

S.B. NO. 1010

JAN 25 2017

A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 249-33, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) All vehicles and motor vehicles in the State as
4 defined in section 249-1, including antique motor vehicles,
5 except as otherwise provided in sections 249-4, 249-5.5, 249-6,
6 and 249-6.5, in addition to all other fees and taxes levied by
7 this chapter, shall be subject to an annual state vehicle weight
8 tax. The tax shall be levied by the county director of finance
9 at the rate of [~~1.75~~] 2.75 cents a pound according to the net
10 weight of each vehicle as the "net weight" is defined in section
11 249-1 up to and including four thousand pounds net weight;
12 vehicles over four thousand pounds and up to and including seven
13 thousand pounds net weight shall be taxed at the rate of [~~2.00~~]
14 3.00 cents a pound; vehicles over seven thousand pounds and up
15 to and including ten thousand pounds net weight shall be taxed
16 at the rate of [~~2.25~~] 3.25 cents a pound; vehicles over ten
17 thousand pounds net weight shall be taxed at a flat rate of
18 [~~\$300.~~] \$400."

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1 SECTION 2. There is appropriated out of the state highway
2 fund the sum of \$ or so much thereof as may be necessary for
3 fiscal year 2017-2018 for the operations and maintenance of the
4 state highways program.

5 The sum appropriated shall be expended by the department of
6 transportation for the purposes of this Act.

7 SECTION 3. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect upon its approval.

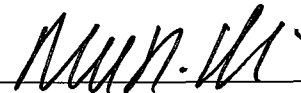
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INTRODUCED BY: _____



BY REQUEST

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Report Title:

Motor Vehicle; Weight Tax; State Highway Fund; Operations;
Maintenance

Description:

Increases the state motor vehicle weight tax.

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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JUSTIFICATION SHEET

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO TAXATION.

PURPOSE: Allows for increase in the state motor vehicle weight tax.

MEANS: Amend section 249-33(a), Hawaii Revised Statutes.

JUSTIFICATION: To meet the economic needs of the State and preserve the unique quality of life of its residents and visitors to these precious islands, the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. The state land transportation system, however, has not kept pace with our growing economy, land use development patterns, and evolving life styles with its every increasing demand for travel. Programmatic and project needs far exceed the necessary resources available and needed to properly address them. The land transportation system is and will continue to deteriorate as demand for travel continues to increase; costs to manage, construct, and administer the system increase; and opportunities to expand the system come at too high a consequence.

The current flow of revenues for both the Federal Highway Trust Fund and the State Highway Fund from their respective fuel taxes are continuously decreasing as automobiles become more fuel efficient and the demand for fuel progressively decreases. As the average fuel economy of motor vehicles improves in accordance with the Corporate Average Fuel Economy standards and the increase in electric, plug-in hybrid electric vehicles and alternative fuel vehicles, it is clear that the current gas fuel tax is not sustainable for future highway funding. The

fate of the state's ability to provide safe and efficient roadways to the public relies upon its ability to acquire the needed funding for all highway programs and projects. With the funding needs of the State Highway Program severely outweighing the revenues being generated through the state fuel tax, more innovative revenue generating programs need to be studied to support the State Highway Fund revenues.

The increase in revenues will provide safer infrastructure enhancements for all users including pedestrians, bicyclists, transit users and motorists and would positively impact the department's ability to qualify state matching funds for the highways federal-aid program.

Impact on the public: The estimated cost impact to the motoring public for each one cent per pound increase in the state vehicle weight tax will be an additional \$35.00 annually for an average 3,500 pound vehicle.

Impact on the department and other agencies: The increase in revenues for the State Highway Fund will improve the Department's ability to construct, operate and maintain the State Highway System. This would enable the Department to increase the highways capital improvement project and special maintenance programs. The failure of the State to properly maintain the State Highway System may result in sanctions being imposed by the Federal Highway Administration including the loss of federal funds.

The increase in revenues will also improve the Department of Transportation's ability provide state matching funds for the highways federal-aid program. The availability of state matching funds will allow the State to attract its share for federal funds. The normal federal share for projects on the interstate system is 90 percent and for other eligible roadways it is 80 percent.

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The state vehicle weight tax is collected by the counties and deposited into the State Highway Fund.

GENERAL FUND: None.

OTHER FUNDS: None.

PBS PROGRAM
DESIGNATION: TRN 595.

OTHER AFFECTED
AGENCIES: Department of Accounting and General Services, Department of Taxation, and counties.

EFFECTIVE DATE: Upon approval.