



TESTIMONY BY:

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DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 8, 2019
10:00 A.M.
State Capitol, Room 423

LATE

**H.B. 313
RELATING TO FUEL TAX FUNDS**

House Committee on Transportation & Finance

The Department of Transportation (DOT) opposes this bill.

The bill proposes a requirement that fuel tax revenues deposited into the state highway fund be used in and for the county in which the taxes are collected.

This bill will restrict the flexibility that allows HDOT to operate with efficiency in responding to the highest priority needs Statewide. We must be able to direct the funding to where they are needed the most to ensure a safe and well maintained highway system.

The current state enables the HDOT to manage funds to address planned or unplanned needs in an effective manner.

Thank you for the opportunity to provide testimony.

HB-313

Submitted on: 2/7/2019 10:06:31 AM

Testimony for TRN on 2/8/2019 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|-------------------------------------|---------------------------|---------------------------|
| andy levin | county of hawaii, Mayor's office | Oppose | No |

Comments:

Rep. Henry J.C. Aquino, Chair

Rep. Troy N. Hashimoto, Vice Chair

COMMITTEE ON TRANSPORTATION

Dear Chair Aquino, Vice-Chair Hashimoto, and Committee members:

HB 313, RELATING TO FUEL TAX FUNDS

I apologize for the lateness of this testimony, but I feel so strongly about HB 313 that I think it is necessary that I share my thoughts with you.

My theory of taxation has always been that money should be raised equitably based on ability to pay, but distributed equitably based on need. Part of the greatness of Hawaii is that we have long recognized this principle. For instance, our early leaders established a statewide school system, so that (at least in theory) a student in Ka'u and a student in Kahala have access to the same quality of public education.

Likewise, this statewide shared responsibility has been honored, and should continue to be honored, with respect to our roads and highways. Someone living in rural Kauai is not a second-class citizen and should not have second-class roads. We are all in this together. The needs in downtown Honolulu may be greater, and therefore more money may be spent there, but it is not because the money is raised there; it is because the need is there.

We do not always live up to our ideals, but we should strive to retain our values at every opportunity. The theory behind HB 313—that what is mine is mine and your needs are of no concern to me—is wrong for Hawaii.

I urge a no vote on HB 313.

Respectfully submitted,

Harry Kim

Mayor, County of Hawaii

TAX FOUNDATION OF HAWAII

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SUBJECT: FUEL, Require Use of Funds in County in Which Collected

BILL NUMBER: HB 313

INTRODUCED BY: CULLEN, AQUINO, LUKE, YAMANE

EXECUTIVE SUMMARY: Requires that fuel tax revenues deposited into the state highway fund be used in and for the county in which the taxes are collected.

SYNOPSIS: Amends section 248-9, HRS, to add a proviso that all fuel tax revenues deposited into the state highway fund pursuant to section 248-8 shall be expended in or for the benefit of the county in which the taxes are collected.

EFFECTIVE DATE: July 1, 2019.

STAFF COMMENTS: The proviso in would limit the ability for funds to be used in counties in which a sharp need for funding has suddenly occurred, for example, where a storm occurring in one county has extensively damaged roads and bridges there.

Digested 2/6/2019

HB-313

Submitted on: 2/6/2019 3:23:53 PM

Testimony for TRN on 2/8/2019 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Jessica Fernandez | Individual | Support | No |

Comments:

LATE

HB-313

Submitted on: 2/8/2019 7:41:40 AM

Testimony for TRN on 2/8/2019 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Charlene Dierking | Individual | Support | No |

Comments: