

SB 2959

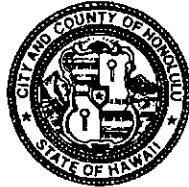
RELATING TO TRANSIT.

Authorizes a county with a population greater than five hundred thousand that adopts a county surcharge on state tax ordinance to use at least one per cent of the surcharge to fund transit enhancements.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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DAVID K. TANOUE
DIRECTOR

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DEPUTY DIRECTOR

February 1, 2012

The Honorable J. Kalani English, Chair
And Members of the Committee on Transportation
And International Affairs
The Honorable Will Espero, Chair
and Members of the Committee on Public Safety,
Government Operations and Military Affairs
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Espero and Committee Members:

**Subject: Senate Bill No. 2959
Relating to Transit**

The Department of Planning and Permitting **supports the intent** of Senate Bill No. 2959, which would allow the surcharge for transit to be used for supportive improvements. We defer however, to the Honolulu Authority for Rapid Transportation for modifications to the proposed bill for further clarification.

As you may know, a successful rapid transit system requires several supportive policies and programs. In addition to timely and dependable service, it must also connect people to where they want to go. As part of this "connectivity", there needs to be adequate walkways, bikeways, and connections to bus service to and from transit stations. This multi-modal system not only needs to be safe and convenient, it must also be part of the strategy of upgrading and enhancing the neighborhoods they serve; they should bolster "place-making" goals. The transit enhancement elements that could be funded under Senate Bill No. 2959 would directly address this. It completes the transit system by helping to integrate it into the host communities.

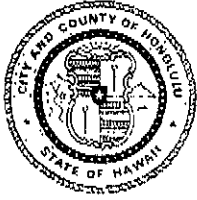
Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "DKT", written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

DKT:jmf
sb2959-Transit-ks.doc



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January 31, 2012

The Honorable J. Kalani English, Chair
Senate Committee on Transportation and
International Affairs

The Honorable Will Espero, Chair
Senate Committee on Public Safety, Government
Operations, and Military Affairs

Dear Chair English and Chair Espero and Members of Respective Committees:

SUBJECT: Testimony in Support of Senate Bill 2959 – Relating to Transit.

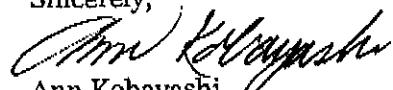
Thank you for this opportunity to testify in support of Senate Bill 2959, Relating to Transit, which would allow the City and County of Honolulu to use at least 1% of the transit excise tax surcharge to fund transit enhancements. As you know, the current law limits the use of the tax surcharge monies for "Operating or capital costs of a locally preferred alternative for a mass transit project".

To date, transportation enhancements across the country have proven that transportation projects can do more than just efficiently move people. They can simultaneously improve local economies, enhance the environment, and create central community places.

Senate Bill 2959 includes provisions that would allow the City and County of Honolulu to use the tax surcharge monies to foster more livable communities, preserve and protect environmental and cultural resources, and promote alternative modes of transportation.

Mahalo for your time and your consideration. I strongly urge passage of this bill out of this joint committee to the Senate Ways and Means Committee for further consideration.

Sincerely,


Ann Kobayashi
Council, District V



IN REPLY REFER TO:
CMS-AP00-00115

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Kenneth Toru Hamayasu, P.E.
INTERIM EXECUTIVE DIRECTOR AND CEO

January 31, 2012

VIA Email: PGMTestimony@capitol.hawaii.gov
TIATestimony@capitol.hawaii.gov

The Honorable J. Kalani English, Chair
The Honorable Will Espero, Chair
and Members of the Committees on Transportation and International
Affairs and Public Safety, Government Operations and Military Affairs
State Senate
Hawaii State Capitol
Honolulu, Hawaii 96813

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Dear Chairs English and Espero, and Senators:

Subject: SB2959 Relating to Transit
Committees on Transportation and International Affairs and
Public Safety, Government Operations, and Military Affairs
Wednesday, February 1, 2012, at 1:15 PM

The Honolulu Authority for Rapid Transportation (HART) appreciates the intent of Senate Bill 2959, which would authorize a county with a population greater than five hundred thousand that adopts a county surcharge on state tax ordinance to use at least one per cent of the surcharge to fund transit enhancements. However, we have the following concerns regarding the current language of the bill.

The stated purpose section of this bill (Section 1) is ambiguous in that it is unclear whether the county is to use at least one percent of the surcharge amounts available to it (i.e. at least one percent of the 90% actually transmitted to the County by the State), or whether it would require the county to dedicate at least one percent of all surcharge amounts collected, including those kept by the State for administrative expenses, and not available to the county.

Furthermore, the purpose section states "this Act is to authorize a county ... to use at least one percent of the surcharge to fund transit enhancements." (underlining added) But Section 3, states that it is more than an authorization, it is a mandate: "not less than one percent of the surcharge shall be expended ..." (underlining added). If the act is intended to require (not just allow) at least one percent of the surcharge amounts to be spent on additional projects above and beyond the current project, then effectively it is reducing the amount available for operating or capital costs of the locally preferred alternative for a mass transit system. We request clarification on these points.

The Honorable J. Kalani English, Chair
The Honorable Will Espero, Chair
and Members of the Committees on Transportation and International
Affairs and Public Safety, Government Operations and Military Affairs

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The bill also leaves in the existing statutory language, so if it passes in the current form, the surcharge could continue to be used for complying with the ADA for the project (part (c)(2)). Does the new language in (c)(3)(G) ("Enhanced access to public transportation for persons with disabilities") then add something above and beyond ADA compliance? Similarly, what is to be made of the new language allowing enhancements specifically for "bus shelters" and "historic bus ... facilities" when the statute will continue the existing requirement that the surcharge is not being used to "support public transportation systems already in existence prior to July 12, 2005" (e.g., TheBus)? Arguably, bus shelters and bus facilities "support" the long-standing bus transportation system?

In closing, HART seeks clarification and looks forward to working with your committees in resolving these concerns. Thank you.

Sincerely,



Kenneth Toru Hamayasu
Interim Executive Director and CEO

cc: HART Board

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Disposition of transit surcharge

BILL NUMBER: SB 2959; HB 2660 (Similar)

INTRODUCED BY: SB by Kim and 9 Democrats; HB by Say by request

BRIEF SUMMARY: Amends HRS section 46-16.8 to provided that a county with a population greater than 500,000 that adopts a county surcharge on a state tax may use 1% of the surcharge tax revenue for transit enhancement projects that are designed to enhance public transportation service or uses that are physically or functionally related to transit facilities and other public amenities. Eligible projects shall include: (1) historic preservation, rehabilitation, and operation of historic public transportation buildings, structures, and facilities, including historic bus and railroad facilities; (2) bus shelters; (3) landscaping and other scenic beautification, including tables, benches, trash receptacles, and street lights; (4) public art, music, culture, and crafts; (5) transit connections to parks within the county's transit service area; (6) signage; and (7) enhanced access to public transportation for persons with disabilities.

EFFECTIVE DATE: SB 2959 - July 1, 2012; HB 2660 - Upon approval

STAFF COMMENTS: The proposed measure would allow a county that adopts a surcharge on state tax ordinance to use 1% of the surcharge tax revenue to fund transit enhancement projects. It should be remembered that the 0.5% surcharge on state tax was approved by the city and county of Honolulu to provide revenue to construct a rail transit system in the city and county of Honolulu. While this measure would allow the city and county of Honolulu to use 1% of the surcharge tax revenue to fund transit enhancement projects, it would result in a reduction of funds generated by the surcharge for the rail transit system. Since there has been no firm commitment on the amount of federal funds forthcoming and a statement by the Federal Transit Administration (FTA) which stated that the latest HART financial plan is still deficient and stressed that the city will receive none of the requested \$1.55 billion in federal funds until the plan is significantly stronger, the adoption of this measure which will reduce the amount of surcharge revenue available for the rail transit project and may jeopardize the receipt of such federal funds is totally unacceptable.

Digested 1/31/12