

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 2490 HD2, RELATING TO VETERANS

PRESENTATION TO THE  
COMMITTEE ON WAYS AND MEANS

BY

MR. RONALD P. HAN, JR.  
DIRECTOR OF STATE OFFICE OF VETERANS' SERVICES

March 28, 2016

Good Morning, Chair Tokuda, Vice Chair Dela Cruz and members of the Committees:

I'm Ron Han, Director of the State Office of Veterans Services. I appreciate this opportunity to provide testimony in support of the concepts in House Bill 2490 HD2.

This measure would exempt certain total and permanently disabled veterans from paying all annual motor vehicle registration fees. Veterans who qualify must be a resident of Hawaii, a 100% disabled veteran as determined by the United States Department of Veteran Affairs and received an other than dishonorable discharge.

Service connected 100% disabled Veterans served valiantly in uniform in support of and in sacrifice for our country. The freedoms we enjoy today have been paved by their dedicated and honored service. This is a small token of our appreciation for their heralded duty.

We defer to the agency with direct responsibility for implementation.

The OVS supports the concepts and intent expressed in this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Budget.

Thank you for this opportunity to provide testimony on behalf of Hawaii's Veterans and their families.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Exempt Disabled Veterans from Motor Vehicle Taxes

BILL NUMBER: HB 2490, HD-2

INTRODUCED BY: House Committee on Finance

EXECUTIVE SUMMARY: Disabled veterans by this bill are excused from paying all vehicle registration fees and weight taxes. However, there is no showing that veterans are unfairly singled out by the tax or otherwise face undue hardship, so why should the rest of us be required to pay for repairs, maintenance, and similar charges on roads they use?

BRIEF SUMMARY: Amends HRS section 249-31.5, which now exempts disabled veterans from payment of annual vehicle registration fees. Under the amendment, disabled veterans can qualify without needing to receive disability retirement pay from a branch of the armed services, and the exemption would extend to all tax imposed under chapter 249.

EFFECTIVE DATE: July 1, 2030.

STAFF COMMENTS: Act 128, SLH 2015, provides that disabled veterans (except those dishonorably discharged) shall be exempt from the state motor vehicle registration fee provided the exemption shall not apply to commercial vehicles and be applicable to only one motor vehicle for vehicles registered or renewed after 1/1/16. To accomplish this, Act 128 added a new section to HRS chapter 249, and that section is proposed to be amended by this bill.

The present bill seeks to expand on the benefits offered to disabled veterans.

The motor vehicle weight tax and registration fees are user charges designed to recover the cost of construction and maintenance of Hawaii's highway system. It should be remembered that all motorists use the state highways and should, therefore, lend a hand in paying for good and safe roads. Note well, that any exemption granted to a select group of users requires that the lost revenues be made up by those who must continue to pay. Motorists who will have to pick up the additional costs created by this proposed exemption should hold those who would propose such an exemption responsible for raising their taxes.

Exemptions based solely on physical condition or age represent poor tax policy. So while the exemption would provide relief to a disabled veteran, a single mom making minimum wage, barely making ends meet, must continue to pay these fees. Given that this proposal has been continually introduced, it is hard to imagine that lawmakers have not asked the question as to why they believe that a disabled veteran is financially incapable of paying his or her fair share to maintain the state's highways.

Digested 3/14/16

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**Subject:** Submitted testimony for HB2490 on Mar 28, 2016 09:00AM  
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**HB2490**

Submitted on: 3/26/2016

Testimony for WAM on Mar 28, 2016 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Daniel Alvarez	Individual	Support	No

Comments: Strongly Support any Bill that will make a Veteran's life and their Families lives easier after the sacrifices they continue to make for the rest of the 99% of Americans.

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**Cc:** [tabraham08@gmail.com](mailto:tabraham08@gmail.com)  
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**HB2490**

Submitted on: 3/25/2016

Testimony for WAM on Mar 28, 2016 09:00AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Troy Abraham	Individual	Support	No

Comments:

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