

SB 382

RELATING TO FUEL TAX REVENUES.

Permits the county of Hawaii to appropriate the county's share of fuel tax revenue 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.

Sunsets 6/30/18.

SB382

Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Lowell Kalapa	Tax Foundation of Hawaii	Comments Only	No

Comments: Here is the Tax Foundation Testimony for SB 382.

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; HB 101 (Identical)

INTRODUCED BY: SB by Ruderman, 5 Democrats and 1 Republican; HB by Hanohano

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This section shall be repealed on June 30, 2018 and HRS section 243-6 shall be reenacted in the form in which it read prior to the effective date of this act.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, 2013

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 1/25/13

SB382

Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Patti Pinto	Friends of Puna's Future	Support	No

Comments:

Aloha Senators,

I urge you to support SB382. This bill will allow the County of Hawaii to begin to address the appalling condition of our subdivision roads. For more than 50 years the residents of Puna and Kau's subdivisions have been paying fuel taxes without a penny of our tax monies going to our roads. These roads are publicly accessed, open to all, but privately maintained or not maintained at all. Many residents do not have access to emergency services. Fire, police and paramedic vehicles cannot traverse many of our subdivision roads. School attendance is impacted when roads become impassable. School buses are not able to service many areas. Public transportation is miles from many homes. Puna and Ka'u subdivisions are the fastest growing populations in the State. Conditions in our substandard subdivisions must be addressed. Please support SB 382

SB382

Submitted on: 1/26/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Ron & Mary Boyle	Marooned Farms LLC	Support	No

January 26, 2013

RE: SB 382

To Whom It May Concern:

As a small business (coffee grower and marketing) located in the private subdivision of Hawaiian Acres, we are in support of this bill, SB 382. The roads in Hawaiian Acres are nearly impassable, hampering our ability to do business (delivery vehicles, farm vehicles, etc.) We are also concerned about the timely access to emergency services due to the road conditions. With increased residents and businesses in the area, the road conditions must be addressed.

Sincerely,

Ron Boyle & Mary Boyle

Ron & Mary Boyle
Marooned Farms, LLC
PO Box 1179
Mountain View, HI 96771

SB382

Submitted on: 1/26/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

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

Comments: The residents in our subdivision pay fuel taxes to 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

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, January 26, 2013 1:31 PM
To: PSMTestimony
Cc: BOD_HSCA@hawaii.rr.com
Subject: Submitted testimony for SB382 on Jan 29, 2013 14:45PM
Attachments: Testimony for leg 01_29_13.pdf

SB382

Submitted on: 1/26/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Hawaiian Shores Community Assn	Hawaiian Shores Community Assn	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

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

Jan, 26, 2013

To: Senate Committee Chairs
PSM/TIA Hearing; Jan. 29, 2013

RE: SB 382 – Relating to Fuel Tax Revenues

Aloha Committee Chairs 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 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.

<u>David Johnson</u>	<u>Vice President, Board of Directors</u>	<u>Jan 26, 2013</u>
<u>Wallace Patch</u>	<u>Director and Founding Member</u>	<u>Jan 26, 2013</u>
Signature	Title	Date

Hawaiian Shores Community Association
Name of Testifier

From: mailinglist@capitol.hawaii.gov [mailto:mailinglist@capitol.hawaii.gov]
Sent: Monday, January 28, 2013 12:24 AM
To: PSMTestimony
Cc: vapresnall@gmail.com
Subject: Submitted testimony for SB382 on Jan 29, 2013 14:45PM

SB382

Submitted on: 1/28/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Verne Presnall	HPPOA	Support	No

Comments: It's time the county gets transparent about getting tax revenues to deserving communities, especially one as large as HPPOA. We have paid at the pump and haven't received a penny for any improvements we have so desperately needed to pave 88 more miles of our unpaved roads. Mahalo, Verne Presnall, Board of Directors, 7th District.

January 28, 2013

The Honorable Senator Will Espero and Senator Rosalyn Baker
And the Senate Committee on Housing
State Capitol, Room 224
Honolulu, Hawaii 96813

RE: SB680 Relating to Homeland Security

Aloha Chair Espero, Vice-Chair Baker and Members of the Committee:

I am writing In Support of SB680.

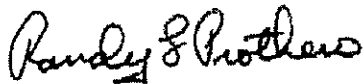
I am a member of the State Civil Defense Advisory Committee, but testifying as an individual.

I believe this bill is needed to assist the state in restructuring State Civil Defense. Currently that department is wearing many hats and while doing a wonderful job, needs to be more specialized and focused. Issues of homeland security are quite different than those of natural disasters, with different requirements and needs. Processing of security clearances is among the differing tasks that should be separated from the current State Civil Defense agency. I believe that a restructuring is needed. This bill would also allow the counties to do a similar restructuring if they chose.

With Hawaii being a tourist destination for people from all over the world and having such a large military presence, we can be a target for terrorist activities and as such need to maintain a high level of preparedness. I believe this bill will assist the state better carrying out that task.

Thank you in advance for your support of this bill. Please feel free to contact me if you have any questions.

Sincerely,



Randy Prothero
(808) 384-5645 cell
Homes@HawaiiRandy.com

SB382

Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Lee Menconi-Steiger	Individual	Support	No

Comments: Those of us in Puna subdivisions pay these taxes and could really use help improving our roads. While the roads are classified as "private," anyone can drive them, and many people do. One reason I heard for excluding subdivisions from use of this money is that they are dead ends, only residents use them. But most subdivisions connect up to other subdivisions; Hawaiian Acres, for instance, connects to Fern Acres, Ainaloa, and Orchidland, as well as Highway 11. Non-residents use our roads as shortcuts, as recreational areas (lots of ATVs and motorcycles speeding through here, as well as ill-informed tourists). Please pass this bill! thank you.

SB382

Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Van Doren	Individual	Support	No

Comments:

The citizens of the State of Hawaii who reside in the major Puna subdivisions on the Big Island deserve the passage of SB382. The Hawaiian Acres subdivision alone is as large as the city of Hilo, yet Hawaiian Acres roads suffer the role of the neglected step-child. Large fire trucks often have to detour for miles around bad stretches of road, while the working poor have no choice but to tear up their precious vehicles to get to work upon these same roads.

These subdivisions are growing fast, while the roads are crumbling. We burn our gas on these hundreds of miles of subdivision roads. It is only fair that we share in the taxes paid on that gas.

From: Vicki Vierra [mailto:vickiv@hawaii.rr.com]
Sent: Friday, January 25, 2013 9:16 AM
To: PSMTestimony
Subject: SB382 RELATING TO FUEL TAX REVENUES.

Dear Committee Members:

Puna's taxpayers contribute much and receive little in the way of improved roadways. SB382 would go a long way in rectifying this situation. Please support this bill.

Sincerely,
Vicki Vierra

Vicki Vierra Graphic Design
HC 1 Box 5077
Keaau Hawaii 96749
808 966 6333

SB382

Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Nancy J Kramer	Individual	Support	No

Comments: Puna and Ka'u have two of the largest subdivisions in the country which provide roads for the use of the public, and receive no public support for their road maintenance. This is wrong. Road taxes must be made available for our roads, public or private, and SB382 is a big step in the right direction.

SB382

Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Hirakami	Individual	Support	No

Comments: I support this measure to get some relief funds to improve infrastucture on Hawaii County's roads including those in substandard subdivisions. There are many reasons besides improving road quality. It will help with the health and safety of our rural communities which have been long neglected. Emergency response, evacuation routes, curtailing dust, and safer driving conditions are only a few of the reasons to help our citizens improve their quality of life, and at the same time, providing them with s safer and healthier environment.

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Submitted on: 1/25/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
fred fogel	Individual	Support	No

The basic reason for this wording change is to make it perfectly clear to the County's officials that fuel tax revenue can be used on roads that the County initially approved and subsequently designated "private." Presently County officials are using the lack of such language in the law (HRS) to deny County involvement in the maintenance of "private" roads that are open for public use. It's time for the County to stop using the HRS as an excuse.

By using the word "may" instead of "shall" in the proposed change to the HRS, spending fuel tax revenue for the maintenance of "private" roads remains at the County's discretion. This is good and appropriate. If this clarification to existing law is approved (as it should be), I suggest the County places priority on the maintenance (and connectivity) of "private" roads that are designated alternate evacuation routes.

SB382

Submitted on: 1/26/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Sherri Carden	Individual	Support	No

Comments:

Aloha,

I am writing in support of SB382. I am surprised and shocked that it has taken so long to re-appropriate funds which are paid by the substandard subdivision residents but have never gone to their roads. It creates a huge list of inequalities which go beyond inconvenience. Although the residents pay their associations road fees and often volunteer for road maintenance, it is not enough to keep up with the extreme weather conditions. The rain creates enormous potholes, making it impossible for emergency vehicles to drive on it. When there is a drought, many of the water companies will not come into the subdivisions because of the condition of the roads. Because of the roads, there is no bus or van service up here whatsoever.

I have been a resident of Orchidland Estates for eleven years, and have struggled with meager resources to keep the potholes filled and my car repaired. The fuel tax revenue would be a nice gesture to the residents of the substandard subdivisions. It would mean a lot to the residents, and is the right thing to do.

Mahalo for your consideration.

SB382

Submitted on: 1/27/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Steve Sparks	Individual	Support	No

Comments: I am giving testimony today to support SB 382 relating to the Fuel Tax Revenues of the State of Hawaii. The taxes collected from the Fuel Tax need to be put to use to improve the lives and property of those they are collected from. We who live on the Island of Hawaii need to be able to use the taxes we pay in improvement of our roads even though they were not built by the government, they are used by the citizens who pay the Fuel Taxes and need to be used locally to improve our roads. The simple amendment to the current Haqwaii Revised Statues can mean a lot in the lives of the people of the Island of Hawaii. Thank you

SB382

Submitted on: 1/27/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Rosemarie Patronette	Individual	Support	No

SB382

Submitted on: 1/27/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

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

Comment:

I live in Hawaiian Paradise Park and this subdivision was started in 1959. The County of Hawaii Board of Supervisors did not hold the developer to any standards in regards to the road structure in this 12 square mile area and all of the residents have to pay out of our pockets to help maintain the substandard roads we have today. We pay fuel tax like all the other residents on the island but we receive no County help with the roads. It is time that we receive a fair share. Please pass this bill.

SB382

Submitted on: 1/28/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Claudia Zirolì	Individual	Support	No

Aloha Senators and Committee Members,

Please support SB 382 – Relating to Fuel Tax Revenues:

Your support to pass SB 382 would mean much to Hawai`i.

Puna, the fastest growing district in the state of Hawai`i is comprised of subdivisions developed in the 50's and 60's without basic infrastructure. Many of the roads are beyond 'substandard' and are virtually impassable to motorists- especially emergency response vehicles, police and school busses. As a result, those services are often denied the residents of these communities!

SB 382 does not require an increase in taxes, but allows for a more equitable distribution of funds received, and will address the extreme inequity of substandard subdivision roads in the County of Hawai`i.

Mahalo for your time and commitment to our State and Counties.

With Aloha,
Claudia Zirolì
P.O. Box 404
Mountain View, HI 96771

From: Trina Ishii
Sent: Monday, January 28, 2013 2:55 PM
To: PSMTTestimony
Subject: Testimony for SB382

----- Original Message -----

Subject: Rob Tucker's testimony on SB 382

I am generally in support of this bill but would suggest an amendment (below). I support SB382 for the following reasons:

1. 40% of Hawaii County's roads are in private ownership. That is approximately 750 miles of roadway. Millions of dollars have been collected in fuel tax revenue on these roadways without benefit from the fuel tax in maintenance of the same private roadways.
2. These private roadways were created by act of the (then) Hawaii County Board of Supervisors in violation of the ordinances in place at the time of subdivision which required developers to provide roads to county standards. This failure on the county's part exposes the CoH to substantial liability. SB382 could clear the way for a cooperative resolution to the problem.
3. Roads are primary to the movement of people, good and services. Emergency services are unable to traverse some areas. This needs to be alleviated. Amending the HRS Fuel Tax statute can clear the way for the CoH to address the problem in practical ways unique to Hawaii County. This bill serves the health, safety and welfare of all residents.
4. Importantly for the CoH you should be aware that allowing for road maintenance on private roadways can be very beneficial to the county. I have studied the market value of subdivision properties on private roadways. Those with better maintained roads generally have twice the market value of those on poor roadways. I submit to you that gradual improvement of road conditions will result in gradual improvement in property values which will lead to increases in taxes paid into the General Fund.

Note: I do not live on a roadway affected by this bill. I will not personally benefit from its passage.

Re: Proposed amendment to SB382

There should be simple clarification of the meaning of "other roads" in the HRS Fuel Tax language to allow privately owned/publicly accessed roadways. That simple change would resolve the issue as brought forth by County of Hawaii Corporation Counsel Lincol Ashida.

Mahalo,

Rob Tucker
P.O. Box 644
Pahoa, HI 96778
808-956-1555

SB382

Submitted on: 1/28/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Joan A Galante	Individual	Support	No

Comments: I am totally in favor of The County of Hawaii allocating a fair share of the fuel tax revenue to Hawaiian Paradise Park, a substandard subdivision who maintains 150 miles of its own roads with a road maintenance fee paid by 8700 lot owners. This is long overdue.

SB382

Submitted on: 1/26/2013

Testimony for PSM/TIA on Jan 29, 2013 14:45PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Larry Obermann	Individual	Oppose	No

Comments: At the present time the county of Hawaii cannot even maintain the public roads. It would be ridiculous to divert fuel tax revenue to private roads! This bill would unfairly punish those who purchased properties in properly developed subdivisions.