

JAN 22 2010

A BILL FOR AN ACT

RELATING TO TRANSPORTATION FUNDING.

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

1 SECTION 1. Act 247, Session Laws of Hawaii 2005,
2 authorized the counties to levy, by ordinance adopted no later
3 than December 31, 2005, a county surcharge on state tax to fund
4 public transportations systems. For those counties that met
5 this requirement the surcharge became effective January 1, 2007.
6 The city and county of Honolulu complied with this requirement
7 with the adoption of Ordinance No. 05-027, and the surcharge
8 became effective on January 1, 2007.

9 Millions of dollars have been distributed to the city and
10 county of Honolulu since the enactment of Act 247. The city and
11 county of Honolulu has not, however, received federal or state
12 approval of the environmental impact statement for its proposed
13 public transportation system. Thus, there is no way to
14 determine when construction could begin on the project. The
15 legislature finds that, in light of the current economic crisis,
16 it makes more sense for moneys collected via the surcharge to be



1 returned to taxpayers than to be used to fund a project with no
2 firm start date.

3 The purpose of this Act is to stop the assessment and
4 collection of the county surcharge on state tax, and to return
5 the moneys already collected but not used by the city and county
6 of Honolulu to the taxpayers.

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

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

13 (1) Operating or capital costs of a locally preferred
14 alternative for a mass transit project; and

15 (2) Expenses in complying with the Americans with
16 Disabilities Act of 1990 with respect to paragraph

17 (1) [-];

18 provided that no further surcharge shall be collected under this
19 subsection after June 30, 2010. All moneys collected pursuant
20 to this subsection and distributed to any county that remain
21 unexpended by the county on June 30, 2010, shall be returned to
22 the state. The directors of taxation and budget and finance



1 shall determine the appropriate method for redistributing such
2 moneys to taxpayers.

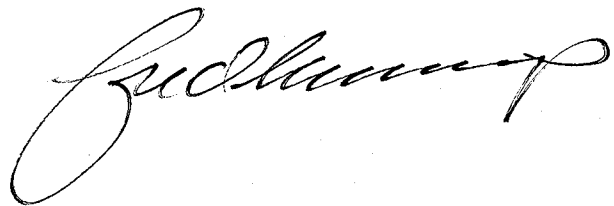
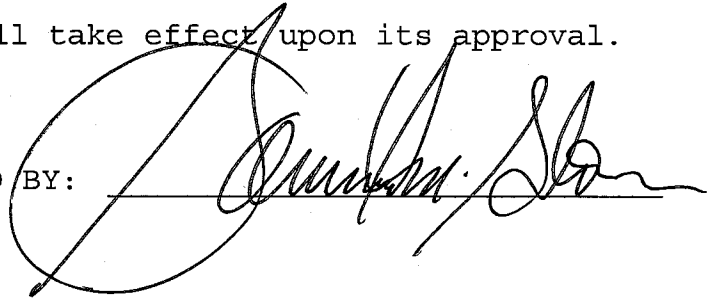
3 The county surcharge on state tax shall not be used to build or
4 repair public roads or highways, bicycle paths, or support
5 public transportation systems already in existence prior to July
6 12, 2005."

7 SECTION 3. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval.

10

INTRODUCED BY:



Report Title:

Transportation Funding, Taxation; County Surcharge

Description:

Discontinues the county surcharge on state tax for mass transit. Requires the city and county of Honolulu to return to the State all unexpended moneys distributed to it under section 46-16.8(c), Hawaii Revised Statutes.

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