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

5 **"§248- Land transportation modernization special fund.**

6 (a) There is established in the state treasury the land
7 transportation modernization special fund, to be administered by
8 the department of transportation, into which shall be deposited:

9 (1) A portion of the liquid fuel tax collected under
10 section 243-4(a), equal to 10 cents per gallon of
11 liquid fuel;

12 (2) A portion of the state registration fee collected
13 under section 249-31, equal to \$20 for each annual
14 motor vehicle registration fee collected;

15 (3) A portion of the annual state vehicle weight tax
16 collected under section 249-33(a), equal to 2 cents a
17 pound for vehicles up to and including ten thousand

1 pounds net weight, and a rate of \$300 per vehicle for
2 vehicles over ten thousand pounds net weight;

3 (4) Interest from investment of deposits; and

4 (5) Legislative and county appropriations;

5 provided that taxes and fees collected on any island with a
6 total resident population of less than 20,000 shall not be
7 included.

8 (b) Moneys in the land transportation modernization
9 special fund shall be used for the purposes of Act , Session
10 Laws of Hawaii 2009, and shall be authorized for expenditure by
11 the department of transportation for payment of revenue bond
12 debt service, including principal and interest.

13 (c) The land transportation modernization special fund
14 shall be exempt from the requirements of section 36-27 transfers
15 from special funds for central service expenses, and section
16 36-30 special fund reimbursements for departmental
17 administrative expenses."

18 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
19 amended to read as follows:

20 **"§36-27 Transfers from special funds for central service**
21 **expenses.** Except as provided in this section, and
22 notwithstanding any other law to the contrary, from time to

1 time, the director of finance, for the purpose of defraying the
2 prorated estimate of central service expenses of government in
3 relation to all special funds, except the:

4 (1) Special out-of-school time instructional program fund
5 under section 302A-1310;

6 (2) School cafeteria special funds of the department of
7 education;

8 (3) Special funds of the University of Hawaii;

9 (4) State educational facilities improvement special fund;

10 (5) Convention center enterprise special fund under
11 section 201B-8;

12 (6) Special funds established by section 206E-6;

13 (7) Housing loan program revenue bond special fund;

14 (8) Housing project bond special fund;

15 (9) Aloha Tower fund created by section 206J-17;

16 (10) Funds of the employees' retirement system created by
17 section 88-109;

18 (11) Unemployment compensation fund established under
19 section 383-121;

20 (12) Hawaii hurricane relief fund established under chapter
21 431P;

- 1 (13) Hawaii health systems corporation special funds and
2 the subaccounts of its regional system boards;
- 3 (14) Tourism special fund established under section
4 201B-11;
- 5 (15) Universal service fund established under chapter 269;
- 6 (16) Emergency and budget reserve fund under section
7 328L-3;
- 8 (17) Public schools special fees and charges fund under
9 section 302A-1130(f);
- 10 (18) Sport fish special fund under section 187A-9.5;
- 11 (19) Neurotrauma special fund under section 321H-4;
- 12 (20) Deposit beverage container deposit special fund under
13 section 342G-104;
- 14 (21) Glass advance disposal fee special fund established by
15 section 342G-82;
- 16 (22) Center for nursing special fund under section
17 304A-2163;
- 18 (23) Passenger facility charge special fund established by
19 section 261-5.5;
- 20 (24) Solicitation of funds for charitable purposes special
21 fund established by section 467B-15;
- 22 (25) Land conservation fund established by section 173A-5;

1 (26) Court interpreting services revolving fund under
2 section 607-1.5;

3 (27) Trauma system special fund under section 321-22.5;

4 (28) Hawaii cancer research special fund;

5 (29) Community health centers special fund;

6 (30) Emergency medical services special fund; [~~and~~]

7 (31) Rental motor vehicle customer facility charge special
8 fund established under section 261-5.6; and

9 (32) Land transportation modernization special fund
10 established under section 248- ;

11 shall deduct five per cent of all receipts of all other special
12 funds, which deduction shall be transferred to the general fund
13 of the State and become general realizations of the State. All
14 officers of the State and other persons having power to allocate
15 or disburse any special funds shall cooperate with the director
16 in effecting these transfers. To determine the proper revenue
17 base upon which the central service assessment is to be
18 calculated, the director shall adopt rules pursuant to chapter
19 91 for the purpose of suspending or limiting the application of
20 the central service assessment of any fund. No later than
21 twenty days prior to the convening of each regular session of

1 the legislature, the director shall report all central service
2 assessments made during the preceding fiscal year."

3 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

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

- 6 (1) Transportation use special fund established by section
7 261D-1;
- 8 (2) Special out-of-school time instructional program fund
9 under section 302A-1310;
- 10 (3) School cafeteria special funds of the department of
11 education;
- 12 (4) Special funds of the University of Hawaii;
- 13 (5) State educational facilities improvement special fund;
- 14 (6) Special funds established by section 206E-6;
- 15 (7) Aloha Tower fund created by section 206J-17;
- 16 (8) Funds of the employees' retirement system created by
17 section 88-109;
- 18 (9) Unemployment compensation fund established under
19 section 383-121;
- 20 (10) Hawaii hurricane relief fund established under chapter
21 431P;

- 1 (11) Convention center enterprise special fund established
- 2 under section 201B-8;
- 3 (12) Hawaii health systems corporation special funds and
- 4 the subaccounts of its regional system boards;
- 5 (13) Tourism special fund established under section
- 6 201B-11;
- 7 (14) Universal service fund established under chapter 269;
- 8 (15) Emergency and budget reserve fund under section
- 9 328L-3;
- 10 (16) Public schools special fees and charges fund under
- 11 section 302A-1130(f);
- 12 (17) Sport fish special fund under section 187A-9.5;
- 13 (18) Neurotrauma special fund under section 321H-4;
- 14 (19) Center for nursing special fund under section
- 15 304A-2163;
- 16 (20) Passenger facility charge special fund established by
- 17 section 261-5.5;
- 18 (21) Court interpreting services revolving fund under
- 19 section 607-1.5;
- 20 (22) Trauma system special fund under section 321-22.5;
- 21 (23) Hawaii cancer research special fund;
- 22 (24) Community health centers special fund;

- 1 (25) Emergency medical services special fund; ~~and~~
- 2 (26) Rental motor vehicle customer facility charge special
- 3 fund established under section 261-5.6~~(7)~~; and
- 4 (27) Land transportation modernization special fund
- 5 established under section 248- ;

6 shall be responsible for its pro rata share of the

7 administrative expenses incurred by the department responsible

8 for the operations supported by the special fund concerned."

9 **PART II**

10 SECTION 4. Section 243-4, Hawaii Revised Statutes, is

11 amended by amending subsection (a) to read as follows:

12 "(a) Every distributor, in addition to any other taxes

13 provided by law, shall pay a license tax to the department of

14 taxation for each gallon of liquid fuel refined, manufactured,

15 produced, or compounded by the distributor and sold or used by

16 the distributor in the State or imported by the distributor, or

17 acquired by the distributor from persons who are not licensed

18 distributors, and sold or used by the distributor in the State.

19 Any person who sells or uses any liquid fuel, knowing that the

20 distributor from whom it was originally purchased has not paid

21 and is not paying the tax thereon, shall pay ~~such~~ a tax as

1 would have applied to [~~such~~] the sale or use by the distributor.

2 The rates of tax imposed are as follows:

3 (1) For each gallon of diesel oil, 2 cents;

4 (2) For each gallon of gasoline or other aviation fuel
5 sold for use in or used for airplanes, 2 cents;

6 (3) For each gallon of naphtha sold for use in a power-
7 generating facility, 1 cent;

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

16 (5) For each gallon of liquid fuel, other than fuel
17 mentioned in paragraphs (1), (2), and (3), and other
18 than an alternative fuel, sold or used in the county
19 of Hawaii, or sold in any county for ultimate use in
20 the county of Hawaii, [~~17~~] 27 cents state tax, and in
21 addition thereto an amount, to be known as the "county

1 of Hawaii fuel tax", as shall be levied pursuant to
2 section 243-5;

3 (6) For each gallon of liquid fuel, other than fuel
4 mentioned in paragraphs (1), (2), and (3), and other
5 than an alternative fuel, sold or used in the county
6 of Maui, or sold in any county for ultimate use in the
7 county of Maui, 17 cents state tax~~[7]~~ on any island
8 with a total resident population of less than 20,000
9 persons and 27 cents state tax everywhere else, and in
10 addition thereto an amount, to be known as the "county
11 of Maui fuel tax", as shall be levied pursuant to
12 section 243-5; and

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

21 If it is shown to the satisfaction of the department, based
22 upon proper records and from any other evidence as the

1 department may require, that liquid fuel, other than fuel
2 mentioned in paragraphs (1), (2), and (3), is used for
3 agricultural equipment that does not operate upon the public
4 highways of the State, the user thereof may obtain a refund of
5 all taxes thereon imposed by this section in excess of 1 cent
6 per gallon. The department shall adopt rules to administer
7 ~~such~~ refunds."

8 SECTION 5. Section 249-31, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§249-31 State registration fee.** (a) All vehicles and
11 motor vehicles in the State as defined in section 249-1,
12 including antique motor vehicles, except as otherwise provided
13 in sections 249-4 and 249-6, shall be subject to a \$25 annual
14 vehicle registration fee~~[-]~~ on any island with a total resident
15 population of less than 20,000 persons and a \$45 annual vehicle
16 registration fee everywhere else. The fee shall become due and
17 payable on January 1, and shall be paid before April 1 in each
18 year together with all other taxes and fees levied by this
19 chapter; provided that should any county elect to renew motor
20 vehicle registrations on a staggered basis as authorized by
21 section 286-51, the state registration for that county shall
22 likewise be staggered so that the state registration fee is due

1 and payable at the same time and shall be collected together
2 with the county fee. The state registration fee shall be deemed
3 delinquent if not paid with the county registration fee. The
4 respective counties shall collect this fee together with the
5 vehicle registration tax collected for the county and shall
6 transfer the moneys collected under this section to the State.

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

15 SECTION 6. Section 249-33, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:

17 "(a) All vehicles and motor vehicles in the State as
18 defined in section 249-1, including antique motor vehicles,
19 except as otherwise provided in sections 249-3 to 249-6, in
20 addition to all other fees and taxes levied by this chapter,
21 shall be subject to an annual state vehicle weight tax. The tax
22 shall be levied by the county director of finance at the rate of

1 .75 cents a pound on any island with a total resident population
2 of less than 20,000 persons and 2.75 cents a pound everywhere
3 else according to the net weight of each vehicle as the "net
4 weight" is defined in section 249-1 up to and including four
5 thousand pounds net weight; vehicles over four thousand pounds
6 and up to and including seven thousand pounds net weight shall
7 be taxed at the rate of 1.00 cent a pound[+] on any island with
8 a total resident population of less than 20,000 persons and 3.00
9 cents a pound everywhere else; vehicles over seven thousand
10 pounds and up to and including ten thousand pounds net weight
11 shall be taxed at the rate of 1.25 cents a pound[+] on any
12 island with a total resident population of less than 20,000
13 persons and 3.25 cents a pound everywhere else; vehicles over
14 ten thousand pounds net weight shall be taxed at a flat rate of
15 \$150[-] on any island with a total resident population of less
16 than 20,000 persons and \$450 everywhere else."

17 **PART III**

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

20 SECTION 8. This Act shall take effect on July 1, 2012.

Report Title:

Transportation; Highway Modernization; Taxes; Fees

Description:

Increases the state liquid fuel tax; state vehicle registration fee; state vehicle weight fee. Establishes the land transportation modernization special fund. Effective 7/1/2012. (SD1)