

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Henry Aquino, Chair
and Members of the House Committee on Transportation

Date: Wednesday, February 15, 2017
Time: 9:00 A.M.
Place: Conference Room 423, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 349, Relating to Taxation

The Department of Taxation (Department) provides the following comments regarding H.B. 349 for your consideration.

H.B. 349 authorizes the counties to extend the surcharge tax on all gross proceeds and gross income taxable under chapter 237, Hawaii Revised Statutes (HRS), General Excise Tax (GET), and chapter 238, HRS, Use Tax, beyond January 1, 2023 by ordinance. H.B. 349 changes the ten percent deduction from county surcharge revenues to five percent after December 31, 2017 to reimburse the State for costs of assessment, collection, and disposition of the surcharge tax. H.B. 349 also requires that any county with a surcharge provide matching funds in an amount equal to 25% of the county surcharge before surcharge revenues are distributed. The measure is effective on July 1, 2017.

First, it seems that measure intends to authorize the extension of the surcharge tax beyond January 1, 2023 at a lower maximum rate of 0.375 percent (as opposed to 0.5 percent) of all gross proceeds and gross income taxable under GET and Use Tax laws by ordinance. However, section 46-16.8, HRS, currently requires the ordinance to have been adopted before July 1, 2016. If the intent of the measure is to allow for an extension of the surcharge tax beyond January 1, 2023 by ordinance, the Department suggests leaving the current language unamended and adding new provisions that authorize the adoption of an ordinance after June 30, 2021 and July 1, 2022. Provisions should also be added to clarify that the county surcharge at the lower maximum rate can be levied and collected starting on January 1, 2023.

Second, H.B. 349 requires any county with a surcharge to provide matching funds in an amount equal to 25% of the surcharge revenues collected before the surcharge amounts will be distributed to the respective county. It is unclear how the respective county must demonstrate that the matching fund requirements were properly met. The Department suggests being specific

as to where the matching funds should be deposited and the type of substantiation that will be required before the surcharge revenue is distributed to the respective county.

In addition, the amount that must be matched is equal to 25% of the surcharge revenue collected - the example provided says that for every \$3 in county surcharge, the county must match \$1. This example should be corrected to say \$1 in matching funds for every \$4 of surcharge revenue collected to prevent any ambiguity.

Thank you for the opportunity to provide comments.



IN REPLY REFER TO:
CMS-AP00-01981

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Krishniah N. Murthy
INTERIM EXECUTIVE DIRECTOR AND CEO

BOARD OF DIRECTORS

Damien T.K. Kim
CHAIR

HOUSE COMMITTEE ON TRANSPORTATION

Terrence M. Lee
VICE CHAIR

Wednesday, February 15, 2017
9:00 a.m.
State Capitol, Conference Room 423

John Henry Felix
Ford N. Fuchigami
Terri Fujii
William "Buzz" Hong
Mark Kikuchi
Colbert M. Matsumoto
Glenn M. Nohara
Kathy Sokugawa

Chair Aquino and Members of the House Committee on Transportation:

The Honolulu Authority for Rapid Transportation (HART) supports the intent of **House Bill 349**, which proposes to authorize a county that has established a county surcharge on State tax to make the surcharge permanent and reduces the rate of the surcharge from 0.5% to 0.375% after December 31, 2022. House Bill 349 also reduces the amount deducted from the county surcharge on State tax to reimburse the State for costs of assessment, collection, and disposition from 10% to 5% and requires counties to provide matching funds in an amount equal to twenty-five percent of the county surcharges.

While HART favors and supports legislative measures which seek to explore revenues sources resulting in an increase of funding levels for the construction of the Honolulu Rail Transit Project (Project), HART believes extending the surcharge on State general excise and use tax (GET) in perpetuity is the best option to achieve our immediate goal of meeting the City's obligations under the Full Funding Grant Agreement to complete this Project.

HART is responsible for construction of the Project and estimates the cost to complete construction of the Project will be \$8.2 billion, not including finance charges. Consequently, financing the Project through the issuance of bonds will be in addition to the \$8.2 billion in capital project costs. The City and County of Honolulu (City), as the issuer of the bonds, assumes the responsibility for the repayment of the bonds. GET surcharge revenues are subject to fluctuations due to changes in economic conditions, consumer spending, and collection processing. These fluctuations impact the total amount of debt needed, the number of years to bond maturities, total interest costs, and financial risks. The City has previously provided testimony stating the current 90%/10% share of the GET surcharge revenue in perpetuity is preferred to complete the Project, address any potential financial plan variations, and repay the bonds.

HART supports the intent of this bill to provide increase funding to complete the Project, however defers to the City regarding the financing of the Project.

Thank you for this opportunity to provide written testimony.



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

Telephone: (808) 597-1441

Fax: (808) 593-2149

The Twenty-Ninth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Transportation

Testimony by
Hawaii State AFL-CIO
February 15, 2017

H.B. 349 – RELATING TO TAXATION

The Hawaii State AFL-CIO strongly supports H.B. 349 which authorizes a county that has established a county surcharge on state tax to make the surcharge permanent, reduces the rate of the surcharge from 0.5% to 0.375% after 12/31/22, reduces the amount deducted from the county surcharge on state tax to reimburse the State for costs of assessment, collection, and disposition from 10% to 5% and requires counties to provide matching funds in order to receive surcharge proceeds.

Traffic on Oahu is continually getting worse. Each year, there are thousands of new vehicles on the road creating additional gridlock, increased frustration, and more time spent in a vehicle instead of at home with loved ones. Increasingly, commuters from West Oahu face the daunting reality that traveling to Honolulu or back to West Oahu can take upwards of three to four hours round-trip and on a bad day it could be considerably worse. Rail will help alleviate the daily traffic nightmare that so many commuters face and improve the quality of life for many.

Further, Oahu voters in 2008 approved the Honolulu Rail Transit Project and were promised a rail system that would be operational no later than 2020. In addition, the U.S. Department of Transportation signed a \$1.55 billion federal funding agreement to help build the 20-mile rail project. Unfortunately, lawsuits and other complications caused significant delays resulting in a number of unexpected costs. As a result, the rail project has gone over budget. Without extending or making permanent the half-percent increase to the general excise tax, the HART will not be able to complete the 20-mile planned route and Oahu taxpayers will be on the hook of paying back the federal government the \$1.55 billion they provided. In addition, a shortened rail line may not have as great of an impact reducing traffic.

Consequently, the Hawaii State AFL-CIO strongly urges the passage of H.B. 349 to ensure rail is built as planned.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST
650 Iwilei Road, Suite 285 · Honolulu, HI 96817 · Phone: 808-845-3238 · Fax: 808-845-8300

**TESTIMONY OF HAWAII LECET
CLYDE T. HAYASHI - DIRECTOR**

HOUSE COMMITTEE ON TRANSPORTATION
Rep Henry J.C. Aquino, Chair
Rep. Sean Quinlan, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, February 15, 2017
TIME: 9:00 a.m.
PLACE: State Capitol, Conference Room 432

TESTIMONY ON HOUSE BILL NO. 349 RELATING TO TAXATION

ALOHA COMMITTEE CHAIR HENRY AQUINO, COMMITTEE VICE CHAIR SEAN QUINLAN, AND COMMITTEE ON TRANSPORTATION MEMBERS:

My name is Clyde T. Hayashi, and I am the Director of Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **SUPPORT** of House Bill No. 349. This bill authorizes a county that has established a county surcharge on state tax to make the surcharge permanent.

The Honolulu Rail Project must be completed to Ala Moana Shopping Center (the full 20 miles, 21 stations and 80 cars) or we may jeopardize the \$1.55 billion in federal funds. It is the only major transportation project planned for Oahu to provide major traffic relief and will provide a much needed transportation alternative for residents, and because it is elevated, will be independent from our highway system. The rail system will take cars off the road and provide a daily commuting alternative, especially for the thousands of residents whose destinations are the airport, Downtown, Kakaako/Ala Moana, and Waikiki areas.

The completion of the Honolulu Rail Project will provide us the opportunity for building more affordable housing, especially around rail stations. With properly planned TOD, it will help us to build a modern, sustainable Honolulu.

We believe that extending the Rail .5 percent GET Surcharge beyond the December 31, 2027 sunset date is the best way to ensure that the Rail Project can be completed to Ala Moana Shopping Center. We support a Rail GET Surcharge extension in perpetuity, which will allow the extensions to UH-Manoa and West Kapolei to be built, along with further extensions to serve other parts of Oahu. Oahu residents are already set to pay the Rail .5 percent GET Surcharge until December 31, 2027. An extension of the surcharge to complete Rail means that residents will NOT pay anything more until January 1, 2028.

Regardless of how the Rail project is funded, the residents of Honolulu will have to pay for it. We are set to pay the Rail .5 percent GET Surcharge until December 31, 2027 and any other tax enacted to pay for Rail will be in addition to the GET surcharge. It which will burden Oahu tax payers even more.

We are concerned that this bill proposes to reduce the Rail GET Surcharge from .5 percent to .375 percent after 12/31/22 and if this will provide the necessary funds to complete the Rail Project to Ala Moana Shopping Center.

Our thousands of members and our contractors have benefited from the many construction jobs that Rail has created and will continue to create. We also look forward to working on TOD and on the affordable housing projects the completion of Rail will bring about.

For these reasons, I **support** House Bill No. 349.

TESTIMONY
OF THE KAPOLEI CHAMBER OF COMMERCE
IN SUPPORT OF
HB1442 AND HB349
RELATING TO TAXATION



Working together for Kapolei

House Committee on Transportation
Date: February 15, 2017
Time: 9:00 AM
Place: Conference Room 423
Re: HB1442 and HB349

To: Chair Henry Aquino, Vice Chair Sean Quinlan and Members of the House Committee on Transportation

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce, submitting this testimony **in favor** of HB1442 and HB349. These measures extend the general excise tax surcharge for construction of the Honolulu rail transit project.

The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region. The Chamber works on behalf of its members and the entire business community to improve the regional and State economic climate and help Kapolei businesses thrive. The Chamber is a member-driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

Much of the State's future population growth is slated for Kapolei and the Ewa region. Exciting things are happening and Kapolei is quickly becoming a new urban center for Oahu. In the next 20 years, there will be many more new jobs in the region, new homes and thousands of new residents will call Kapolei home.

The Kapolei Chamber and its members have long supported Honolulu's rail transit project. We view rail as an important component of much needed transportation infrastructure that will facilitate the growth, development and long term prosperity of the city of Kapolei.

We wish to express our continued support for the rail project, and support an extension of the GET surcharge that would provide sufficient funding to complete the full 20 mile, 21 station project as planned. Therefore, we respectfully request your approval of HB 1442 and HB 349 to continue funding for the rail project to keep rail moving forward, and minimize future delays. Thank you kindly for allowing me to submit this testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Polk", written on a light-colored rectangular background.

Kiran Polk

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 14, 2017 9:00 AM
To: TRNtestimony
Cc: ben@bikesharehawaii.org
Subject: Submitted testimony for HB349 on Feb 15, 2017 09:00AM

HB349

Submitted on: 2/14/2017

Testimony for TRN on Feb 15, 2017 09:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Ben Trevino	Bikeshare Hawaii	Support	No

Comments: TESTIMONY OF BIKESHARE HAWAII IN SUPPORT OF HB1442 AND HB349 RELATING TO TAXATION House Committee on Transportation Date: February 15, 2017 Time: 9:00 AM Place: Conference Room 423 Re: HB1442 and HB349 To: Chair Henry Aquino, Vice Chair Sean Quinlan and Members of the House Committee on Transportation My name is Ben Trevino, and I am the president and COO of Bikeshare Hawaii, submitting testimony in favor of HB1442 and HB349. These measures extend the general excise tax surcharge for construction of the Honolulu rail transit project. BIKESHARE is part of an ecosystem of alternative forms of transportation that includes rail. BIKESHARE, carshare, and ride hauling all provide dynamic on-demand services to meet flexible transportation needs and make cities and transportation efficient. But non can provide the high capacity of rail which I addresses the biggest fundamental challenge in transportation. Equitable access to resources around the island for everyone, not just those with infinite time on their hands or who can afford cars and flexible schedules. We support extending the GET surcharge to provide sufficient funding to complete the full 20 mile, 21 station project as planned. We humbly request your approval of HB 1442 and HB 349 to continue funding for the rail project that will contribute to the future transportation needs of the island. Thank you for allowing me to submit this testimony. Sincerely, Ben Trevino

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Indefinitely Extend County Surcharge on State Tax

BILL NUMBER: HB 1442

INTRODUCED BY: SOUKI, AQUINO

EXECUTIVE SUMMARY: This bill not only allows the City & County of Honolulu to adopt the county surcharge on the general excise tax indefinitely, but it also allows the other counties to adopt a similar surcharge.

The bill presents many policy issues, including the scope of what the tax is supposed to cover. Policymakers need to decide exactly what it is they are funding, and the extent to which they are willing to write the counties a blank check. If it is to fund operational and maintenance costs, the statute needs to be amended to permit this, and taxpayers may well conclude that they have been lied to when the tax was adopted.

One large problem that has not yet been addressed is the 10% of all collections that goes directly into the general fund, ostensibly to pay for costs of collection but which is grossly in excess of those costs. The Foundation has contended in court proceedings that it is an unconstitutional tax that discriminates against Oahu businesses, and must be fixed. This bill halves the amount of the skim, which does not fix this issue.

EFFECTIVE DATE: Upon approval.

SYNOPSIS: Amends HRS section 46-16.8 to allow any county to establish a surcharge on GET by ordinance in perpetuity. For any ordinance adopted after July 1, 2017, the state will collect the surcharge beginning on January 1 of the year following the adoption of the ordinance. After December 31, 2022, the rate of the surcharge is limited to 0.375%.

For a county with population greater than 500,000, the surcharge revenue shall be only used for capital costs of a locally preferred alternative for a mass transit project and Americans with Disabilities Act compliance, and not for operating costs or to build or repair public roads or highways, bicycle paths, or support preexisting public transportation systems.

For a county with population 500,000 or less, the surcharge revenue shall be used only for operating or capital costs of public transportation within each county for public transportation systems, including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks, or bicycle paths, or ADA compliance relating to such projects.

Amends HRS section 248-2.6 to provide that the State will retain 5% of the gross revenues after December 31, 2017. The retained amount is to be a general fund realization of the State. The net amount is to be paid to the counties quarterly, provided that the county in which the surcharge on state tax is generated provides matching funds in an amount equal to 25% of the surcharge to be distributed (i.e., for every \$3 in county surcharges to be distributed, the county

shall provide matching funds of \$1); and provided further that a county's matching funds shall come from a source other than the surcharge.

STAFF COMMENTS: This bill relates to the 0.5% surcharge on the general excise tax that is currently imposed in the City and County of Honolulu, sometimes known as the “rail surcharge.” As originally enacted, the rail surcharge was scheduled to sunset on December 31, 2022. The surcharge authority was extended to December 31, 2027, by Act 240, Session Laws of Hawaii 2015, and the City & County of Honolulu extended the surcharge as authorized by Ordinance 16-1. To date, no other county has adopted a surcharge ordinance.

When the surcharge legislation was adopted back in 2006, taxpayers, especially those in Honolulu, were assured that the 0.5% surcharge was going to be temporary. And, as is now explicitly stated in HRS section 46-16.8. the funds were supposed to be paid to build the system, and not go toward operations and maintenance (which are never-ending expenses). It now appears that the rail project may have cost overruns and additional funding is necessary.

This measure presents a number of issues.

Should the Surcharge Be Extended, and If So, By How Much? This measure makes the surcharge permanent. An extension from 2027 to forever is a very long time, and it marks a shift in philosophy.

If the surcharge is to pay for the capital cost of the system as it is now proposed which seems to have been the original intent, then an extension to finish what was started appears to be unavoidable, but our lawmakers must be vigilant to make sure the scope does not creep beyond what the people are willing to allow.

If the surcharge is to pay for the capital cost of the system and extensions of it, such as the mayor’s proposal to extend the system from Ala Moana Center to the University of Hawaii, then lawmakers need to ask themselves if this is properly part of the deal. If it is, then a somewhat longer extension of the surcharge may be needed to fund it.

If the surcharge is to pay for the capital cost and operations (which is not allowed by section 46-16.8 as it is now written), then an indefinite extension is required. But it will then be obvious to voters across the state that they had been lied to when they were assured that the surcharge was to be temporary. This brings to mind the famous quote by Darth Vader in *The Empire Strikes Back*: “I am altering the deal. Pray I don’t alter it any further.”

What Is to Be Done About the 10% Diversion for Administrative Costs? Under the existing surcharge in the case of the City and County of Honolulu, a contributing factor to the financial woes of the City and County is the fact that the state is siphoning 10% of all surcharge collections into the general fund. This diversion was supposed to represent payment to the state for the costs incurred in administering the surcharge. After all, the department of taxation collects and enforces the tax and just writes the county a check. But the amount diverted turns out to be a massive amount of money, roughly \$25 million a year which is almost as much as the entire operating budget of the department of taxation. The amount is obviously far more than the

costs involved. The Foundation has contended that a diversion of the City and County's revenue of that magnitude is unconstitutional and its lawsuit is still pending in the court system.

If the measure were to approximate the costs involved, our estimate is that the deduction should be about 40 or 50 basis points (0.4% to 0.5%) instead of 10%.

Is It "Fair"? Our tax system has been roundly criticized for being unfair to those on the lower end of the income spectrum. In particular, a 2015 study from the Institute on Taxation and Economic Policy (ITEP) (<http://www.itep.org/pdf/whopaysreport.pdf>) asserts that the lowest 20% of our population pays 13.4% of its income in state and local taxes, while the top 1% pays 7.0%. Because of this, that study called our tax system the 15th most unfair in the country.

Our biggest issue is that we have very broad excise taxes, which fund basically half of our state government. Excise taxes apply without regard to the payer's ability to pay the tax. The lower your income, the greater the portion of your income must be spent to buy essentials like food, water, and power. Those who have more money spend as well, but they don't need to spend as much in proportion to what they make. Our excise taxes are imposed on spending, so naturally they will fall more heavily on the poor as a proportion of their incomes. Here, the chart shows that excise taxes take up 11% for those in the lowest 20% income group, while taking up 1.2% for those in the top 1%. That difference explains the regressivity of our tax system, and is the root of the unfairness called out in the ITEP study.

The general excise tax is all-encompassing. The Hawaii courts have said it covers "virtually every economic activity imaginable." *Pratt v. Kondo*, 53 Haw. 435, 436, 496 P.2d 1, 2 (1972). Not only does the general excise tax increase the cost of doing business, but it affects the cost of all other non-food purchases, be it clothes, textbooks for university students, rent for those people who don't own their shelter which are generally the poor and middle class, the price at the pump for gasoline – everything right down the line.

More importantly, because the general excise tax is a tax on gross income, most businesses will try to recover as much of the cost of the tax by passing it on to the customer; that recovery is itself taxable. As Oahu taxpayers learned when the 0.5% surcharge on the general excise tax for transit went into effect, the amount passed on to the customer went not from 4% to 4.5% but the charge passed on at the drug store, grocery store, and so forth went from 4.166% to 4.712%. Thus, the tax rate passed on is more than the nominal 0.5%.

The bottom line is the same across the board. It is not a matter of not having enough revenue as it is the unwillingness of elected officials to tighten the counties' or the state's purse strings in bringing expenditures into line with resources and setting priorities for what resources are already available. Instead of doing the fiscally responsible thing, the easiest response is to just raise more taxes, as evidenced by this measure.

Testimony of
Christopher Delaunay
Pacific Resource Partnership

HOUSE OF REPRESENTATIVES
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON TRANSPORTATION
Representative Henry J.C. Aquino, Chair
Representative Sean Quinlan, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, February 15, 2017
TIME: 9:00am
PLACE: Conference Room 423

Aloha Chair Aquino, Vice Chair Quinlan, and Members of the Committee:

We support the intent of House Bills 1442 and 349, Relating to Taxation.

We respectfully urge the members of the Hawaii State Legislature to lift the county surcharge sunset date to complete the Minimal Operating Segment of 20 miles with 21 stations. This project will create thousands of jobs in construction, engineering, and professional services. In addition, thousands of other indirect jobs will be created by the businesses that provide goods and services to the project. The direct investment of federal and local funds will boost the economy and increase demand for goods and services at local businesses, while increasing tax revenues for the City and State. Transit oriented development around all 21- rail stations will sustain the demand for jobs in a variety of industries for many years into the future.

For the reasons mentioned above, we respectfully request your support in moving HB 1442 and HB 349 forward. Thank you for allowing us to voice our opinion on this matter.



(Continued From Page 1)

About PRP

Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.



**Testimony to the House Committee on Transportation
Tuesday, February 15, 2017 at 9:00 A.M.
Conference Room 423, State Capitol**

RE: HOUSE BILLS 1442 AND 349 RELATING TO TAXATION

Chair Aquino, Vice Chair Quinlan, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent of** HB 1442 and HB 349.

HB 1442 authorizes counties that have established a surcharge on state tax prior to 7/1/2015 to extend the surcharge in perpetuity; authorizes counties that have not established a surcharge by 7/1/2017 to establish a surcharge on state tax; provides that the State shall retain an unspecified portion of surcharge proceeds for DOT; requires a county's share of the county surcharge on state tax to be paid to the county on a monthly basis.

HB 349 authorizes a county that has established a county surcharge on state tax to make the surcharge permanent; reduces the rate of the surcharge from 0.5% to 0.375% after 12/31/22; reduces the amount deducted from the county surcharge on state tax to reimburse the State for costs of assessment, collection, and disposition from 10% to 5%; requires counties to provide matching funds in order to receive surcharge proceeds.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber has always supported rail and, this session, supports a limited extension of the county surcharge on the excise tax for rail. However, we do not have a position on the length of the extension, other than to have enough funding to see the completion of the project as set forth in the Full Funding Grant Agreement between the City & County of Honolulu and the Federal Transit Administration, and to see the completion of rail at the least to Ala Moana. We do not support an extension in perpetuity.

The decision is a challenging one and concerns about the financial situation are valid. We agree that the stakeholders should be held more accountable and held to higher standards as we see the price of rail escalate. We also see opportunities for more collaboration and partnerships.

With that said, this transportation solution is in line with one of the Chamber's primary missions: to improve the quality of life for the people of Hawaii, while supporting initiatives that



Chamber *of* Commerce HAWAII

The Voice of Business

are the catalyst for business growth opportunities. It will create livable and connectable communities, improve the well-being of individuals and families, provide opportunities for entrepreneurs and small businesses, and increase the inventory of housing among many other reasons.

By looking at the big picture and long-term benefits of this project, we believe that rail will be a positive step for Hawaii and an investment that should be made. This is about planning for the future and not for the past or the present.

Thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 14, 2017 12:21 PM
To: TRNtestimony
Cc: stab625@yahoo.com
Subject: *Submitted testimony for HB349 on Feb 15, 2017 09:00AM*

HB349

Submitted on: 2/14/2017

Testimony for TRN on Feb 15, 2017 09:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Arnold	Ironworkers Stabilization	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

**TESTIMONY IN SUPPORT OF HB1442 AND HB349
RELATING TO TAXATION**

House Committee on Transportation

Date: February 15, 2017

Time: 9:00am

Place: Conference room 423

Re: HB 1442 and HB349

To: Chair Henry Aquino, Vice Chair Sean Quinlan and Members of the House Committee on Transportation

My name is Keith Timson testifying in support of HB1442 and HB349, relating to taxation, which extends the general excise tax surcharge for construction of the Honolulu rail transit project.

I am a long-time resident of Makakilo and spent on average two to three hours daily commuting to and from work. I spent a great bulk of my commute time in traffic and as the new development began to flourish my time spent on the road increased significantly. Now that I am retired, my life is still controlled by traffic because I must arrange my time going and returning from town to avoid the snarling traffic.

I am in full support of extending the GET surcharge in perpetuity. We need to complete this project so that we all have a better means of commuting to and from work and just being mobile.

I request that you pass both bills and thank you for this opportunity to present written testimony in support of both bills.

Mahalo for passing along both bills.



**Keith D. Timson
92-684 Nohona St.
Kapolei, Hi. 96707**

**TESTIMONY IN SUPPORT OF HB1442 AND HB349
RELATING TO TAXATION**

House Committee on Transportation

Date: February 15, 2017

Re: HB 1442 and HB349

To: Chair Henry Aquino, Vice Chair Sean Quinlan and Members of the House Committee on Transportation

My name is Greer Cruz of Nanakuli testifying in support of HB1442 and HB349, relating to taxation, which extends the general excise tax surcharge for construction of the Honolulu rail transit project.

I am a retiree. As we age, we prefer to leave our vehicles behind us and try public transportation. Unfortunately, that has not been possible for me as the buses are not always on time and often very crowded with no where to sit, so I must drive. The bottle neck traffic coming out and going into Nanakuli has limited my "retiree adventures". In fact it has gotten worse, as a simple trip into Kapolei is a nightmare. When it requires me to go to town, I must plan an entire day watching for the least traffic out and into Nanakuli. I would love to take rail but cannot unless you help build it. I just think its my turn to enjoy life after all these years of contributing to all other projects through paying taxes over my entire career.

I am in full support of extending the GET surcharge in perpetuity. We must complete this rail project

I request that you pass both bills and thank you for this opportunity to present written testimony in support of both bills.

**Greer Cruz
89-968 Lahikiola Place
Waiānae, HI. 96792**

TESTIMONY IN SUPPORT OF HB1442 AND HB349
RELATING TO TAXATION

House Committee on Transportation
Date: February 15, 2017
Re: HB 1442 and HB349

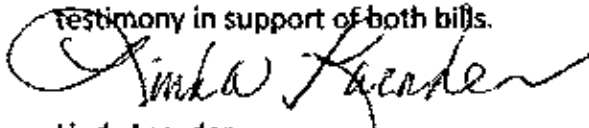
To: Chair Henry Aquino, Vice Chair Sean Quinlan and Members of the House Committee on Transportation

My name is Linda Lacaden testifying in support of HB1442 and HB349, relating to taxation, which extends the general excise tax surcharge for construction of the Honolulu rail transit project.

I am a resident of Kapolei and spend on average two to three hours daily commuting to and from work. Over the past several years the time and frustration in traffic has diminished my quality of life as I now see my home and community in the dark five days a week. This is not how people should live.

I am in full support of extending the GET surcharge in perpetuity. We must complete this rail project or we will see an exit from Kapolei as we are all tired.

I request that you pass both bills and thank you for this opportunity to present written testimony in support of both bills.



Linda Lacaden
91-1038 Haulele St.
Kapolei, HI. 96707

**TESTIMONY IN SUPPORT OF HB1442 AND HB349
RELATING TO TAXATION**

**House Committee on Transportation
Date: February 15, 2017
Re: HB 1442 and HB349**

To: Chair Henry Aquino, Vice Chair Sean Quinlan and Members of the House Committee on Transportation

My name is Maeda Timson of Kapolei testifying in support of HB1442 and HB349, relating to taxation, which extends the general excise tax surcharge for construction of the Honolulu rail transit project.

For more than 40 years I have been a strong and active advocate of the development of Kapolei. Hundreds and hundreds of hours of time, people, meetings and testimonies were spent on the dream of a new City—Kapolei. The increasing traffic and now traffic gridlock has plagued us over the years. Today, it's a daily 2-3 hours commute of less than 50 travel miles—so ridiculous and tearing apart our quality of life. We've waited long enough to receive our chance for a normal life, filled our commitment and invested our lives and families to the City of Kapolei, but government did not. Don't let another session go by and you leave us behind.

I am in full support of extending the GET surcharge in perpetuity. We must complete this rail project

I request that you pass both bills and thank you for this opportunity to present written testimony in support of both bills.

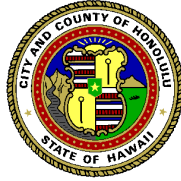

**Maeda Timson
92-684 Nohona St.
Kapolei, HI 96707**

OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov

LATE

KIRK CALDWELL
MAYOR



ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

CITY AND COUNTY OF HONOLULU
BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

FEBRUARY 15, 2017; 9:00 AM

TO: THE HONORABLE HENRY J.C. AQUINO, CHAIR
THE HONORABLE SEAN QUINLAN, VICE CHAIR
AND MEMBERS OF THE HOUSE COMMITTEE ON TRANSPORTATION

FROM: KIRK CALDWELL, MAYOR
CITY AND COUNTY OF HONOLULU

SUBJECT: SUPPORT WITH AMENDMENTS HB349 RELATING TO TAXATION

The City and County of Honolulu supports with amendments HB349, which extends the county surcharge on the general excise tax (GET) in perpetuity, reduces the amount of the surcharge from 0.5 percent to 0.375 percent after December 31, 2022, reduces the amount deducted from the surcharge to reimburse the State for costs of collecting the surcharge revenues and requires the counties to provide matching funds to receive surcharge proceeds.

The City supports extending the surcharge in perpetuity and supports reducing the percentage withheld for to reimburse the State for the costs of assessment, collection, and disposition to five percent. The City respectfully requests that this measure be amended to allow the City to collect the full 0.5 percent surcharge.

Oahu needs rail as a traffic alternative because traffic congestion is terrible and getting worse. There are 90,000 additional registered vehicles on Oahu than there were when we started the rail project ten years ago. Rail is the "Transit" in Transit-Oriented Development. There is no TOD without rail and we need TOD to provide workforce housing.

The Honolulu Authority for Rapid Transportation estimates that the total construction costs are \$8,200,000,000, exclusive of the financing costs. Extending the county surcharge on the GET is the best option to cover these costs because it is already in place and tourists and non-residents pay nearly thirty percent of the GET.

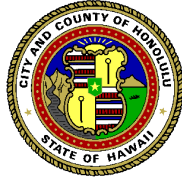
Thank you for your consideration of this testimony in support with amendments.

HONOLULU CITY COUNCIL
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 202 • HONOLULU, HAWAII 96813
PHONE: (808) 768-5009 • FAX: (808) 768-5011 • INTERNET: www.honolulu.gov/council

LATE

Ron Menor
CHAIR & PRESIDING
OFFICER



IKAIKA ANDERSON
VICE CHAIR

Kymerly Marcos Pine
FLOOR LEADER

CITY AND COUNTY OF HONOLULU
BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

WEDNESDAY, FEBRUARY 15, 2017, 9 AM

TO: THE HONORABLE HENRY J.C. AQUINO, CHAIR
THE HONORABLE SEAN QUINLAN, VICE CHAIR
AND MEMBERS OF HOUSE COMMITTEE ON TRANSPORTATION

FROM: COUNCIL CHAIR RON MENOR
COUNCILMEMBER JOEY MANAHAN, CHAIR OF COMMITTEE ON
BUDGET
COUNCILMEMBER IKAIKA ANDERSON, CHAIR OF COMMITTEE ON
TRANSPORTATION AND PLANNING
COUNCILMEMBER KYMBERLY MARCOS PINE, CHAIR OF COMMITTEE
ON ZONING AND HOUSING

SUBJECT: COMMENTS ON HB 349 RELATING TO TAXATION

My name is Ron Menor and I am here to testify as the Chair of the Honolulu City Council. Along with Councilmembers Joey Manahan, Ikaika Anderson, and Kymerly Marcos Pine, we are members of a Permitted Interaction Group (P.I.G.) which was established by the Council to address the rail issue.

We appreciate the introduction of this bill by Speaker Souki and Representative Aquino and the consideration of this measure by the House Transportation Committee.

The official position of the Honolulu City Council is that we continue to support the permanent extension of the current County excise tax surcharge. We believe that this is the most straightforward and effective way of ensuring adequate funding to complete the Honolulu rail project to Ala Moana as required under the Full Funding Grant Agreement (FFGA) between the City and the Federal Transit Administration (FTA).

However, we think that the provisions of HB349 may provide a workable framework to achieve the City's objectives. It is our understanding based on preliminary discussions with officials from the City's Department of Budget and Fiscal Services, that the passage of this measure would generate sufficient revenues to cover rail construction costs, but would extend the period of time within which bonds would have to be floated and thereby increase the amount of debt service that the City would have to carry. In order to reduce the amount of debt service that City taxpayers would have to pay, we would respectfully request that you amend the bill to increase the rate of the surcharge above .375%.

We would also respectfully request that you amend this bill to delete the provision that requires counties to provide matching funds in order to receive surcharge proceeds. We believe that the GET surcharge is the best and most efficient option to cover all of the rail construction costs. It is a funding mechanism that is already in place and tourists and non-residents account for nearly 30% of the State's GET collections.

As elected officials, we recognize that there are no easy and inexpensive solutions to financing the capital costs for rail. If the Legislature passes a measure that requires the City to share in the construction costs of rail, the City will in all likelihood have to tap into real property tax revenues to make up the difference. This would necessitate cutting important core services such as road and park improvements that our constituents need and/or increasing real property taxes on our residents who are already struggling to cope with high real estate costs.

Again, there are no pleasant choices in resolving this issue. We believe that the most reasonable option for financing all of the capital costs for the rail project that is the least burdensome on our constituents would be a permanent or long-term extension of the excise tax surcharge. This is also the option that stands the best chance of gaining the FTA's approval with respect to the Recovery Plan that HART is required to submit by April 30.

Finally, we would like to emphasize that the City has been, and will be committing substantial resources to the success of the rail project in the future. For example, we are committed to funding the operations and maintenance (O and M) of a comprehensive and integrated transportation system which will include rail, bus, and the Handi Van. It has been estimated that in 2026, when the bus and rail will be operating together, the City's annual O and M costs for Honolulu's entire public transportation system will be approximately \$524 million. Moreover, the City is committed to funding the costs of infrastructure and providing developer incentives in the TOD areas to facilitate the development of badly needed affordable housing and other projects.

We view completion of the rail project as involving a State-City partnership, and we look forward to continuing a productive and positive dialogue with legislators on resolving this issue in the future.

Thank you for the opportunity to offer testimony on this important issue.



February 14, 2017

The Honorable Henry J.C. Aquino, Chair
The Honorable Sean Quinlan, Vice Chair
and members
House Committee on Transportation
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Support for Intent of HB349, Relating to Taxation

Dear Chair Aquino, Vice Chair Quinlan, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We support the intent of HB349, to the extent that elements of the bill would provide a sustainable funding mechanism to provide for a fully-constructed elevated rail transit system from East Kapolei to Ala Moana for the people of the City & County of Honolulu.

Currently, HB349 authorizes a county that has established a county surcharge on state tax to make the surcharge permanent; reduces the rate of the surcharge from 0.5% to 0.375% after 12/31/22; reduces the amount deducted from the county surcharge on state tax to reimburse the State for costs of assessment, collection, and disposition from 10% to 5%; and requires counties to provide matching funds in order to receive surcharge proceeds.

As you know, we have been strong advocates for the full build out of the Honolulu Rail Transit Project from West Kapolei to the University of Hawai'i at Mānoa. We believe this project is an important endeavor which will:

- Provide commuters with a fast, safe, and reliable alternative to driving in traffic congestion, eliminating tens of thousands of car trips that would otherwise be taken in private vehicles;
- Generate thousands of jobs in construction, engineering, and related fields, as well as additional indirect jobs in all sectors of our island's economy;
- Create the potential for transit-oriented development to take place in and around station areas, giving families the opportunity to affordably live, work, shop, and play closer to home; and

- Offer a more sustainable future for our island home through reduced CO₂ emissions and less dependence on costly, imported oil.

We are proud that many of our members have already been involved in relocating utilities along the route, constructing the facilities at the Rail Operations Center, drilling and pouring hundreds of shafts and columns, preparing balanced cantilever structures over the H-1 freeway, casting and erecting the numerous segments which comprise the first half of the guideway, and performing the initial work for the westernmost stations. We look forward to having even more members work on this historic project in the years ahead.

To that end, we humbly request your favorable action on HB349, and further request that your committee work to ensure that the bill contains a sustainable funding mechanism to provide for a fully-constructed elevated rail transit system from East Kapolei to Ala Moana for the people of the City & County of Honolulu.

Mahalo,

A handwritten signature in black ink that reads "Tyler Dos Santos-Tam". The signature is written in a cursive, flowing style.

Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org

PRESIDENT

EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

PRESIDENT-ELECT

DEAN UCHIDA
SSFM INTERNATIONAL, INC.

VICE PRESIDENT

MARSHALL HICKOX
HOMEWORKS CONSTRUCTION, INC.

SECRETARY

DWIGHT MITSUNAGA
DM PACIFIC, INC.

TREASURER

MICHAEL WATANABE
JW, INC.

SPECIAL APPOINTEE-BUILDER

CURT KIRIU
CK INDEPENDENT LIVING BUILDERS

SPECIAL APPOINTEE-BUILDER

MARK KENNEDY
HASEKO CONSTRUCTION MANAGEMENT
GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE

PETER ELDRIDGE
RAYNOR OVERHEAD DOORS & GATES

IMMEDIATE PAST PRESIDENT

CRAIG WASHOFOSKY
SERVCO HOME & APPLIANCE
DISTRIBUTION

CHIEF EXECUTIVE OFFICER

GLADYS MARRONE
BIA-HAWAII

2017 DIRECTORS

KAREN BERRY
TRADE PUBLISHING COMPANY

CHRIS CHEUNG
CC ENGINEERING & CONSTRUCTION, INC.

CLIFTON CRAWFORD
C & J CONTRACTING, INC.

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

BRENTON LIU
DESIGN TRENDS CONSTRUCTION, INC.

SARAH LOVE
BAYS LUNG ROSE & HOLMA

BEAU NOBMANN
HPM BUILDING

GARY OKIMOTO
HONOLULU WOOD TREATING

JACKSON PARKER
D.R. HORTON, SCHULER DIVISION

DOUGLAS PEARSON
CASTLE & COOKE HOMES

PAUL D. SILEN
HAWAIIAN DREDGING
CONSTRUCTION CO. INC.

ALAN TWU
HK CONSTRUCTION CORP.

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

PHYSICAL:
94-487 AKOKI STREET
WAIPAHU, HAWAII 96797

LATE

Testimony to the House Committee on Transportation
Wednesday, February 15, 2017
9:00 am
Conference Room 423

RE: HB 1442 & HB 349 – Relating to Taxation

Chair Aquino, Vice-Chair Quinlan, & members of the committee:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii is in support of HB 1442 & HB 349, Relating to Taxation. BIA-Hawaii has been a strong proponent of the rail transit system as an appropriate "growth management" tool to increase the population density along the 20-mile transit corridor. To stop support for the transit system at this time would prevent future growth without a significant investment in roadway infrastructure, or allowing for more development into areas not currently planned for future growth (i.e. Hawaii Kai, Windward Oahu, North Shore, and Central Oahu-between Wahiawa and Waialua).

We continue, however, to be concerned about the level of transparency and accountability as the project moves forward. We understand that in any construction project you will encounter delays and unforeseen circumstances that may increase construction costs. For a project of this size, a certain degree of cost overrun should be expected.

Our biggest concern is with the lack of information and a plan for providing the necessary infrastructure to support the planned growth within the transit corridor. The City should be required to provide a comprehensive plan to provide the necessary sewer, water, and drainage infrastructure capacity to support the planned densities along the transit corridor. Rather than reacting to or pre-selecting possible or potential landowners/developers along the transit corridor, the City should be proactive in providing the basic backbone infrastructure capacity to support the planned growth and let the market dictate where and when density should be developed along the transit corridor.

Without leadership on how infrastructure capacity should be provided along the transit corridor, investors/developers will be reluctant to pursue projects due to the risk and uncertainty of who will pay for the regional infrastructure improvements.

Thank you for the opportunity to express our views on this matter.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

LATE

The Twenty-Ninth Legislature, State of Hawaii
House of Representatives
Committee on Transportation

LATE

Testimony by
Hawaii Government Employees Association

February 15, 2017

H.B. 1442 and H.B. 349 –
RELATING TO TAXATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of H.B. 1442 and H.B. 349 which authorize certain counties to extend a state tax surcharge in perpetuity or permanently, respectively. Additionally, H.B. 1442 allows the State to retain an unspecified portion or surcharge proceeds for the Department of Transportation and H.B. 349 reduces the rate of the surcharge in 2022 and reduces the state reimbursement from 10% to 5%. While we remain concerned about the increased construction costs above what was originally projected, the residents of Oahu have determined a need for a viable rapid transit system and additional funds are needed to continue the construction of the rail project until its completion.

Thank you for the opportunity to testify in support of H.B. 1442 and H.B. 349.

Respectfully submitted,


for Randy Perreira
Executive Director

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 14, 2017 8:42 PM
To: TRNtestimony
Cc: jching808@gmail.com
Subject: Submitted testimony for HB349 on Feb 15, 2017 09:00AM

HB349

Submitted on: 2/14/2017

Testimony for TRN on Feb 15, 2017 09:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Ching	Individual	Support	Yes

Comments: I support HB349, which authorizes a county that has established a county surcharge on state tax to make the surcharge permanent, reduces the rate after 12/31/2022. While all projects have cost components, the GET surcharge has already been integrated into the business and consumer budgets and would have the least impact of the funding options currently being discussed. Rail and TOD is a critical piece of the picture to help make Hawai'i a place that young people can afford to raise their families. Therefore, I humbly ask the Committee to PASS HB349.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

LATE

Chairs Inouye and Nishihara and Members of TRE/PSM:

I am providing this testimony to you in support of the SB1183 and SB1176 as a measure to extend the GET surcharge and allow the rail line to be built as intended and as necessary for future generations.

I recently graduated from the University of Hawaii at Manoa and live at the Ko Olina boat harbor. Most days I commute via TheBus, and so I see first hand the value that would be brought to students, families, and businesses once the rail is built. If rail were built today, I would ride it every day. Instead, I spend an average of 5 hours on the road each day and have recently had to buy a boat slip at Ala Wai for days that traffic is even worse.

Few students have this option and instead miss school, miss extra-curricular activities, or miss key studying time. The traffic makes going to school nearly impossible for non-traditional students, who may have childcare, work, or other demands that already make achieving higher education more challenging.

The University of Hawaii System already has three campuses on the rail transit alignment: UH-West Oahu, Leeward Community College and Honolulu Community College. Allowing a rail line that can eventually connect to UH Manoa is important for our island's future. Each campus offers different programs and classes, and students need to have the option of being able to travel between campuses quickly and easily to access the courses they need and want. There are other private school campuses, including HPU, that will also benefit from the planned downtown rail station.

Rail is an important part of Hawaii's future, not only in transportation and development of sound neighborhoods, but also to ensure equal access to education for communities throughout the island.

I would like to ask the committee to extend the GET surcharge to ensure we can bring this project to completion and lay the groundwork for an extension to UH Manoa to expand the educational opportunities available to students in our institutions of higher learning.

Thank you for the opportunity to testify,

Katherine Vessels
William S. Richardson School of Law, c/o 2016
Small Business Owner

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 14, 2017 6:13 PM
To: TRNtestimony
Cc: rebecca.ji.soon@gmail.com
Subject: Submitted testimony for HB349 on Feb 15, 2017 09:00AM

HB349

Submitted on: 2/14/2017

Testimony for TRN on Feb 15, 2017 09:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca Soon	Individual	Support	No

Comments: I am happy to submit my testimony to you today in strong support of proposals to extend the 0.5% GET surcharge to support the Honolulu rail project's completion of the full 20 mile, 21 station plan. At its core, I support this measure because it is what is right. Whether you live on the rail route or off of it, rail IS the major infrastructure project of our generation that has the potential to make the difference for the future of Hawai'i. We all opine over the rising cost of land, rapid shrinking of the middle class, and lack of economic opportunities for future generations – rail is one piece in the puzzle that attempts to set Hawai'i on a positive path. As a recent graduate of UH Manoa, I have many peers that would greatly benefit from rail today. As a small business owner, and as a young professional, I know rail is a critical component in building an island community for our future that cares about all people, especially the most marginalized. Decades ago, we as a community decided to centralize growth in West and Central O'ahu. With the development of O'ahu's second city, rapid transit was envisioned as a component to ensure smart growth. Instead, we voted down two projects, which we now look back upon and wish we hadn't. Let's not make the same mistake again. Rail is about many things – creation of jobs, investment in local industry, development of affordable housing, building sustainable communities, and providing social equity through access to economic and educational opportunities. Hawai'i voters wanted each of these things when we voted to support rail in 2008. We now need our Senators and Representatives to make the difficult decisions, which will allow us to complete the project we need. I urge you to vote in favor of extending the GET surcharge and support the completion of this important project. Mahalo for the opportunity to share mana'o on this important issue.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov