
A BILL FOR AN ACT

RELATING TO FUEL TAX REVENUES.

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

1 SECTION 1. Section 243-6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§243-6 Fuel taxes, dispositions.** The "city and county of
4 Honolulu fuel tax" shall be paid by the department of taxation
5 into the state treasury, and shall, by the state director of
6 finance, be paid over to the director of finance of the city and
7 county of Honolulu for deposit into the fund known as the
8 "highway fund" created by section 249-18.

9 The "county of Kauai fuel tax" shall be paid by the
10 department into the state treasury, and shall, by the state
11 director of finance, be paid over to the director of finance of
12 the county of Kauai for deposit into the fund known as the
13 "highway fund" created by section 249-18.

14 The "county of Hawaii fuel tax" shall be paid by the
15 department into the state treasury, and shall, by the state
16 director of finance, be paid over to the director of finance of
17 the county of Hawaii for deposit into the fund known as the
18 "highway fund" created by section 249-18.



1 The "county of Maui fuel tax" collected on account of
2 liquid fuel sold or used on the island of Lanai or sold
3 elsewhere for ultimate use on the island of Lanai, shall be paid
4 by the department into the state treasury, and shall, by the
5 state director of finance, be paid over to the director of
6 finance of the county of Maui for deposit into the fund known as
7 the "highway fund" created by section 249-18, for expenditure on
8 the island of Lanai. The "county of Maui fuel tax" collected on
9 account of liquid fuel sold or used on the island of Molokai or
10 sold elsewhere for ultimate use on the island of Molokai, shall
11 be paid by the department into the state treasury, and shall, by
12 the state director of finance, be paid over to the director of
13 finance of the county of Maui for deposit into the fund known as
14 the "highway fund" created by section 249-18, for expenditure on
15 the island of Molokai. The remainder of the "county of Maui
16 fuel tax" shall be paid by the department into the state
17 treasury, and shall, by the state director of finance, be paid
18 over to the director of finance of the county of Maui for
19 deposit into the fund known as the "highway fund" created by
20 section 249-18.

21 Each of the foregoing taxes shall be expended for the
22 following purposes, for the island for which the tax revenue is



1 specially indicated, or, if none, for the county for which the
2 tax revenue is indicated:

- 3 (1) For payment of interest on and redemption of any bonds
4 duly issued or sold on or after July 1, 1951, under
5 chapter 47 for the financing or aiding in financing
6 the construction of county highway tunnels, approach
7 roads thereto, and highways. [~~Such payments~~] Payments
8 of interest and principal on the bonds when due, shall
9 be first charges on [~~such~~] moneys so deposited in the
10 fund[-];
- 11 (2) For acquisition, designing, construction,
12 reconstruction, improvement, repair, and maintenance
13 of county main and general thoroughfares, highways,
14 and other streets, street lights, storm drains, and
15 bridges, including costs of new land therefor, when
16 expenditures for the foregoing purposes cannot be
17 financed under state-federal aid projects[-];
- 18 (3) In the case of the city and county of Honolulu, for
19 payment of the city and county's share in an
20 improvement district initiated by the city and county
21 for an improvement listed in paragraph (2) [~~above~~],



1 which is permitted to be constructed in the city and
2 county[-];

3 (4) For the construction of county highway tunnels,
4 overpasses, underpasses, and bridges, where [~~such~~] the
5 improvement cannot be made under state-federal aid
6 projects[-];

7 (5) For purposes and functions connected with county
8 traffic control and preservation of safety upon the
9 public highways and streets[-];

10 (6) For purposes and functions in connection with mass
11 transit[-];

12 (7) For acquisition, design, construction, improvement,
13 repair, and maintenance of bikeways[-];

14 (8) In the case of the county of Hawaii fuel tax, funds
15 may be expended in a manner consistent with paragraph
16 (2) for the maintenance of substandard private
17 subdivision roads that are used by the public;
18 provided that upon the sale of any portion of the
19 private subdivision to an entity other than the State
20 or the county of Hawaii, neither the State nor the
21 county shall be required to install infrastructure for



1 the roads in that portion of the private subdivision;
2 and
3 [~~(8)~~] (9) No expenditure shall be made[~~7~~] out of the
4 revenues paid into any [~~such~~] fund[~~7~~,~~which~~] that will
5 jeopardize federal aid for highway construction."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2050, and
9 shall be repealed on June 30, 2018; provided that section 243-6,
10 Hawaii Revised Statutes, shall be reenacted in the form in which
11 it read on the day prior to the effective date of this Act.



Report Title:

County Fuel Tax

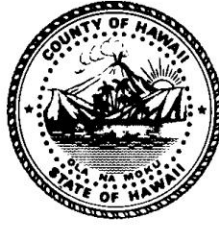
Description:

Permits the county of Hawaii to appropriate the county's share of fuel tax revenues for the maintenance of substandard private subdivision roads that are used by the public. Provides that neither the State nor the county shall be required to install infrastructure improvements if the roads are thereafter sold to a private entity. Effective 07/01/50. Sunsets 06/30/18. (SD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



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Council District 5



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Planning Committee Chair

Environmental Management
Committee Chair

Hawai'i County Council
County of Hawai'i

March 18, 2013

Rep. Ryan I. Yamane, Chair,
Rep. Linda Ichiyama, Vice Chair,
And members of the Committee on Transportation

Aloha Representatives Yamane and Ichiyama,

I am writing today in strong support of SB382, SD1, relating to Fuel Tax Revenues. I am the County Council representative of District 5, Puna Mauka, on the Big Island. There are many subdivisions in my district with unimproved roads that are heavily used by the general public. Many people use these roads as short cuts, detours, conducting business or just visiting friends or family. Unimproved roads in these subdivisions create health and safety concerns for residents and for the public at large. Emergency vehicles that must access residences in these subdivisions are usually delayed because of such road conditions.

Having the option to use Fuel Tax Revenues for the maintenance of heavily used, unimproved, private roads will benefit my district immensely and will demonstrate our willingness to accommodate the needs of our constituency.

Mahalo

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, Disposition of Hawaii county fuel tax revenue

BILL NUMBER: SB 382, SD-1

INTRODUCED BY: Senate Committee on Ways and Means

BRIEF SUMMARY: Amends HRS section 243-6 to allow that Hawaii county fuel taxes may be used for the maintenance of substandard private subdivision roads that are used by the public. If the sale of any portion of the private subdivision is to an entity other than the state or the county of Hawaii, then neither the state nor the county shall be required to install infrastructure for the roads in that portion of the private subdivision.

This section shall be repealed on June 30, 2018 and HRS section 243-6 shall be reenacted in the form in which it read prior to the effective date of this act.

EFFECTIVE DATE: July 1, 2050

STAFF COMMENTS: This measure would allow county fuel tax revenue to be used for the maintenance of private roads that are used by the public. It appears that there are many roads on the island of Hawaii that were in place before statehood and are not under the jurisdiction of the county. In other cases, house lots were sold in the wild volcanic flats of Puna and Ka'u where there was no county infrastructure and what roads were placed there were part of the subdivision of the house lots by the land owners. Those roads were never dedicated to the county and are considered private roads.

While some may argue that as highway users, owners of these house lots and private roads, the highway taxes they pay should be allocated to the repair and maintenance of these private roads. The problem with that notion is that if county highway funds are used to repair and maintain these roads, the county, to some degree, takes on liability for the safety of these roadways. Thus, should an incident occur on these private roads that are subsequently maintained with highway user taxes, the county may carry some liability exposure as county funds were used to maintain those roads even if the county does not own them.

While they do not meet the county specifications, they are heavily used by residents, visitors and emergency vehicles. Inasmuch as these roads are used like other county highways, this measure would allow fuel tax revenues to maintain these "public" roads. However, county officials must recognize that the county will assume liability for the safety of these roads. To that extent, this measure creates more problems than it solves.

Digested 3/18/13

Hawaiian Shores Community Association

15-2793 S. HONU STREET PAHOA, HAWAII 96778

PHONE (808) 965-8140 FAX (808) 965-0802

EMAIL: hsca@hawaii.rr.com

www.hawaiianshores.org

March 18, 2013

To: House Committee Chair
TRN Hearing; March 20, 2013

RE: SB 382 – Relating to Fuel Tax Revenues - SUPPORT

Aloha Committee Chair and Members,

We appreciate that you have scheduled this measure for hearing.

This measure was introduced due to the fact that the Corporation Counsel for Hawaii County, Mr. Lincoln Ashida, opined that the County of Hawaii could not expend its fuel tax funds for maintenance of private subdivision roads open to the public. His opinion on this matter differs from other County attorneys in the State. As such, the concerned citizens living in the underserved subdivisions of the Big Island, and in particular, the districts of Puna and Ka`u, continue to shoulder all road maintenance costs even though their roads are open and used extensively by the general public. We understand Mr. Ashida has been requested to provide an amendment to the bill addressing liability which seems appropriate.

We appreciate that the legislature is concerned with correcting this inequity. With this change in HRS, Hawaii County can proceed to set up a program to allow subdivision associations such as the one we represent to apply for annual maintenance funds. Our subdivision has 11 miles of paved roads open to the general public and the wear and tear on the asphalt requires continual upkeep. Many of the island's numerous and large subdivisions have similar and daunting maintenance issues due to the substandard requirements applied by County's pre-statehood territorial governance body. It is high time these inequities and deficiencies are addressed in Hawaii County.

This measure has been previously supported by the elected officials of the Hawaii County Council. On behalf of our nonprofit homeowners association created in 1981 that represents 1294 house lots in the Hawaiian Shores Recreational Estates subdivision, we urge you to support this measure.

Sincerely,



Dave Johnson, Vice President

On Behalf of Hawaiian Shores Community Assn

ichiyama1 - Tate

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 19, 2013 11:34 AM
To: TRNtestimony
Cc: tcumming@kopuafarmlots.org
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM

SB382

Submitted on: 3/19/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Cumming	Kopua Farmlots	Support	No

Comments: The residents in our subdivision pay fuel taxes on fuel used while while driving on our private roads. It is unfair that these taxes are used to maintain public roads, not the private roads that they are driving on. Furthermore, our residents pay to maintain roads that the public uses, and are not reimbursed for this expense. SB382 will remedy this unfair practice. Thank you, Tom Cumming Vice President, Kopua Farmlots Association

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ichiyama1 - Tate

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:52 AM
To: TRNtestimony
Cc: kahnlanger@gmail.com
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Kahn-Langer	Individual	Support	No

Comments: Honorable Legislators, Please support and PASS the Fuel Tax Revenue Bill. My husband and I live in Hawaiian Paradise Park. We are active in our community. Passage of this bill will help support our subdivisions road program. Mahalo for your support, Barbara Kahn-Langer James W.Brown

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ichiyama1 - Tate

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:54 AM
To: TRNtestimony
Cc: davinci5@mac.com
Subject: *Submitted testimony for SB382 on Mar 20, 2013 10:00AM*

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Stoddard	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 10:59 AM
To: TRNtestimony
Cc: brianalan2003@yahoo.com
Subject: Submitted testimony for SB1171 on Mar 20, 2013 10:30AM

SB1171

Submitted on: 3/18/2013

Testimony for TRN/WAL on Mar 20, 2013 10:30AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Gibson	Individual	Support	No

Comments: SB 1171 appears to make common sense changes in the law to help streamline the environmental review process without adversely impacting the intent of the process to protect important environmental and historical resources. I urge your support.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 12:59 PM
To: TRNtestimony
Cc: chinyen5@gmail.com
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Yen Chin	Individual	Support	No

Comments: This Bill takes a necessary step to remedy an onerous condition under which owners in the so called substandard subdivisions on Hawai'i Island must now live. We are burdened by use of our publicly accessed, private roads by non-owners who contribute nothing to the maintenance and improvement of the road that they use.

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Sent: Monday, March 18, 2013 3:19 PM
To: TRNtestimony
Cc: kahnlanger@gmail.com
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Kahn-Langer	Individual	Support	No

Comments: Honorable Legislators, SB382 is a great bill as written. Please support it wholeheartedly. Mahalo, Barbara Kahn-Langer James W. Brown Hawaiian Paradise Park

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ichiyama1 - Tate

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 3:33 PM
To: TRNtestimony
Cc: jtt.hew@gmail.com
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Janeel Hew	Individual	Support	No

Comments: Greetings, May it go on record that I, Janeel Hew, stand in support of SB382 SD1, and urge it's passing. It is a just and needed measure to include the County of Hawaii with the ability to utilize fuel tax revenues via the disposition into the "Highway Fund". The context and wording is appropriate and includes the event of subdivision road(s) sale. Thank you for your time and consideration in the passing of SB382 SD1. Janeel Hew

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 5:37 PM
To: TRNtestimony
Cc: jumemc@yahoo.com
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM
Attachments: Fuel Tax 1.docx

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
June Conant	Individual	Support	No

Comments: It is so important to the substandard subdivisions in Puna that we get a share of the Fuel Tax. We get no support from the County or State to help us maintain the roads which were allowed when these subdivisions were formed in the 1960s. It is time that some of what we pay out of pocket comes back. Thank you.

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ichiyama1 - Tate

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 18, 2013 6:05 PM
To: TRNtestimony
Cc: tabraham08@gmail.com
Subject: Submitted testimony for SB382 on Mar 20, 2013 10:00AM

SB382

Submitted on: 3/18/2013

Testimony for TRN on Mar 20, 2013 10:00AM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments: I support urgent passage of this bill

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