

JAN 21 2011

A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The department of transportation shall
2 establish the vehicle miles traveled pilot program.

3 Paying less and avoiding having to pay any liquid fuel tax
4 are often viewed as incentives for motorists to purchase or use
5 more fuel-efficient motor vehicles or motor vehicles that use
6 alternative sustainable fuel sources. The liquid fuel tax,
7 however, is the primary means of funding the infrastructure
8 improvements needed to support motor vehicular travel,
9 regardless of fuel type. As the use of fuel efficient and
10 alternative energy vehicles becomes more prevalent, less gas
11 will be consumed and liquid fuel tax collections will
12 correspondingly diminish. The current method of assessing the
13 motor vehicle liquid fuel tax on a per gallon basis will become
14 less and less effective at generating a stable revenue source to
15 fund the land transportation infrastructure program.

16 The current liquid fuel tax per gallon is also not indexed
17 to account for inflation or other cost escalation factors.

18 Political realities make it difficult to accomplish the periodic



1 raising of the liquid fuel tax to match inflation. The net
2 result is the continual erosion in the actual buying power of
3 the revenue collected.

4 As gas prices recently rose to historic highs, demand for
5 more fuel efficient vehicles also rose. This correlation shows
6 that the price of gas has a far greater influence than avoidance
7 of paying liquid fuel taxes on encouraging the use of fuel
8 efficient vehicles and alternative energy use.

9 The purpose of this Act is to require the department of
10 transportation to evaluate a vehicle miles traveled user fee and
11 establish one or more pilot programs to test alternatives to the
12 existing state and county system of motor vehicle fuel taxes.

13 SECTION 2. The department of transportation shall evaluate
14 a vehicle miles traveled user fee as a more equitable means of
15 assessing all users of the highway system a fee based on their
16 actual use and impact on the highways. This approach would
17 better correlate usage and fees and would provide a more
18 reliable and stable source of funds to administer and manage the
19 land transportation infrastructure system.

20 SECTION 3. The department of transportation shall develop
21 one or more pilot programs to test alternatives to the current
22 state and county system of motor vehicle fuel taxes. The pilot



1 programs may include programs to test the reliability, ease of
2 use, cost, and public acceptance of technology and methods for:

- 3 (1) Identifying vehicles;
- 4 (2) Collecting and reporting the number of miles traveled
5 by particular vehicles; and
- 6 (3) Collecting payments from or making payments to
7 participants in pilot programs.

8 SECTION 4. The department of taxation may refund motor
9 vehicle fuel taxes paid by participants in pilot programs under
10 this Act. The department of taxation may otherwise compensate
11 participants in pilot programs under this Act. Any compensation
12 to participants in pilot programs under this Act may be
13 administered uniformly or may be administered as a sweepstakes.
14 The department of taxation may terminate a pilot program at any
15 time and may terminate participation by any person at any time.
16 Termination from a pilot program under this Act shall not
17 entitle any person to additional compensation.

18 SECTION 5. This Act shall take effect upon approval.

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Report Title:

Transportation; Vehicle Miles Traveled Pilot Program

Description:

Requires the department of transportation to evaluate a vehicle miles traveled user fee and establish one or more pilot programs to test alternatives to the existing state and county system of motor vehicle fuel taxes.

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