

SB 2938

LATE TESTIMONY

LATE



**TESTIMONY IN OPPOSITION TO SB 2938
RELATING TO TRANSPORTATION**

TO THE SENATE COMMITTEE ON TRANSPORTATION & ENERGY
Hawaii State Capitol, Conference room 225
February 17, 2016
2:45 p.m.

Dear Chair Inouye, Vice Chair Gabbard, and Members of the Committee:

Thank you for the opportunity to testify in opposition of SB2938 which increases the fuel tax, vehicle registration fee, and vehicle weight tax that go into the Highway Fund.

The Maui Chamber of Commerce is the voice of Maui businesses, representing about 600 businesses of which roughly 95% are small businesses with fewer than 25 employees. We work on behalf of our members and the entire business community to fulfill our mission of advancing and promoting a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics. We serve as an effective non-partisan, non-sectarian voice for business on legislative, business, social, governmental and community issues affecting Maui.

Given global turbulence and concerns over the possibility of another recession, we do not support any tax increases at this time and this bill equates to several as it:

- Amends HRS section 243-4 by increasing the state fuel tax on each gallon of liquid fuel as follows:
 - Diesel oil and gasoline or other aviation fuel sold for use in or used for airplanes: from 1 cent to 2 cents.
 - Liquid fuel other than the aforementioned fuels and other than alternative fuels sold or used in, or sold in any county for ultimate use in: the city and county of Honolulu, the county of Hawaii, the county of Maui, the county of Kauai: from 16 cents to 19 cents in addition to the counties' respective fuel taxes as prescribed in HRS section 243-5.
- Amends HRS section 249-31 by increasing the registration fee for all vehicles and motor vehicles in the State from \$45 to \$60 annually and by increasing the amount of deposit from each registration into the state highway fund from \$40 to \$55 and \$5 into the emergency medical services special fund.

TESTIMONY IN OPPOSITION TO SB 2938

February 17, 2016

Page 2.

- Amends HRS section 249-33 by increasing the motor vehicle weight tax, based on net weight, for all vehicles and motor vehicles:
 - Up to and including four thousand pounds: from 1.75 cents to 2.75 cents per pound.
 - Over four thousand pounds and up to and including seven thousand pounds: from 2.00 cents to 3.00 cents per pound.
 - Over seven thousand pounds and up to and including ten thousand pounds: from 2.25 cents to 3 .25 cents per pound.
 - Over ten thousand pounds: from \$300 to \$400 flat rate.

These tax hikes are all geared to generate additional revenues for the improvement of highways, which we support. However, the premise for the tax hike now is that better fuel economies, increasing electric and hybrid electric vehicles and alternative fuel vehicles, our current rates, are not sustainable for future highway funding. However, the Department of Transportation, who is seeking this increase, is already having difficulty spending the money it has.

We understand there is a backlog of \$650 million in federal grants and feel that the department should clear this up and be more efficient and effective at spending its money before asking the residents and businesses of our state to pay more.

Further, we would also like to see more transparency and accountability, with published statewide transportation priorities and expedient use of funds to maximize federal dollars and better deliver much needed transportation solutions to the people of Hawaii.

Therefore, we oppose SB2938 at this time.

Sincerely,



Pamela Tumpap
President

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

2016 OFFICERS

PRESIDENT
CRAIG WASHOPFSKY
SERVCO HOME & APPLIANCE
DISTRIBUTION

PRESIDENT-ELECT
EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

VICE PRESIDENT
DEAN UCHIDA
SSFM INTERNATIONAL, INC.

TREASURER
MICHAEL WATANABE
JW, INC.

SECRETARY
PETER ELDRIDGE
RAYNOR OVERHEAD DOORS &
GATES, INC.

SPECIAL APPOINTEE-BUILDER
PAUL D. SILEN
HAWAIIAN BREDDING
CONSTRUCTION CO, INC.

SPECIAL APPOINTEE-BUILDER
MARK KENNEDY
HASEKO CONSTRUCTION
MANAGEMENT GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE
GARY T. OKIMOTO
HONOLULU WOOD TREATING, LLC

IMMEDIATE PAST PRESIDENT
RICHARD HOBSON, JR.
GENTRY HOMES, LTD.

CHIEF EXECUTIVE OFFICER
GLADYS MARRONE
BIA-HAWAII

2016 DIRECTORS

ANTHONY BORGE
RMA SALES

BEAU NOBMANN
HPM BUILDING SUPPLY

DOUGLAS E. PEARSON
CASTLE & COOKE HOMES
HAWAII, INC.

CHRIS CHEUNG
CC ENGINEERING &
CONSTRUCTION, INC.

CLIFTON CRAWFORD
C&J CONTRACTING, INC.

CURT KIRIU
CK INDEPENDENT LIVING BUILDERS

DWIGHT MITSUNAGA
DM PACIFIC, INC.

JACKSON PARKER
D.R. HORTON, SCHULER DIVISION

JENNIFER ANDREWS
COLDWELL BANKER PACIFIC
PROPERTIES

MARK HERTEL
INTER-ISLAND SOLAR SUPPLY,
OAHU-MAUI-HAWAII-KAUAI

MARSHALL HICKOX
HOMEWORX CONSTRUCTION, INC.

SARAH LOVE
BAYS LUNG ROSE & HOLMA

MAILING
P.O. BOX 970967
WAIPAHU, HAWAII
96797-0967

STREET
94-487 AKOKI STREET,
WAIPAHU, HAWAII 96797

P 808.847.4666
F 808.440.1198
E INFO@BIAHAWAII.ORG

www.BIAHAWAII.org

Testimony to the Senate Committee on Transportation and Energy Wednesday, February 17, 2016 2:45 P.M. State Capitol - Conference Room 225

LATE

RE: SB 2938: Relating to Transportation.

Dear Chair Inouye, Vice-Chair Gabbard, 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 ensure 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. And 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.

Kaala Coleman

From: Sen. Lorraine R. Inouye
Sent: Tuesday, February 16, 2016 11:03 PM
To: Kaala Coleman
Subject: Fwd: Opposition of (S.B. 2938)

Sent from my iPhone

Begin forwarded message:

From: Borge Ohana <soccerohana@aol.com>
Date: February 16, 2016 at 7:55:38 PM HST
To: seninouye@capitol.hawaii.gov,
sengabbard@capitol.hawaii.gov, senchunoakland@capitol.hawaii.gov,
senenglish@capitol.hawaii.gov, senkidani@capitol.hawaii.gov,
sennishihara@capitol.hawaii.gov, senslom@capitol.hawaii.gov, stevem@sema.org,
SANalert@sema.o
Subject: Opposition of (S.B. 2938)

Aloha Hawaii Senators,

My name is Scott Borge and I live on the island of Maui. I understand that legislation has been introduced in Hawaii (S.B. 2938) to increase annual registration fees, increase the gas tax and increase the motor vehicle weight tax. I am asking for your support that this decision be opposed.

S.B. 2938 increases the annual registration fee from \$45 to \$60.

S.B. 2938 increases the weight tax by 1 cent per pound and increases the flat rate for vehicles over 10,000 pounds from \$300 to \$400. The weight tax increase will result in an additional \$35 annual fee for an average 3,500 pound vehicle.

S.B. 2938 increases the gas tax from 16 to 19 cents.

In our family alone and between two (2) households we own four (4) collector vehicles. These vehicles see limited use as they are not operated on a daily basis. We enjoy them as we attend cruise nights and various car shows, helping to share our passion with the community. S.B. 2938 would negatively impact our livelihood and lifestyle as it would become cost prohibitive to keep these vehicles registered and on the road.

Many other states throughout the country offer discounted rates for owners of collector vehicles as those states understand the limited use of these vehicles and value their historical importance in the community.

I ask that you oppose Hawaii (S.B. 2938) and thank you in advance for your support and understanding.

Mahalo,

Scott K. Borge

Kaala Coleman

From: Sen. Lorraine R. Inouye
Sent: Tuesday, February 16, 2016 11:03 PM
To: Kaala Coleman
Subject: Fwd: Oppose H.B. 2938!!!

Sent from my iPhone

Begin forwarded message:

From: Tim Hultquist <TimVFR@hawaii.rr.com>
Date: February 16, 2016 at 6:34:50 PM HST
To: <seninouye@capitol.hawaii.gov>, <sengabbard@capitol.hawaii.gov>, <senchunoakland@capitol.hawaii.gov>, <senenglish@capitol.hawaii.gov>, <senkidani@capitol.hawaii.gov>, <sennishihara@capitol.hawaii.gov>, <senslom@capitol.hawaii.gov>, <stevem@sema.org>, <SANalert@sema.org>
Subject: Oppose H.B. 2938!!!

The residents of Hawaii already pay some of the highest vehicle registration fees in the country!! Raising them even higher is crazy. It will most likely cause an increase in owners driving around without re-newing. It is already a huge problem with un-insured drivers. Our gas taxes are supposed to be going towards road improvements, that is a joke. Just drive around most anywhere here on Maui and see how bad our roads are. Yet, we see roads that aren't in bad condition getting re-paved. This bill needs to be shut down!!

Sincerely,
Tim Hultquist
Wailuku, Maui, Hawaii

Kaala Coleman

SB 2938

From: Sen. Lorraine R. Inouye
Sent: Tuesday, February 16, 2016 11:04 PM
To: Kaala Coleman
Subject: Fwd: increase on vehicle taxes

Sent from my iPhone

Begin forwarded message:

From: Pat Bator <patb.esh@hawaiiantel.net>
Date: February 16, 2016 at 5:57:34 PM HST
To: <seninouye@capitol.hawaii.gov>, <sengabbard@capitol.hawaii.gov>, <senchunoakland@capitol.hawaii.gov>, <senenglish@capitol.hawaii.gov>, <senkidani@capitol.hawaii.gov>, <sennishihara@capitol.hawaii.gov>, <senslom@capitol.hawaii.gov>, <stevem@sema.org>, <SANalert@sema.org>
Subject: increase on vehicle taxes

Good afternoon to everyone, I don't believe that raising taxes will help our economy on road repairs and or maintenance. Our roads and airports are in bad conditions due to neglect on our part by the government lack of knowledge. I'm in the construction industry and see a lot of wasteful money being spent on band aid repairs instead of doing the correct method of repairs. I worked on some projects at the airport under Ford Fuchigami and I know he is trying his best to correct issues from previous DOT personnel. But with little support from the state senate and governor to get adequate funds for repairs, it's a losing battle. I hope with support we can start doing a better job of taking care of all our state infrastructures.

Pat Bator
Patb.esh@hawaiiantel.net
808 372-1913