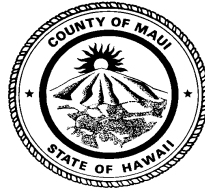


ALAN M. ARAKAWA  
MAYOR



200 South High Street  
Wailuku, Maui, Hawai'i 96793-2155  
Telephone (808) 270-7855  
Fax (808) 270-7870  
E-mail: mayors.office@mauicounty.gov

**OFFICE OF THE MAYOR**  
Ke`ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

February 22, 2017

TESTIMONY OF ALAN M ARAKAWA  
MAYOR  
COUNTY OF MAUI

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

Friday, February 24, 2017  
9:30 AM, Conference Room 211

SB 1013 RELATING TO TRANSPORTATION.

Senator Jill N. Tokuda, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
Honorable Members of the Senate Committee on Ways & Means  
-----

Thank you for this opportunity to testify in **OPPOSITION** of SB1013.

This bill proposes to allow the State Department of Transportation Highways Division to collect an equitable compensation from franchise utility companies for the use of the state right of way.

What this bill will do is take 50% of the tax that the counties collect as a franchise fee and decrease revenues for the Counties to operate and maintain our individual County roadway systems.

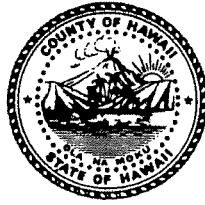
If the State Department of Transportation finds that they need to charge the electric companies a similar fee they could do that in such a way as to not take it from the Counties. I note that the State does not charge GET on electric bills, that's one place they could start.

Therefore, I strongly oppose the passage of this bill.

Sincerely,

Alan M. Arakawa  
Mayor, County of Maui

Harry Kim  
Mayor



Collins Tomei  
Director

Deanna S. Sako  
Deputy Director

## County of Hawai'i

### Finance Department

25 Aupuni Street, Suite 2103 • Hilo, Hawai'i 96720  
(808) 961-8234 • Fax (808) 961-8569

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

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This bill proposes to allow the State Department of Transportation Highways Division to collect an equitable compensation from franchise utility companies for the use of the state right of way.

This bill proposes to take 50% of the tax that the counties collect as a franchise fee and decrease revenues for the Counties to operate and maintain our individual County roadway systems. This revenue source has already been decreasing the last few years as the utility revenues continue to decline. There is already not enough funding to fix our 956 miles of roadways.

If the State Department of Transportation finds that they need to charge the electric companies a similar fee they could do that in such a way as to not take it from the Counties, such as increase the entire amount or percentage so that the counties would not collect any less than they are today.

We also noted that line 18 on page 1 through line 6 on page 2 were removed from the original statute. We believe that this inadvertently removes the calculation and therefore the mechanism to tax the utility companies.

Therefore, I strongly oppose the passage of this bill.

Sincerely,

  
Deanna S. Sako  
Deputy Director of Finance, County of Hawai'i