  
9 36-30 special fund reimbursements for departmental  
10 administrative expenses."

11           SECTION 5. Section 36-27, Hawaii Revised Statutes, is  
12 amended to read as follows:

13           "**§36-27 Transfers from special funds for central service**  
14 **expenses.** Except as provided in this section, and  
15 notwithstanding any other law to the contrary, from time to  
16 time, the director of finance, for the purpose of defraying the  
17 prorated estimate of central service expenses of government in  
18 relation to all special funds, except the:

- 19           (1) Special out-of-school time instructional program fund  
20                   under section 302A-1310;
- 21           (2) School cafeteria special funds of the department of  
22                   education;



- 1           (3) Special funds of the University of Hawaii;
- 2           (4) State educational facilities improvement special fund;
- 3           (5) Convention center enterprise special fund under
- 4                section 201B-8;
- 5           (6) Special funds established by section 206E-6;
- 6           (7) Housing loan program revenue bond special fund;
- 7           (8) Housing project bond special fund;
- 8           (9) Aloha Tower fund created by section 206J-17;
- 9           (10) Funds of the employees' retirement system created by
- 10               section 88-109;
- 11           (11) Unemployment compensation fund established under
- 12               section 383-121;
- 13           (12) Hawaii hurricane relief fund established under chapter
- 14               431P;
- 15           (13) Hawaii health systems corporation special funds and
- 16               the subaccounts of its regional system boards;
- 17           (14) Tourism special fund established under section
- 18               201B-11;
- 19           (15) Universal service fund established under chapter 269;
- 20           (16) Emergency and budget reserve fund under section
- 21               328L-3;



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- 1       (17) Public schools special fees and charges fund under
- 2               section 302A-1130(f);
- 3       (18) Sport fish special fund under section 187A-9.5;
- 4       (19) Neurotrauma special fund under section 321H-4;
- 5       (20) Deposit beverage container deposit special fund under
- 6               section 342G-104;
- 7       (21) Glass advance disposal fee special fund established by
- 8               section 342G-82;
- 9       (22) Center for nursing special fund under section
- 10              304A-2163;
- 11       (23) Passenger facility charge special fund established by
- 12              section 261-5.5;
- 13       (24) Solicitation of funds for charitable purposes special
- 14              fund established by section 467B-15;
- 15       (25) Land conservation fund established by section 173A-5;
- 16       (26) Court interpreting services revolving fund under
- 17              section 607-1.5;
- 18       (27) Trauma system special fund under section 321-22.5;
- 19       (28) Hawaii cancer research special fund;
- 20       (29) Community health centers special fund;
- 21       (30) Emergency medical services special fund; [and]





1           (31) Rental motor vehicle customer facility charge special  
2                   fund established under section 261-5.6; and  
3           (32) Land transportation modernization special fund  
4                   established under section 248- ;  
5 shall deduct five per cent of all receipts of all other special  
6 funds, which deduction shall be transferred to the general fund  
7 of the State and become general realizations of the State. All  
8 officers of the State and other persons having power to allocate  
9 or disburse any special funds shall cooperate with the director  
10 in effecting these transfers. To determine the proper revenue  
11 base upon which the central service assessment is to be  
12 calculated, the director shall adopt rules pursuant to chapter  
13 91 for the purpose of suspending or limiting the application of  
14 the central service assessment of any fund. No later than  
15 twenty days prior to the convening of each regular session of  
16 the legislature, the director shall report all central service  
17 assessments made during the preceding fiscal year."

18           SECTION 6. Section 36-30, Hawaii Revised Statutes, is  
19 amended by amending subsection (a) to read as follows:

20           "(a) Each special fund, except the:

21           (1) Transportation use special fund established by section  
22                   261D-1;



- 1           (2) Special out-of-school time instructional program fund
- 2                   under section 302A-1310;
- 3           (3) School cafeteria special funds of the department of
- 4                   education;
- 5           (4) Special funds of the University of Hawaii;
- 6           (5) State educational facilities improvement special fund;
- 7           (6) Special funds established by section 206E-6;
- 8           (7) Aloha Tower fund created by section 206J-17;
- 9           (8) Funds of the employees' retirement system created by
- 10                   section 88-109;
- 11           (9) Unemployment compensation fund established under
- 12                   section 383-121;
- 13           (10) Hawaii hurricane relief fund established under chapter
- 14                   431P;
- 15           (11) Convention center enterprise special fund established
- 16                   under section 201B-8;
- 17           (12) Hawaii health systems corporation special funds and
- 18                   the subaccounts of its regional system boards;
- 19           (13) Tourism special fund established under section
- 20                   201B-11;
- 21           (14) Universal service fund established under chapter 269;



- 1 (15) Emergency and budget reserve fund under section  
2 328L-3;
- 3 (16) Public schools special fees and charges fund under  
4 section 302A-1130(f);
- 5 (17) Sport fish special fund under section 187A-9.5;
- 6 (18) Neurotrauma special fund under section 321H-4;
- 7 (19) Center for nursing special fund under section  
8 304A-2163;
- 9 (20) Passenger facility charge special fund established by  
10 section 261-5.5;
- 11 (21) Court interpreting services revolving fund under  
12 section 607-1.5;
- 13 (22) Trauma system special fund under section 321-22.5;
- 14 (23) Hawaii cancer research special fund;
- 15 (24) Community health centers special fund;
- 16 (25) Emergency medical services special fund; [~~and~~]
- 17 (26) Rental motor vehicle customer facility charge special  
18 fund established under section 261-5.6[~~7~~]; and
- 19 (27) Land transportation modernization special fund  
20 established under section 248- ;



1 shall be responsible for its pro rata share of the  
2 administrative expenses incurred by the department responsible  
3 for the operations supported by the special fund concerned."

4 SECTION 7. Section 243-4, Hawaii Revised Statutes, is  
5 amended by amending subsection (a) to read as follows:

6 "(a) Every distributor, in addition to any other taxes  
7 provided by law, shall pay a license tax to the department of  
8 taxation for each gallon of liquid fuel refined, manufactured,  
9 produced, or compounded by the distributor and sold or used by  
10 the distributor in the State or imported by the distributor, or  
11 acquired by the distributor from persons who are not licensed  
12 distributors, and sold or used by the distributor in the State.  
13 Any person who sells or uses any liquid fuel, knowing that the  
14 distributor from whom it was originally purchased has not paid  
15 and is not paying the tax thereon, shall pay such tax as would  
16 have applied to such sale or use by the distributor. The rates  
17 of tax imposed are as follows:

- 18 (1) For each gallon of diesel oil, 2 cents;
- 19 (2) For each gallon of gasoline or other aviation fuel  
20 sold for use in or used for airplanes, 2 cents;
- 21 (3) For each gallon of naphtha sold for use in a power-  
22 generating facility, 1 cent;



1 (4) For each gallon of liquid fuel, other than fuel  
2 mentioned in paragraphs (1), (2), and (3), and other  
3 than an alternative fuel, sold or used in the city and  
4 county of Honolulu, or sold in any county for ultimate  
5 use in the city and county of Honolulu, [~~17~~] 27 cents  
6 state tax, and in addition thereto an amount, to be  
7 known as the "city and county of Honolulu fuel tax",  
8 as shall be levied pursuant to section 243-5;

9 (5) For each gallon of liquid fuel, other than fuel  
10 mentioned in paragraphs (1), (2), and (3), and other  
11 than an alternative fuel, sold or used in the county  
12 of Hawaii, or sold in any county for ultimate use in  
13 the county of Hawaii, [~~17~~] 27 cents state tax, and in  
14 addition thereto an amount, to be known as the "county  
15 of Hawaii fuel tax", as shall be levied pursuant to  
16 section 243-5;

17 (6) For each gallon of liquid fuel, other than fuel  
18 mentioned in paragraphs (1), (2), and (3), and other  
19 than an alternative fuel, sold or used in the county  
20 of Maui, or sold in any county for ultimate use in the  
21 county of Maui, 17 cents state tax[~~7~~] on any island  
22 with a total resident population of less than 20,000



1           persons and 27 cents state tax everywhere else, and in  
2           addition thereto an amount, to be known as the "county  
3           of Maui fuel tax", as shall be levied pursuant to  
4           section 243-5; and

5           (7) For each gallon of liquid fuel, other than fuel  
6           mentioned in paragraphs (1), (2), and (3), and other  
7           than an alternative fuel, sold or used in the county  
8           of Kauai, or sold in any county for ultimate use in  
9           the county of Kauai, [~~17~~] 27 cents state tax, and in  
10          addition thereto an amount, to be known as the "county  
11          of Kauai fuel tax", as shall be levied pursuant to  
12          section 243-5.

13          If it is shown to the satisfaction of the department, based  
14          upon proper records and from any other evidence as the  
15          department may require, that liquid fuel, other than fuel  
16          mentioned in paragraphs (1), (2), and (3), is used for  
17          agricultural equipment that does not operate upon the public  
18          highways of the State, the user thereof may obtain a refund of  
19          all taxes thereon imposed by this section in excess of 1 cent  
20          per gallon. The department shall adopt rules to administer such  
21          refunds."



1 SECTION 8. Section 249-31, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§249-31 State registration fee. (a) All vehicles and  
4 motor vehicles in the State as defined in section 249-1,  
5 including antique motor vehicles, except as otherwise provided  
6 in sections 249-4 and 249-6, shall be subject to a \$25 annual  
7 vehicle registration fee[-] on any island with a total resident  
8 population of less than 20,000 persons and a \$45 annual vehicle  
9 registration fee everywhere else. The fee shall become due and  
10 payable on January 1, and shall be paid before April 1 in each  
11 year together with all other taxes and fees levied by this  
12 chapter; provided that should any county elect to renew motor  
13 vehicle registrations on a staggered basis as authorized by  
14 section 286-51, the state registration for that county shall  
15 likewise be staggered so that the state registration fee is due  
16 and payable at the same time and shall be collected together  
17 with the county fee. The state registration fee shall be deemed  
18 delinquent if not paid with the county registration fee. The  
19 respective counties shall collect this fee together with the  
20 vehicle registration tax collected for the county and shall  
21 transfer the moneys collected under this section to the State.



1 (b) From each annual motor vehicle registration fee, the  
2 director shall deposit \$20 into the state highway fund and \$5  
3 into the emergency medical services special fund. The director  
4 of transportation shall also deposit \$20 into the land  
5 transportation modernization special fund from each motor  
6 vehicle registration fee, except for those annual motor vehicle  
7 registrations on any island with a total resident population of  
8 less than 20,000 persons."

9 SECTION 9. Section 249-33, Hawaii Revised Statutes, is  
10 amended by amending subsection (a) to read as follows:

11 "(a) All vehicles and motor vehicles in the State as  
12 defined in section 249-1, including antique motor vehicles,  
13 except as otherwise provided in sections 249-3 to 249-6, in  
14 addition to all other fees and taxes levied by this chapter,  
15 shall be subject to an annual state vehicle weight tax. The tax  
16 shall be levied by the county director of finance at the rate of  
17 .75 cents a pound on any island with a total resident population  
18 of less than 20,000 persons and 2.75 cents a pound everywhere  
19 else according to the net weight of each vehicle as the "net  
20 weight" is defined in section 249-1 up to and including four  
21 thousand pounds net weight; vehicles over four thousand pounds  
22 and up to and including seven thousand pounds net weight shall





1 be taxed at the rate of 1.00 cent a pound[+] on any island with  
2 a total resident population of less than 20,000 persons and 3.00  
3 cents a pound everywhere else; vehicles over seven thousand  
4 pounds and up to and including ten thousand pounds net weight  
5 shall be taxed at the rate of 1.25 cents a pound[+] on any  
6 island with a total resident population of less than 20,000  
7 persons and 3.25 cents a pound everywhere else; vehicles over  
8 ten thousand pounds net weight shall be taxed at a flat rate of  
9 \$150[-] on any island with a total resident population of less  
10 than 20,000 persons and \$450 everywhere else."

11 SECTION 10. Section 251-2, Hawaii Revised Statutes, is  
12 amended by amending subsection (a) to read as follows:

13 "(a) There is levied and shall be assessed and collected  
14 each month a rental motor vehicle surcharge tax of [~~\$2~~] \$5 a  
15 day, [~~except that for the period of September 1, 1999, to August~~  
16 ~~31, 2011, the tax shall be \$3 a day,~~] or any portion of a day  
17 that a rental motor vehicle is rented or leased. The rental  
18 motor vehicle surcharge tax shall be levied upon the lessor;  
19 provided that the tax shall not be levied on the lessor if:

20 (1) The lessor is renting the vehicle to replace a vehicle  
21 of the lessee that is being repaired; and



1 (2) A record of the repair order for the vehicle is  
2 retained either by the lessor for two years for  
3 verification purposes or by a motor vehicle repair  
4 dealer for two years as provided in section 437B-16."

5 PART III.

6 SECTION 11. The department of transportation is authorized  
7 to issue highway revenue bonds for highway capital improvement  
8 projects authorized by the General Appropriations Act of 2009,  
9 and for the purposes of this Act, designated to be financed by  
10 revenue bond funds with the debt service to be paid from special  
11 funds.

12 SECTION 12. The department of transportation shall be  
13 authorized to expend funds for the pursuit of the projects and  
14 programs listed below. Accounting of the appropriations by the  
15 department of accounting and general services shall be based on  
16 the projects as the projects are listed in this section.  
17 Several related or similar projects may be combined into a  
18 single project if the combination is advantageous or convenient  
19 for implementation; and provided further that the total cost of  
20 the projects thus combined shall not exceed the total of the sum  
21 specified for the projects separately. (The amount after each



1 cost element and the total funding for each project listed in  
2 this part are in thousands of dollars.)

3 1. SAFETY PROGRAM - Strategic highway safety program: Seven  
4 emphasis areas of the strategic highway safety plan that  
5 will reduce the number and severity of traffic-related  
6 injuries and deaths on Hawaii's roadways.

7 (A) Putting the brakes on aggressive driving.

8 Total funding \$10,000

9 (B) Combating impaired driving.

10 Total funding \$5,000

11 (C) Protecting vehicle occupants.

12 Total funding \$2,000

13 (D) Safeguarding pedestrians and bicyclists.

14 Total funding \$6,000

15 (E) Ensuring motorcycle and moped safety.

16 Total funding \$1,000

17 (F) Building safer roadways by design.

18 Total funding \$89,000

19 (G) Improving data and safety management systems.

20 Total funding \$3,000

21 2. SAFETY PROGRAM - Highway safety improvement program:

22 Safety improvements statewide in which scope may include,



1 but is not limited to, intersection channelization,  
 2 installation of milled rumble strips on centerline and  
 3 shoulders, superelevation assessment along entire segment,  
 4 pavement markings, and signing.

5 Total funding \$43,294

6 3. SAFETY PROGRAM - Bridge program: Bridge program includes  
 7 bridge replacement, rehabilitation, widening, repair, lead  
 8 abatement and inspection; seismic retrofit and tunneling.

9 (A) Oahu - Kamehameha Highway, Hoolapa Stream (Nanahu)

10 Bridge replacement: design and construct Hoolapa  
 11 Stream (Nanahu) Bridge replacement on Kamehameha  
 12 Highway.

13 Total funding \$10,000

14 (B) Oahu - Kamehameha Highway, Makaua Stream Bridge  
 15 rehabilitation: design and construct Makaua Stream  
 16 Bridge rehabilitation on Kamehameha Highway.

17 Total funding \$5,000

18 (C) Oahu - Kamehameha Highway, Waikane Stream Bridge  
 19 rehabilitation: design and construct Waikane Stream  
 20 Bridge rehabilitation on Kamehameha Highway.

21 Total funding \$5,000



1 (D) Oahu - Kamehameha Highway, Kalauoa Springs Stream  
 2 Bridge replacement: design and construct Kalauoa  
 3 Springs Stream Bridge replacement on Kamehameha  
 4 Highway.

5 Total funding \$10,000

6 (E) Oahu - Bridge, rehabilitation, replacement or seismic  
 7 retrofit includes design, right of way and  
 8 construction for rehabilitation, replacement and  
 9 seismic retrofit of bridges at various locations.  
 10 Interstate H-1, H-2, and H-3 structures Kalaniana'ole  
 11 Highway, Ina'ole Stream Bridge, Waimanalo Kamehameha  
 12 Highway, Waiahole Bridge replacement Kamehameha  
 13 Highway, Kaipapau Stream Bridge rehabilitation  
 14 Kamehameha Highway, Kawela Stream Bridge  
 15 replacement/rehabilitation Kamehameha Highway, Makaha  
 16 Bridges #3 and #3A replacement Kamehameha Highway,  
 17 Kaluanui Stream Bridge replacement.

18 Total funding \$134,355

19 (F) Hawaii Belt Road, Hilea Stream Bridge replacement:  
 20 design and construct Hilea Stream Bridge replacement  
 21 on Hawaii Belt Road.

22 Total funding \$20,000



1 (G) Hawaii - Bridge, rehabilitation, replacement, or  
2 seismic retrofit includes design, right-of-way and  
3 construction for rehabilitation, replacement and  
4 seismic retrofit of bridges at various locations.  
5 Hawaii Belt Road, Pahoehoe Stream Bridge replacement  
6 Kawaihae Road, Waiaka Stream Bridge replacement and  
7 realignment of approaches.

8 Total funding \$6,420

9 (H) Maui - Kula Highway, Kaipoi Stream Bridge  
10 rehabilitation: design and construction for Kaipoi  
11 Stream Bridge rehabilitation on Kula Highway.

12 Total funding \$5,000

13 (I) Maui - Hana Highway, bridge preservation plan: plan  
14 for preservation of bridges on Hana Highway.

15 Total funding \$1,500

16 (J) Maui - Hana Highway, structural strengthening of  
17 various bridges.

18 Total funding \$2,500

19 (K) Maui - Hana Highway, Mokulehua Stream Bridge  
20 rehabilitation/replacement: design and construct for  
21 Mokulehua Stream Bridge rehabilitation/replacement on  
22 Hana Highway.









1 (C) Oahu - Kamehameha Highway, rockfall protection,  
2 vicinity of Wahiawa Town: design and construct  
3 rockfall protection on Kamehameha Highway in the  
4 vicinity of Wahiawa Town.

5 Total funding \$5,000

6 (D) Oahu - Kamehameha Highway, rockfall protection,  
7 vicinity of North Shore: design and construct  
8 rockfall protection on Kamehameha Highway in the  
9 vicinity of North Shore.

10 Total funding \$5,000

11 (E) Hawaii - Hawaii Belt Road, rockfall protection phase I  
12 and II: construct rockfall protection on Hawaii Belt  
13 Road.

14 Total funding \$16,000

15 (F) Hawaii - Hawaii Belt Road, rockfall protection at  
16 various locations: design and construct rockfall  
17 protection on Hawaii Belt Road at various locations.

18 Total funding \$20,000

19 (G) Maui - Hana Highway slope stabilization and  
20 Honoapiilani Highway rockfall protection: plans for  
21 Hana Highway slope stabilization and Honoapiilani  
22 Highway rockfall protection.





1 (B) Oahu - Kamehameha Highway realignment, Haleiwa to  
2 Waimea Bay: design Kamehameha Highway realignment  
3 from Haleiwa to Waimea Bay.

4 Total funding \$3,100

5 (C) Oahu - Kamehameha Highway, shoreline protection,  
6 vicinity of Hauula: design and construct Kamehameha  
7 Highway shoreline protection in the vicinity of  
8 Hauula.

9 Total funding \$5,700

10 (D) Oahu - Kamehameha Highway, shoreline protection,  
11 vicinity of Kaaawa: design and construct Kamehameha  
12 Highway shoreline protection in the vicinity of  
13 Kaaawa.

14 Total funding \$10,840

15 (E) Oahu - Kamehameha Highway, shoreline protection,  
16 vicinity of Kawailoa Beach: design Kamehameha Highway  
17 shoreline protection in the vicinity of Kawailoa  
18 Beach.

19 Total funding \$1,700

20 (F) Hawaii - Hilo Bayfront Highway, shoreline protection:  
21 construct shoreline protection along Hilo Bayfront  
22 Highway.





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1 (L) Kauai - Kuhio Highway, shoreline protection, vicinity  
2 of Hanalei Bay: construct shoreline protection in the  
3 Hanalei Bay area.

4 Total funding \$2,300

5 (M) Kauai - East Kauai, shoreline protection: design and  
6 construct shoreline protection in East Kauai.

7 Total funding \$10,000

8 (N) Statewide - Shoreline inspection: shoreline  
9 inspection at various locations statewide.

10 Total funding \$6,000

11 6. SAFETY PROGRAM - Guardrail and shoulder improvement program

12 (A) Oahu - Guardrail and shoulder improvements: guardrail  
13 and shoulder improvements at various locations.

14 Total funding \$16,132

15 (B) Hawaii - Guardrail and shoulder improvements:  
16 guardrail and shoulder improvements at various  
17 locations.

18 Total funding \$7,329

19 (C) Maui - Guardrail and shoulder improvements: guardrail  
20 and shoulder improvements at various locations.

21 Total funding \$1,000



1 (D) Kauai - Guardrail and shoulder improvements:

2 guardrail and shoulder improvements at various

3 locations.

4 Total funding \$1,259

5 7. SAFETY PROGRAM - Motor vehicle safety program: motor

6 carrier and highway safety and sign and traffic signal

7 management.

8 (A) Statewide - Other facility improvements: plans,

9 designs, construction and equipment for facility

10 improvements.

11 Total funding \$11,891

12 8. CONGESTION PROGRAM - Capacity program

13 (A) Oahu - Kalaniana'ole Highway improvements, Olomana Golf

14 Course to Waimanalo Beach Park, phase I and II

15 Construct improvements on Kalaniana'ole Highway from

16 Olomana Golf Course to Waimanalo Beach Park.

17 Total funding \$24,480

18 (B) Oahu - PM contraflow from Paiwa interchange to Waiawa

19 interchange, phase I: design and construct phase I of

20 the PM contraflow lane from Paiwa interchange to

21 Waiawa interchange.

22 Total funding \$23,600



1 (C) Oahu - Intersection operational improvements to reduce  
2 congestion: design and construct various intersection  
3 operational improvements aimed to reduce congestion at  
4 various locations.

5 Total funding \$7,800

6 (D) Oahu - Interstate Route H-1 corridor improvements:  
7 plans for various H-1 corridor improvements.

8 Total funding \$520

9 (E) Oahu - Interstate Route H-1, Lunalilo Street off-/on-  
10 ramp: design for Lunalilo Street on-ramp and off-ramp  
11 improvements.

12 Total funding \$1,080

13 (F) Oahu - Interstate Route H-1, Kunia interchange  
14 improvements: plans for Kunia interchange  
15 improvements.

16 Total funding \$780

17 (G) Oahu - Fort Barrette Road widening, Farrington Highway  
18 to Barbers Point Gate: construction for Fort Barrette  
19 Road widening from Farrington Highway to Barbers Point  
20 Gate.

21 Total funding \$22,450



1 (H) Oahu - Interstate Route H-1, Kapolei interchange,  
2 phase II: construct phase II of Kapolei interchange  
3 on H-1.

4 Total funding \$26,000

5 (I) Oahu - Interstate Route H-1, eastbound, Ward Avenue  
6 on-ramp to University interchange: design H-1  
7 eastbound improvements from Ward Avenue on-ramp to  
8 University interchange.

9 Total funding \$850

10 (J) Oahu - Interstate Route H-1, Waiawa interchange,  
11 Westbound, Waipahu off-ramp improvements: design  
12 Waipahu off-ramp improvements at the Waiawa  
13 interchange westbound.

14 Total funding \$3,120

15 (K) Oahu - Interstate Route H-1 widening, eastbound, Waiau  
16 Interchange to Halawa interchange, phase I: design  
17 H-1 widening eastbound from Waiau interchange to  
18 Halawa interchange, phase I.

19 Total funding \$4,160

20 (L) Oahu - PM contraflow from Keehi interchange to Waiawa  
21 interchange, phase II; design and construct phase II





1 of the PM contraflow lane from Keehi interchange to  
2 Waiawa interchange.

3 Total funding \$50,000

4 (M) Oahu - Interstate Route H-1, eastbound improvements,  
5 vicinity of Ola Lane to vicinity of Vineyard off-ramp:  
6 construct H-1 eastbound improvements in the vicinity  
7 of Ola Lane to Vineyard off-ramp.

8 Total funding \$100,000

9 (N) Oahu - Nimitz Viaduct, Keehi interchange to Pacific  
10 Street: planning, design, right-of-way and  
11 construction for Nimitz Viaduct from Keehi interchange  
12 to Pacific Street.

13 Total funding \$600,000

14 (O) Hawaii - Intersection operational improvements to  
15 reduce congestion: construct various intersection  
16 operational improvements aimed to reduce congestion at  
17 various locations.

18 Total funding \$11,085

19 (P) Hawaii - Queen Kaahumanu Highway, Keahole Airport to  
20 Kawaihae Harbor.

21 Total funding \$780



1 (Q) Hawaii - Hawaii Belt Road, Mud Lane to the Kamuela  
2 Race Track (Waimea Bypass): right-of-way and  
3 construction for the Hawaii Belt Road from Mud Lane to  
4 the Kamuela Race Track.

5 Total funding \$48,000

6 (R) Hawaii - Puainako Street Widening, Kanoelehua Avenue  
7 to Komohana Street, phase I and II; design phase I and  
8 II of Puainako Street widening from Kanoelehua Avenue  
9 to Komohana Street.

10 Total funding \$1,500

11 (S) Hawaii - Kealakehe Parkway Extension, Keanalehu Drive  
12 to Kealakaa Street: design and right of way for  
13 Kealakehe Parkway Extension from Keanalehu Drive to  
14 Kealakaa Street.

15 Total funding \$1,808

16 (T) Hawaii - Keaau-Pahoa Road shoulder lane conversion,  
17 Keaau Bypass Road to Shower Drive; construct the  
18 Keaau-Pahoa Road shoulder lane conversion from Keaau  
19 Bypass Road to Shower Drive.

20 Total funding \$15,900



- 1 (U) Hawaii - Keaau-Pahoa Road improvements, Keaau to  
2 Pahoa, phase I and II; design phase I and II  
3 improvements of Keaau-Pahoa Road from Keaau to Pahoa.  
4 Total funding \$3,000
- 5 (V) Hawaii - Kuakini Highway Widening, Henry Street to  
6 Kamehameha III Road: design, right-of-way and  
7 construction for Kuakini Highway widening from Henry  
8 Street to Kamehameha III Road.  
9 Total funding \$84,000
- 10 (W) Hawaii - Kawaihae Road Bypass, Waimea to Kawaihae,  
11 phase I and II: design, right-of-way and construction  
12 for phase I and II of the Kawaihae Road Bypass from  
13 Waimea to Kawaihae.  
14 Total funding \$122,200
- 15 (X) Maui - Intersection operational improvements to reduce  
16 congestion: construct various intersection  
17 operational improvements aimed to reduce congestion at  
18 various locations.  
19 Total funding \$10,600
- 20 (Y) Maui - Kahului Airport Access Road: construct Kahului  
21 Airport Access Road.  
22 Total funding \$21,100





1 (EE) Maui - Kihei-Upcountry Road, phase I and II: right-  
2 of-way and construction for phase I and II of the  
3 Kihei-Upcountry Road.

4 Total funding \$136,500

5 (FF) Kauai - Intersection operational improvements to  
6 reduce congestion: design, right-of-way and  
7 construction for various intersection operational  
8 improvements aimed to reduce congestion at various  
9 locations.

10 Total funding \$19,178

11 (GG) Kauai - Kapule Highway Widening, Kuhio Highway to Rice  
12 Street: plan Kapule Highway widening from Kuhio  
13 Highway to Rice Street.

14 Total funding \$2,000

15 (HH) Kauai - Puhi-Hanamaulu, alternate route: plan  
16 Puhi-Hanamaulu alternate route.

17 Total funding \$4,000

18 (II) Kauai - Kuhio Highway improvements, Hanamaulu to  
19 Kapaa, phase I: design Kuhio Highway improvements  
20 from Hanamaulu to Kapaa, phase I.

21 Total funding \$2,000



1 (JJ) Kauai - Kuhio Highway, short term improvements, Kuamoo  
2 Road to Temporary Bypass Road: construct short term  
3 improvements on Kuhio Highway from Kuamoo Road to the  
4 Temporary Bypass Road.

5 Total funding \$25,000

6 (KK) Kauai - Kaumualii Highway widening, phase I: design,  
7 right-of-way and construction for Kaumualii Highway  
8 widening, phase I.

9 Total funding \$62,800

10 9. CONGESTION PROGRAM - Freeway Management System (FMS)  
11 Program, phases 1 through 4, system manager,  
12 operation/maintenance and freeway service patrol, Oahu:  
13 design and construction for Oahu's freeway management  
14 system, which include traveler information and incident  
15 management.

16 Total funding \$110,900

17 10. CONGESTION PROGRAM - Traffic signal optimization program,  
18 various locations, Oahu: synchronized traffic signal  
19 programming at various locations.

20 Total funding \$15,405

21 11. CONGESTION PROGRAM - Bicycle program



1 (A) Oahu - Leeward Bikeway, phase I and II, Waipio Point  
2 Access Road to Lualualei Naval Road: design, right-of-  
3 way and construction for Leeward Bikeway, phase I  
4 and II.

5 Total funding \$9,000

6 (B) Oahu - Kalaniana'ole Highway bicycle improvements,  
7 Waimanalo Beach Park to Makapuu Lookout: construct  
8 bicycle improvements on Kalaniana'ole Highway from  
9 Waimanalo Beach Park to Makapuu Lookout.

10 Total funding \$2,200

11 (C) Maui - Other bikeway improvements: construct  
12 improvements such as signage, bike pullouts and  
13 improved shoulders.

14 Total funding \$3,224

15 (D) Statewide - Bicycle improvements that are incorporated  
16 in safety, congestion and system preservation projects  
17 statewide.

18 Total funding \$17,000

19 12. CONGESTION PROGRAM - Pedestrian program

20 (A) Pedestrian work is incorporated in safety, congestion  
21 and system preservation projects statewide.

22 Total funding \$17,000



- 1 (B) ADA compliance projects.
- 2 Total funding \$2,000
- 3 (C) Pedestrian countdown timers, phase II.
- 4 Total funding \$3,500
- 5 13. SYSTEM PRESERVATION PROGRAM - Pavement preservation
- 6 (A) Oahu - Pavement preservation.
- 7 Total funding \$58,000
- 8 (B) Hawaii - Pavement preservation.
- 9 Total funding \$40,000
- 10 (C) Maui - Pavement preservation.
- 11 Total funding \$10,000
- 12 (D) Kauai - Pavement preservation.
- 13 Total funding \$12,000
- 14 14. SYSTEM PRESERVATION PROGRAM - Rehabilitation program
- 15 (A) Oahu - Interstate Route H-1, Pearl City and Waimalu
- 16 Viaduct improvements, phases 1, 2, 3 and 4: design
- 17 and construction for various phases of H-1 Pearl City
- 18 and Waimalu Viaduct improvements.
- 19 Total funding \$57,250
- 20 (B) Hawaii - Akoni Pule Highway realignment and widening
- 21 at Aamakao Gulch: right of way and construction of





1 Akoni Pule Highway realignment and widening at Aamakao  
2 Gulch.

3 Total funding \$7,020

4 (C) Kauai - Waimea Canyon Drive/Kokee Road improvements:  
5 design improvements at Waimea Canyon Drive and Kokee  
6 Road.

7 Total funding \$600

8 15. SYSTEM PRESERVATION PROGRAM - Drainage improvement program

9 (A) Oahu - Drainage improvements: right-of-way and  
10 construction for drainage improvements at various  
11 locations.

12 Total funding \$10,850

13 (B) Hawaii - Drainage improvements: design, right-of-way  
14 and construction for drainage improvements at various  
15 locations.

16 Total funding \$15,000

17 (C) Maui - Drainage improvements: design, right-of-way  
18 and construction for drainage improvements at various  
19 locations.

20 Total funding \$3,585



1 (D) Kauai - Drainage improvements: design, right-of-way  
2 and construction for drainage improvements at various  
3 locations.

4 Total funding \$2,000

5 (E) Statewide - Drainage improvements: design, right-of-  
6 way and construction for drainage improvements at  
7 various locations.

8 Total funding \$5,000

9 16. SYSTEM PRESERVATION PROGRAM - Street light pole replacement  
10 program

11 (A) Oahu - Highway lighting improvements: lighting  
12 improvements on Interstate Route H-1, Kamehameha  
13 Highway and Moanalua Freeway.

14 Total funding \$30,000

15 17. SYSTEM PRESERVATION PROGRAM - Destination sign replacement  
16 program

17 (A) Interstate Route H-1, H-2, H-3 and Moanalua Freeway,  
18 Destination sign upgrade/replacement, phase I and II.

19 Total funding \$60,500

20 18. SYSTEM PRESERVATION PROGRAM - Special maintenance program:  
21 asphalt overlays, asphalt cold planning and paving

22 (in-kind) and re-striping.



1	(A) Oahu - Special maintenance.	
2	Total funding	\$124,800
3	(B) Hawaii - Special maintenance.	
4	Total funding	\$63,200
5	(C) Maui - Special maintenance.	
6	Total funding	\$74,000
7	(D) Kauai - Special maintenance.	
8	Total funding	\$39,000
9	19. SYSTEM PRESERVATION PROGRAM - Operations and maintenance	
10	program: pavement sealing, pothole patching and crack	
11	filling.	
12	(A) Oahu - Operations and maintenance.	
13	Total funding	\$297,300
14	(B) Hawaii - Operations and maintenance.	
15	Total funding	\$21,000
16	(C) Maui - Operations and maintenance.	
17	Total funding	\$30,180
18	(D) Kauai - Operations and maintenance.	
19	Total funding	\$19,100
20	20. SYSTEM PRESERVATION PROGRAM - Landscaping program	



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1 (A) Oahu - Landscaping improvements: various locations  
 2 right-of-way and construction for landscaping  
 3 improvements at various locations.

4 Total funding \$2,507

5 (B) Maui - Hana Highway/Kaahumanu Avenue beautification,  
 6 Dairy Road to Naniloa Overpass.

7 Total funding \$1,066

8 21. OTHER PROGRAMS - Highway modernization plan

9 (A) Statewide - Highway modernization plan and program  
 10 management.

11 Total funding \$60,000

12 22. OTHER PROGRAMS - Traffic counting stations

13 (A) Statewide - Traffic counting stations, various  
 14 locations, phase II.

15 Total funding \$3,875

16 23. OTHER PROGRAMS - Facility improvements

17 (A) Hawaii - District baseyard improvements.

18 Total funding \$2,910

19 (B) Maui - District baseyard improvements Baseyard  
 20 improvements for West Maui, Lanai and Molokai.

21 Total funding \$510

22 24. OTHER PROGRAMS - Staff labor



1 (A) Statewide - Highways Division staff labor costs.  
 2 Total funding \$159,180

3 25. OTHER PROGRAMS - Environmental program

4 (A) Oahu - Kamehameha Highway wetland enhancement,  
 5 vicinity of Ukoa Pond.  
 6 Total funding \$5,500

7 (B) Statewide - Work to comply with EPA.  
 8 Total funding \$10,848

9 26. OTHER PROGRAMS - Highway planning program

10 (A) Statewide - Highway planning program.  
 11 Total funding \$8,825

12 SECTION 13. The department of taxation may refund motor  
 13 vehicle fuel taxes paid by participants in pilot programs under  
 14 this Act. The department of taxation may otherwise compensate  
 15 participants in pilot programs under this Act. Any compensation  
 16 to participants in pilot programs under this Act may be  
 17 administered uniformly or may be administered as a sweepstakes.  
 18 The department of taxation may terminate a pilot program at any  
 19 time and may terminate participation by any person at any time.  
 20 Termination from a pilot program under this Act shall not  
 21 entitle any person to additional compensation.



1 SECTION 14. The increase in taxes and fees under this Act  
2 shall not take effect until the state economy has improved with  
3 a resultant one per cent growth in Hawaii's statewide  
4 non-agricultural wage and salary job growth for two consecutive  
5 quarters as compared with the same quarters in the previous year  
6 as published by the department of business, economic  
7 development, and tourism.

8 SECTION 15. The increases in sections 2, 3, 4, and 5 of  
9 this Act shall be effective six months following the occurrence  
10 of the economic condition under section 11.

11 SECTION 16. If, however, the tax and fee increases under  
12 this Act are not triggered by the third year following the  
13 effective date of this Act, the department of transportation  
14 shall return to current operational and priority status, scaling  
15 back its efforts to match and appropriately manage available  
16 resources.

17 SECTION 17. The department of transportation shall provide  
18 staff and administrative services necessary for purposes of this  
19 Act. Without regard to chapters 76 and 77, Hawaii Revised  
20 Statutes, the department may employ, fix compensation, and at  
21 its pleasure dismiss persons as it finds necessary for purposes  
22 of this Act. Services shall include authorization to execute a



1 master agreement with a consultant to be the overall program  
2 manager to facilitate the implementation of this effort.

3 SECTION 18. In addition to other moneys appropriated by  
4 the General Appropriations Act of 2009 in fiscal year 2009-2010  
5 for highway administration (TRN 595), highway planning,  
6 statewide, item no. C- , there is appropriated an additional  
7 sum of \$20,000,000 of highway revenue bonds, and the sum of \$1  
8 of federal funds, of which \$6,000,000 may be designated for the  
9 execution of a master agreement with a consultant under  
10 section 17, and the additional sum of \$2,500,000 of highway  
11 revenue bonds, and the sum of \$1 of federal funds for the  
12 vehicle miles tax pilot program under sections 11 and 12, or so  
13 much thereof as may be necessary to carry out the purposes of  
14 this Act, including any necessary expenditures for expenses,  
15 staff, or consultants.

16 The sums appropriated shall be expended by the department  
17 of transportation. This project is deemed necessary to qualify  
18 for federal aid financing and reimbursement.

19 SECTION 19. Should additional federal funds become  
20 available for land transportation infrastructure improvements  
21 under the economic stimulus plan or similar program, the  
22 department of transportation is hereby authorized to pursue,



1 apply, and expend federal funds on any of the programs or  
2 projects identified in section 12 notwithstanding any other law  
3 to the contrary.

4 SECTION 20. Notwithstanding any other law to the contrary,  
5 the appropriations authorized under this Act shall not lapse for  
6 a period of six years from the date of execution.

7 SECTION 21. The department of transportation shall submit  
8 an interim progress report on the status of the land  
9 transportation modernization program to the legislature not  
10 later than twenty days prior to the convening of the regular  
11 session of 2011, yearly progress reports to the legislature not  
12 later than twenty days prior to the convening of each regular  
13 session thereafter, and a final report to the legislature not  
14 later than twenty days prior to the convening of the regular  
15 session of 2016. The department of transportation shall submit  
16 a final report on the vehicle miles traveled pilot program to  
17 the legislature not later than twenty days prior to the  
18 convening of the regular session of 2012 with findings and  
19 recommendations from the pilot program under this Act.

20 SECTION 22. Statutory material to be repealed is bracketed  
21





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1 and stricken. New statutory material is underscored.

2 SECTION 23. This Act shall take effect on July 1, 2009. .

3

INTRODUCED BY:

*F. Kalani English*

*Will Espero*

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~~S.T.2~~

*Robert Ben*

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*[Signature]*

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*Jim*



**Report Title:**

Highway Modernization Program; Taxes; State Liquid Fuel Tax; State Vehicle Registration; State Vehicle Weight Fee; Rental Motor Vehicle Surcharge Tax; Vehicle Miles Traveled Pilot Program

**Description:**

Increases the state liquid fuel tax; state vehicle registration fee; state vehicle weight fee; and rental motor vehicle surcharge tax. Provides funding for a six-year comprehensive modernization program.

