

JAN 20 2017

A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that traffic congestion
2 is a serious problem that negatively impacts the quality of life
3 for residents throughout the State. As Hawaii grows, traffic-
4 related congestion on the State's roadways continues to
5 increase, forcing people to spend more time sitting in vehicles
6 and less time being productive at work or with families and
7 friends. Recent public opinion polls have found that traffic
8 congestion is regularly one of the top concerns of Hawaii
9 residents.

10 One way that traffic congestion can be addressed is through
11 capital improvements that increase the capacity of existing
12 state roadways or strategically build new roadways. These types
13 of projects have the potential to increase the quality of life
14 for many future generations of Hawaii residents.

15 The legislature further finds that creating new sources of
16 revenue for the state highway fund will give the department of
17 transportation the additional flexibility to redirect other



1 funding sources towards important repair and maintenance
2 projects, including much-needed repairs for roadways in the Oahu
3 urban core.

4 The purpose of this Act is to:

5 (1) Increase revenues into the state highway fund by
6 requiring the revenues from the rental motor vehicle
7 customer facility charge to be deposited into the
8 state highway fund; provided that the revenues so
9 generated shall be used for projects to increase the
10 capacity of existing roadways or create new roadways;
11 and

12 (2) Repeal the rental motor vehicle customer facility
13 charge special fund.

14 SECTION 2. Section 36-27, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) Except as provided in this section, and
17 notwithstanding any other law to the contrary, from time to
18 time, the director of finance, for the purpose of defraying the
19 prorated estimate of central service expenses of government in
20 relation to all special funds, except the:



- 1 (1) Special out-of-school time instructional program fund
2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 (4) State educational facilities improvement special fund;
- 7 (5) Convention center enterprise special fund under
8 section 201B-8;
- 9 (6) Special funds established by section 206E-6;
- 10 (7) Aloha Tower fund created by section 206J-17;
- 11 (8) Funds of the employees' retirement system created by
12 section 88-109;
- 13 (9) Hawaii hurricane relief fund established under chapter
14 431P;
- 15 (10) Hawaii health systems corporation special funds and
16 the subaccounts of its regional system boards;
- 17 (11) Tourism special fund established under section 201B-
18 11;
- 19 (12) Universal service fund established under section 269-
20 42;



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- 1 (13) Emergency and budget reserve fund under section 328L-
- 2 3;
- 3 (14) Public schools special fees and charges fund under
- 4 section 302A-1130;
- 5 (15) Sport fish special fund under section 187A-9.5;
- 6 [+] (16) [+] Neurotrauma special fund under section 321H-4;
- 7 [+] (17) [+] Glass advance disposal fee established by section
- 8 342G-82;
- 9 [+] (18) [+] Center for nursing special fund under section 304A-
- 10 2163;
- 11 [+] (19) [+] Passenger facility charge special fund established
- 12 by section 261-5.5;
- 13 [+] (20) [+] Solicitation of funds for charitable purposes
- 14 special fund established by section 467B-15;
- 15 [+] (21) [+] Land conservation fund established by section 173A-
- 16 5;
- 17 [+] (22) [+] Court interpreting services revolving fund under
- 18 section 607-1.5;
- 19 [+] (23) [+] Trauma system special fund under section 321-22.5;
- 20 [+] (24) [+] Hawaii cancer research special fund;
- 21 [+] (25) [+] Community health centers special fund;



- 1 ~~[+](26)[+]~~ Emergency medical services special fund;
- 2 ~~[-(27)]~~ ~~Rental motor vehicle customer facility charge special~~
3 ~~fund established under section 261-5.6,;~~
- 4 ~~[-(28)]~~ (27) Shared services technology special fund under
5 section 27-43;
- 6 ~~[-(29)]~~ (28) Automated victim information and notification
7 system special fund established under section 353-136;
- 8 ~~[-(30)]~~ (29) Deposit beverage container deposit special fund
9 under section 342G-104;
- 10 ~~[-(31)]~~ (30) Hospital sustainability program special fund
11 under Act 217, Session Laws of Hawaii 2012, as
12 amended;
- 13 ~~[-(32)]~~ (31) Nursing facility sustainability program special
14 fund under Act 156, Session Laws of Hawaii 2012;
- 15 ~~[-(33)]~~ (32) Hawaii 3R's school improvement fund under
16 section 302A-1502.4;
- 17 ~~[-(34)]~~ (33) After-school plus program revolving fund under
18 section 302A-1149.5; and
- 19 ~~[-(35)]~~ (34) Civil monetary penalty special fund under
20 section 321-30.2,



1 shall deduct five per cent of all receipts of all other special
2 funds, which deduction shall be transferred to the general fund
3 of the State and become general realizations of the State. All
4 officers of the State and other persons having power to allocate
5 or disburse any special funds shall cooperate with the director
6 in effecting these transfers. To determine the proper revenue
7 base upon which the central service assessment is to be
8 calculated, the director shall adopt rules pursuant to chapter
9 91 for the purpose of suspending or limiting the application of
10 the central service assessment of any fund. No later than
11 twenty days prior to the convening of each regular session of
12 the legislature, the director shall report all central service
13 assessments made during the preceding fiscal year."

14 SECTION 3. Section 36-30, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

- 16 "(a) Each special fund, except the:
- 17 (1) Special out-of-school time instructional program fund
18 under section 302A-1310;
- 19 (2) School cafeteria special funds of the department of
20 education;
- 21 (3) Special funds of the University of Hawaii;



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- 1 (4) State educational facilities improvement special fund;
- 2 (5) Special funds established by section 206E-6;
- 3 (6) Aloha Tower fund created by section 206J-17;
- 4 (7) Funds of the employees' retirement system created by
- 5 section 88-109;
- 6 (8) Hawaii hurricane relief fund established under chapter
- 7 431P;
- 8 (9) Convention center enterprise special fund established
- 9 under section 201B-8;
- 10 (10) Hawaii health systems corporation special funds and
- 11 the subaccounts of its regional system boards;
- 12 (11) Tourism special fund established under section 201B-
- 13 11;
- 14 (12) Universal service fund established under section 269-
- 15 42;
- 16 (13) Emergency and budget reserve fund under section 328L-
- 17 3;
- 18 (14) Public schools special fees and charges fund under
- 19 section 302A-1130;
- 20 (15) Sport fish special fund under section 187A-9.5;
- 21 [+] (16) [+] Neurotrauma special fund under section 321H-4;



- 1 [+] (17) [+] Center for nursing special fund under section 304A-
2 2163;
- 3 [+] (18) [+] Passenger facility charge special fund established
4 by section 261-5.5;
- 5 [+] (19) [+] Court interpreting services revolving fund under
6 section 607-1.5;
- 7 [+] (20) [+] Trauma system special fund under section 321-22.5;
- 8 [+] (21) [+] Hawaii cancer research special fund;
- 9 [+] (22) [+] Community health centers special fund;
- 10 [+] (23) [+] Emergency medical services special fund;
- 11 ~~[+(24)] Rental motor vehicle customer facility charge special~~
12 ~~fund established under section 261-5.6;]~~
- 13 ~~[+(25)]~~ (24) Shared services technology special fund under
14 section 27-43;
- 15 ~~[+(26)]~~ (25) Nursing facility sustainability program special
16 fund established pursuant to Act 156, Session Laws of
17 Hawaii 2012;
- 18 ~~[+(27)]~~ (26) Automated victim information and notification
19 system special fund established under section 353-136;



1 ~~[(28)]~~ (27) Hospital sustainability program special fund
2 under Act 217, Session Laws of Hawaii 2012, as
3 amended; and

4 ~~[(29)]~~ (28) Civil monetary penalty special fund under
5 section 321-30.2,

6 shall be responsible for its pro rata share of the
7 administrative expenses incurred by the department responsible
8 for the operations supported by the special fund concerned."

9 SECTION 4. Section 103-8.5, Hawaii Revised Statutes, is
10 amended by amending subsection (a) to read as follows:

11 "(a) There is created a works of art special fund, into
12 which shall be transferred one per cent of all state fund
13 appropriations for capital improvements designated for the
14 construction cost element; provided that this transfer shall
15 apply only to capital improvement appropriations that are
16 designated for the construction or renovation of state
17 buildings. The one per cent transfer requirement shall not
18 apply to appropriations from the passenger facility charge
19 special fund established by section 261-5.5 [~~and the rental~~
20 ~~motor vehicle customer facility charge special fund established~~
21 ~~under section 261-5.6]~~."



1 SECTION 5. Section 248-9, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§248-9 State highway fund.** (a) Moneys in the state
4 highway fund may be expended for the following purposes:

5 (1) To pay the costs of operation, maintenance, and repair
6 of the state highway system, including without
7 limitation, the cost of equipment and general
8 administrative overhead;

9 (2) To pay the costs of acquisition (including real
10 property and interests therein), planning, designing,
11 construction, and reconstruction of the state highway
12 system and bikeways, including, without limitation,
13 the cost of equipment and general administrative
14 overhead;

15 (3) To reimburse the general fund for interest on and
16 principal of general obligation bonds issued to
17 finance highway projects where the bonds are
18 designated to be reimbursable out of the state highway
19 fund; and

20 (4) To pay the costs of construction, maintenance, and
21 repair of county roads; provided that none of the



1 funds expended on a county road or program shall be
2 federal funds when such expenditure would cause a
3 violation of federal law or a federal grant agreement.

4 (b) At any time, the director of transportation may
5 transfer from the state highway fund all or any portion of
6 available moneys determined by the director of transportation to
7 exceed one hundred thirty-five per cent of the requirements for
8 the ensuing twelve months for the state highway fund as
9 permitted by and in accordance with section 37-53. For purposes
10 of the determination, the director of transportation shall take
11 into consideration:

12 (1) The amount of federal funds and bond funds on deposit
13 in, and budgeted to be expended from, the state
14 highway fund during the period;

15 (2) Amounts on deposit in the state highway fund that are
16 encumbered or otherwise obligated;

17 (3) Budgeted amounts payable from the state highway fund
18 during the period;

19 (4) Revenues anticipated to be received by and
20 expenditures to be made from the state highway fund



1 during the period based on existing agreements and
2 other information for the ensuing twelve months; and
3 (5) Any other factors as the director of transportation
4 shall deem appropriate.

5 (c) Notwithstanding subsections (a) and (b), revenues
6 generated from the rental motor vehicle customer facility charge
7 and deposited into the state highway fund pursuant to section
8 261-7(h) shall be expended for the following projects that would
9 increase the capacity of existing roadways or create new
10 roadways:

- 11 (1) The "Lahaina Bypass 1c" project to connect the Lahaina
12 Bypass to Kaanapali Connector;
- 13 (2) The expansion of Highway 130 between Keaau and Pahoia;
- 14 (3) The widening of Kahekili Highway between Haiku and
15 Ahuimanu;
- 16 (4) The Paia Bypass project on Maui;
- 17 (5) The Kapaa Bypass Road on Kauai;
- 18 (6) Widening of the H-1 from Waiawa to Halawa;
- 19 (7) The Kawaihae Bypass project on Hawaii island; and
- 20 (8) Any other project that would increase the capacity of
21 existing roadways or create new roadways;



1 provided that upon completion of these projects, the revenues
2 from the rental motor vehicle customer facility charge may be
3 used for any other purpose authorized pursuant to this section."

4 SECTION 6. Section 261-5, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) Except for:

7 (1) All proceeds from the passenger facility charge and
8 deposited in the passenger facility charge special
9 fund; and

10 (2) All proceeds from the rental motor vehicle customer
11 facility charge [~~and deposited in the rental motor~~
12 ~~vehicle customer facility charge special fund]~~,

13 all moneys received by the department from rents, fees, and
14 other charges collected pursuant to this chapter, as well as all
15 aviation fuel taxes paid pursuant to section 243-4(a)(2), shall
16 be paid into the airport revenue fund created by section 248-8.

17 All moneys paid into the airport revenue fund shall be
18 appropriated, applied, or expended by the department for any
19 purpose within the jurisdiction, powers, duties, and functions
20 of the department related to the statewide system of airports,
21 including, without limitation, the costs of operation,



1 maintenance, and repair of the statewide system of airports and
2 reserves therefor, and acquisitions (including real property and
3 interests therein), constructions, additions, expansions,
4 improvements, renewals, replacements, reconstruction,
5 engineering, investigation, and planning for the statewide
6 system of airports, all or any of which in the judgment of the
7 department are necessary to the performance of its duties or
8 functions. The department shall generate sufficient revenues
9 from its airport properties to meet all of the expenditures of
10 the statewide system of airports and to comply with section 39-
11 61; provided that as long as sufficient revenues are generated
12 to meet such expenditures, the director of transportation may,
13 in the director's discretion, grant a rebate of the aviation
14 fuel taxes paid into the airport revenue fund during a fiscal
15 year pursuant to sections 243-4(a)(2) and 248-8 to any person
16 who has paid airport use charges or landing fees during such
17 fiscal year. Such rebate may be granted during the next
18 succeeding fiscal year but shall not exceed one-half cent per
19 gallon per person, and shall be computed on the total number of
20 gallons for which the tax was paid by such person, for such
21 fiscal year."



1 SECTION 7. Section 261-7, Hawaii Revised Statutes, is
2 amended by amending subsection (h) to read as follows:

3 "(h) Notwithstanding any laws to the contrary, the
4 department may establish, levy, assess, and collect rental motor
5 vehicle customer facility charges without regard to chapter 91,
6 which shall be paid to the department periodically as determined
7 by the department [~~and shall be used to pay for, or finance on a~~
8 ~~long-term basis or other term basis where appropriate, the~~
9 ~~design, planning, construction, and other uses of the rental~~
10 ~~motor vehicle customer facility charges as set forth by the~~
11 ~~rental motor vehicle customer facility charge special fund in~~
12 ~~section 261-5.6]~~.

13 The rental motor vehicle customer facility charges shall be
14 levied, assessed, and collected from all rental motor vehicle
15 customers who benefit from the use of any type of rental motor
16 vehicle facility or service provided by the department at a
17 state airport.

18 Beginning September 1, 2010, the department shall levy,
19 assess, and collect a rental motor vehicle customer facility
20 charge of \$4.50 per day, or any portion of a day that a rental
21 motor vehicle is rented or leased, by a rental motor vehicle



1 concession where customers pick up and return rental vehicles to
2 a facility at a state airport as determined by the director.

3 All rental motor vehicle customer facility charges shall be
4 collected by lessors as defined in section 437D-3 and who
5 operate a rental motor vehicle concession awarded by the
6 department at a state airport; provided that customers of
7 lessors, as defined in section 437D-3, who do not operate a
8 rental motor vehicle concession at a state airport but whose
9 customers benefit from the use of a rental motor vehicle
10 facility or service at a state airport paid for by rental motor
11 vehicle customer facility charges, shall collect from rental
12 motor vehicle customers, rental motor vehicle customer facility
13 charges in an amount determined by the department in its sole
14 discretion that represents a fair share of the cost and ongoing
15 expenses relating to customer use of the facility or service
16 notwithstanding any law to the contrary and without regard to
17 the requirements of chapter 91. All rental motor vehicle
18 customer facility charges collected by the lessor shall be paid
19 to the department.

20 All rental motor vehicle customer facility charges shall be
21 deposited into the state highway fund established by section



1 248-8 for expenditure in accordance with the purposes described
2 in section 248-9(c).

3 Notwithstanding any law to the contrary, the department may
4 negotiate and contract the management, maintenance, and
5 operations of the facility and related services with one or more
6 airport concessions or their designee that share in the use of a
7 rental motor vehicle customer facility at a state airport."

8 SECTION 8. Section 261-5.6, Hawaii Revised Statutes, is
9 repealed.

10 [~~"§261-5.6 Rental motor vehicle customer facility charge~~
11 ~~special fund.~~ (a) ~~There is established in the state treasury~~
12 ~~the rental motor vehicle customer facility charge special fund~~
13 ~~to be administered by the director, into which shall be~~
14 ~~deposited all proceeds from the rental motor vehicle customer~~
15 ~~facility charge.~~

16 (b) ~~Moneys in the rental motor vehicle customer facility~~
17 ~~charge special fund shall be used for enhancement, renovation,~~
18 ~~operation, and maintenance of existing rental motor vehicle~~
19 ~~customer facilities and the development of new rental motor~~
20 ~~vehicle customer facilities and related services at state~~
21 ~~airports, including.~~



- 1 ~~(1) Acquisition and maintenance of property or property~~
- 2 ~~rights for rental motor vehicle purposes;~~
- 3 ~~(2) Acquisition of equipment for and operation of a~~
- 4 ~~unified shuttle bus system to and from passenger~~
- 5 ~~terminals and the rental motor vehicle customer~~
- 6 ~~facilities;~~
- 7 ~~(3) Consultant fees;~~
- 8 ~~(4) Management, operation, and maintenance fees for rental~~
- 9 ~~motor vehicle customer facilities; and~~
- 10 ~~(5) Conceptual plans, plans, design, construction,~~
- 11 ~~operation, and maintenance of, or allocable to, the~~
- 12 ~~approved rental motor vehicle customer facilities and~~
- 13 ~~related services.~~
- 14 ~~In planning the future needs and expenditures of these moneys,~~
- 15 ~~the director, or deputy designated by the director, shall, at~~
- 16 ~~least once a year, consult with lessors, as defined in section~~
- 17 ~~437D-3, who are using or who in the future may use the~~
- 18 ~~facilities and services. No moneys shall be expended to plan,~~
- 19 ~~design, improve, enhance, acquire, or construct rental motor~~
- 20 ~~vehicle customer facilities, equipment, or services shared or to~~
- 21 ~~be shared by rental motor vehicle concessions at a state airport~~



1 ~~except as determined by the director; provided that the director~~
2 ~~shall not approve the expenditure of any moneys except for~~
3 ~~planning and design purposes to improve or construct rental~~
4 ~~motor vehicle customer facilities and related services located~~
5 ~~at an airport until a concession bid for rental motor vehicle~~
6 ~~concessions located at the public airport as of July 1, 2008, is~~
7 ~~first advertised, bid upon, and awarded by the department of~~
8 ~~transportation.~~

9 ~~(c) The rental motor vehicle customer facility charge~~
10 ~~special fund shall be exempt from sections 36-30 and 103-8.5.~~

11 ~~(d) Any resolution or certificate authorizing any issue of~~
12 ~~bonds relating to the use of the rental motor vehicle customer~~
13 ~~facility charge for an airport capital improvement program~~
14 ~~project approved by the legislature may establish other accounts~~
15 ~~within the rental motor vehicle customer facility charge special~~
16 ~~fund and require the transfer of the rental motor vehicle~~
17 ~~customer facility charge into the other accounts to pay debt~~
18 ~~service on the related bonds."]~~

19 SECTION 9. All unencumbered funds remaining in the rental
20 motor vehicle customer facility charge special fund at the close
21 of business on June 30, 2017, shall be deposited in the state



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1 highway fund established pursuant to section 248-8, Hawaii
2 Revised Statutes.

3 SECTION 10. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 11. This Act shall take effect on July 1, 2017.

6

INTRODUCED BY: *Randy H. Buh*



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Report Title:

Highways; Traffic Congestion; State Highway Fund; Rental Motor Vehicle Customer Facility Charge; Rental Motor Vehicle Customer Facility Charge Special Fund

Description:

Requires that the revenues from the rental motor vehicle customer facility charge be deposited into the State Highway Fund for the purpose of funding projects to increase the capacity of existing roadways or the construction of new roadways. Repeals the Rental Motor Vehicle Customer Facility Charge Special Fund.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

