

STAND. COM. REP. NO. 1164

Honolulu, Hawaii
March 24, 2011

RE: S.B. No. 1329
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 1329, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE WEIGHT TAX,"

begs leave to report as follows:

The purpose of this bill is to improve the Department of Transportation's (DOT) ability to construct, operate, and maintain the State Highway System and maintain the solvency of the State Highway Fund by increasing the State vehicle weight tax.

DOT and the Department of Taxation testified in support of this bill. E Noa Corporation testified in opposition to this measure. The City and County of Honolulu Department of Customer Services (DCS), Hawaii Transportation Association, Tax Foundation of Hawaii, Royal Star Hawaii Transit, and a concerned individual provided comments.

Currently, DOT estimates the costs of the routine operation and maintenance of Hawaii's highway system, which consists of over 2,400 lane miles of roadway, to be \$115,000,000 annually. With the downturn in both the national and State economies over the last several years, State Highway Fund monies have continued to be negatively impacted, with revenues failing to keep pace with expenditures for the operation, maintenance, and construction of State highways. As a result, our land transportation system has failed to address increased transportation demands with project

SB1329 HD1 HSCR TRN HMS 2011-3311



needs far outpacing available resources. Although recent indicators have suggested that economic recovery is beginning, expectations are that the economic recovery will be slow and may take several years. Without additional funding, the State Highway Fund will lack the necessary revenues for even routine maintenance and operation of our roadways, let alone the construction of new and necessary roadways and appurtenances.

Your Committee finds that, according to DOT, the increase in the vehicle weight tax proposed in this measure will generate an additional \$32.9 million in revenues for the State Highway Fund and will continue to allow DOT to provide a safe, efficient, and effective land transportation system for the movement of people and goods serving a benefit to both residents and visitors alike.

However, concerns were raised by DCS that additional time will be needed to upgrade computer programs used for the registration of motor vehicles to address this rate increase. Accordingly, your Committee has amended this bill by changing the effective date to December 1, 2011, to provide DCS with additional time.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1329, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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



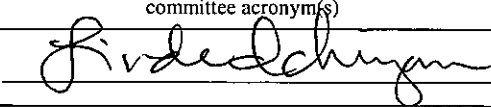
JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HB CR 1164

Record of Votes of the Committee on Transportation

Bill/Resolution No.: SB 1329, SD1	Committee Referral: TRN, FIN	Date: 3/23/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	/			
2. ICHIYAMA, Linda (VC)	/			
3. AQUINO, Henry J.C.	/			
4. CULLEN, Ty	/			
5. LEE, Marilyn B.	/			
6. LUKE, Sylvia	/			
7. SAIKI, Scott K.	/			
8. TAKUMI, Roy M.				/
9. YAMASHITA, Kyle T.	/			
10. FONTAINE, George R.				/
11. JOHANSON, Aaron Ling			/	
TOTAL (11)	8		1	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				