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## Testimony to the Senate Committee on Ways & Means Monday, February 29, 2016 1:30 PM. State Capitol - Conference Room 211

### **RE: SB 2938 SD1 – Relating to Transportation.**

Dear Chair Tokuda, Vice-Chair Dela Cruz, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA Hawaii has concerns regarding S.B. 2938 which proposes to:

- Increase the State Fuel Tax to generate additional revenues for the State Highway Fund by amending section 243-4, Hawaii Revised Statutes;
- Increase in the state motor vehicle registration fee and deposits the money into the State Highway Fund by amending section 249-31, Hawaii Revised Statutes;
- Increase the state motor vehicle weight tax and deposits the money into the State Highway Fund by amending section 249-33, Hawaii Revised Statutes.

We understand the need for additional revenues for the State Highway Fund; however, as vehicles become more and more fuel efficient or switch over to electric or hydrogen, more and more of the tax burden is shifted to families or businesses using gas or diesel vehicles. Perhaps the legislature should consider creating a higher vehicle registration fee and vehicle weight tax on those non-gasoline or diesel powered vehicles to spread the burden of the construction and maintenance of roads in Hawaii more equitable among all the various users.

In addition, we believe that there needs to be more accountability on how these funds are expended, including how projects are prioritized in the use of the highway funds. The primary use of these funds should be to insure adequate transportation infrastructure is constructed to support population increases in areas of identified growth. The lack of investment in our State Highway system to support the planned growth in Kapolei is the major reason why there is congestion and grid-lock during rush hour between Honolulu and West Oahu.

The planning and implementation of transportation projects needs to be more focused, open and transparent. Additionally, once projects are prioritized and funded, they need to be constructed in a timely manner in order to take full advantage of the matching federal funds.

Increases in the taxes and fees without some assurance or game plan on how the projects will be identified, prioritized, and implemented would be irresponsible at this time. Thank you for the opportunity to express our views on this matter.