

STAND. COM. REP. NO. 1712

Honolulu, Hawaii

April 9, 2009

RE: S.B. No. 1611  
S.D. 2  
H.D. 2

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1611, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HIGHWAYS,"

begs leave to report as follows:

The purpose of this bill is to improve and modernize Hawaii's land transportation system by:

- (1) Increasing the state liquid fuel tax for all islands with a total resident population of 20,000 or more;
- (2) Increasing the state vehicle registration fee on vehicles registered on all islands with a total resident population of 20,000 or more;
- (3) Increasing the vehicle weight tax and flat rate fees on vehicles registered on all islands with a total resident population of 20,000 or more;
- (4) Permanently increasing the rental motor vehicle surcharge tax from \$2-a-day to \$3-a-day;
- (5) Authorizing the Department of Transportation (DOT) to expend funds for various projects and programs dealing with land transportation improvement projects and programs;

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- (6) Requiring DOT to develop one or more pilot programs to test alternatives to the current state and county motor vehicle fuel tax systems;
- (7) Allowing DOTAX to refund motor vehicle fuel taxes paid by participants in a pilot program established by DOT;
- (8) Allowing DOT to terminate any pilot program established at any time and requiring DOT to notify DOTAX if a pilot program is terminated;
- (9) Appropriating funds from highway revenue bonds and federal funds for the Vehicle Miles Traveled Pilot Program; and
- (10) Requiring DOT to submit various reports to the Legislature on the status of the Land Transportation Modernization Program as well as a Vehicle Miles Traveled Pilot Program.

The Pacific Resource Partnership, Contractors Association of Kauai, Catrala-Hawaii, The Hertz Corporation, National Car Rental, Enterprise Rent A Car, Land Use Research Foundation of Hawaii, and The Chamber of Commerce of Hawaii supported this bill. DOT, the Department of Taxation, Honolulu Department of Customer Services, Hawaii Transportation Association, and Tax Foundation of Hawaii commented on this bill.

Your Committee has amended this bill by:

- (1) Deleting references to and allocation of funds for DOT to contract with a master consultant to assist with the implementation of the highway modernization program;
- (2) Blanking out the amount of funds that DOT is authorized to expend on each project and program;
- (3) Changing the effective date to October 1, 2009; and
- (4) Making technical, nonsubstantive changes for style, clarity, and consistency.



As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1611, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1611, S.D. 2, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,

  
MARCUS R. OSHIRO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

HSCR 1112

**Record of Votes of the Committee on Finance**

<b>Bill/Resolution No.:</b> SB 1611, SD 2, HD 1	<b>Committee Referral:</b> TRM, FIN	<b>Date:</b> April 1, 2009
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The committee is reconsidering its previous decision on the measure.

**The recommendation is to:**     Pass, unamended (as is)     Pass, with amendments (HD)     Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. AWANA, Karen Leinani	✓			
5. BROWER, Tom		✓		
6. CHOY, Isaac W.	✓			
7. COFFMAN, Denny		✓		
8. HAR, Sharon E.		✓		
9. KEITH-AGARAN, Gilbert S.C.	✓			
10. LEE, Chris		✓		
11. NISHIMOTO, Scott Y.		✓		
12. SAGUM, Roland D., III	✓			
13. TOKIOKA, James Kunane	✓			
14. WOOLEY, Jessica		✓		
15. YAMASHITA, Kyle T.	✓			
16. PINE, Kymberly Marcos				✓
17. WARD, Gene			✓	
<b>TOTAL (17)</b>	<b>9</b>	<b>6</b>	<b>1</b>	<b>1</b>

**The recommendation is:**     Adopted     Not Adopted  
 If joint referral, \_\_\_\_\_ did not support recommendation.  
 committee acronym(s)

**Vice Chair's or designee's signature:** \_\_\_\_\_  
*Marilyn B. Lee*

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