

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

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LATE

KIRK CALDWELL
MAYOR



EMBER LEE SHINN
MANAGING DIRECTOR DESIGNATE

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

TESTIMONY OF KIRK CALDWELL, MAYOR
CITY AND COUNTY OF HONOLULU
BEFORE THE SENATE
COMMITTEE ON WAYS AND MEANS
Thursday, February 21, 2013, 9:00 a.m., Conference Room 211

SENATE BILL 1213 SD1, "RELATING TO UTILITY FRANCHISES"

Position: In Opposition

To: The Honorable David Y. Ige, Chair
and Members of the Committee on Ways and Means

The City & County of Honolulu opposes Senate Bill 1213 SD1, "Relating to Utility Franchises", which proposes to allow the State Department of Transportation Highways Division to collect compensation from franchise utility companies for the use of the state right of way.

According to Section 240-1, Hawaii Revised Statutes, public utilities pay a 2.5% tax to the county based upon its gross receipts for all electric light or power furnished to its consumers during each calendar year. The City & County of Honolulu's FY13 proposed operating budget projected \$53.8 million in revenues from this Public Utilities Franchise Tax. This is a significant amount of revenue that the City relies on for its annual operations. SB1213 SD1's proposal would essentially eliminate about half of what the City receives from this Public Utilities Franchise Tax. This drastic reduction in revenue would negatively impact the City's ability to serve the public. For this reason, the City & County of Honolulu respectfully requests that SB1213 SD1 be held in Committee.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact me at 768-4141.



LATE

February 21, 2013

The Honorable David Y. Ige, Chair
and Members of the Senate Committee on
Ways and Means
Hawai'i State Capitol
415 South Beretania Street, Room 211
Honolulu, Hawai'i 96813

RE: Senate Bill 1213 SD1, RELATING TO UTILITY FRANCHISES

Aloha, Chair Ige and Committee Members:

The Hawai'i Council of Mayors, which includes the mayors of Hawai'i, Honolulu, Kaua'i and Maui counties, opposes Senate Bill 1213, which would divert to the state Department of Transportation half of all franchise tax revenues now paid to the counties. The counties rely on this funding to maintain, improve and repair roads, to install and maintain street lights and to make traffic safety improvements to our roadways.

The counties already face very serious challenges as we seek to maintain and improve many hundreds of miles of city- or county-owned roads. Some counties are also coping with maintenance and other problems on so-called "Roads in Limbo" that the state is unwilling to maintain.



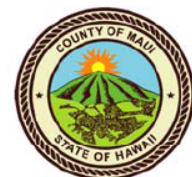
Mayor William Kenoi
County of Hawaii
25 Aupuni Street
Hilo, Hawaii 96720



Mayor Kirk Caldwell
City and County of Honolulu
530 South King Street
Honolulu, Hawaii 96813



Mayor Bernard Carvalho, Jr.
County of Kauai
4444 Rice Street
Lihue, Hawaii 96766



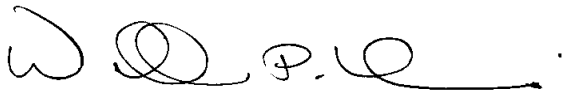
Mayor Alan Arakawa
County of Maui
200 South High Street, 9th Floor
Wailuku, Hawaii 96793

The Honorable David Y. Ige
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The loss of this franchise tax revenue would aggravate this situation and make it far more difficult to properly maintain our streets and keep our roadways safe.

We respectfully urge the committee to reject this bill. Mahalo for your consideration.

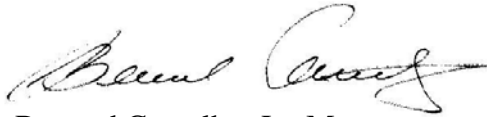
Sincerely,



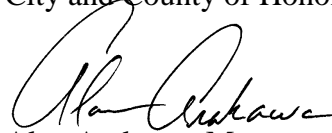
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