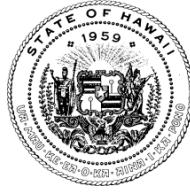


DAVID Y. IGE
GOVERNOR



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

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

Friday, February 22, 2019
11:00 A.M.
State Capitol, Room 308

H.B. 394, H.D. 1
RELATING TO HIGHWAY BEAUTIFICATION.

House Committee on Finance

The Department of Transportation (DOT) **supports** this bill since it helps to defray the additional cost in the disposition and other related activities of abandoned or derelict vehicles as prescribed in chapter 290.

Thank you for the opportunity to provide testimony.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Applies Beautification Fee to U-Drive Vehicles

BILL NUMBER: HB 394, HD-1

INTRODUCED BY: House Committee on Consumer Protection & Commerce

EXECUTIVE SUMMARY: Prohibits the shipment of tobacco products, and the transport of tobacco products ordered or purchased through a remote sale, to anyone other than a licensee. Makes all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee. Amends the taxes on cigarettes and tobacco products. Increases the excise tax for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer. Increases the excise tax on the wholesale price of each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer. Our question is whether tax increases are an effective way to advance the social policy goals contained in this measure.

SYNOPSIS: Amends section 286-51, HRS, to raise the beautification fee for U-drive vehicle registrations from \$1 to \$2, which is the rate generally applicable to vehicles. Deletes the proviso that a county's power to increase the beautification fee by ordinance will not apply to U-drive vehicles, so that the county ordinance may apply to all vehicles.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: The special reduced beautification fee for U-drive vehicles was enacted by Act 274, SLH 1999, which raised the beautification fee from \$1 to \$2 and gave the counties the power to raise it further, but froze the beautification fee for U-drive vehicles at \$1. This bill reverses the preferential treatment of U-drive vehicles.

Digested 2/20/2019

Michael P. Victorino
Mayor

Sananda K. Baz
Acting Managing Director



OFFICE OF THE MAYOR
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov



February 21, 2019

The Honorable Sylvia Luke, Chair
Committee on Finance

Dear Representative Luke and Committee Members:

Re: Hearing of February 20, 2019. Testimony in **SUPPORT** of **HB 394**,
Relating to Highway Beautification

Thank you for the opportunity to testify in **support** of **HB 394**. This important measure makes the motor vehicle registration fee for U-drive motor vehicles consistent with the fee for all other motor vehicles and makes any county ordinance that increases a motor vehicle registration fee applicable to U-drive vehicles.

The Highway Beautification Fund has long been a highly useful tool for Maui County to conduct operations on highways under our jurisdiction. The vehicle registration fee is particularly important, as the revenues fund highway beautification projects and the disposal of abandoned or derelict vehicles, which is an ongoing issue throughout Maui County.

Currently, there are an estimated 20,000 to 25,000 registered U-drive vehicles in Maui County. Maui County could see an estimated \$180,000 to \$225,000 of additional revenue from certificates of registration if this measure passes.

As visitor counts continue to grow, a larger burden is placed on county resources to maintain highways. U-drive motor vehicles share the roads alongside all other vehicles and should contribute equally to highway beautification.

Mahalo for your consideration of **HB 394**.

February 21, 2019
Page 2

Respectfully Submitted,

A handwritten signature in black ink that reads "Michael P. Victorino". The signature is written in a cursive style with a horizontal line at the end.

Michael P. Victorino
Mayor, County of Maui

LATE

HB-394-HD-1

Submitted on: 2/22/2019 5:47:04 AM

Testimony for FIN on 2/22/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Councilmember Yuki Lei Sugimura	Individual	Support	No

Comments:

Keep Maui Nui - no ka oi.

I support the intent and purpose of this bill to keep our islands beautiful and rid of abandoned vehicles.

Yuki Lei Sugimura

Maui County Councilmember

LATE

HB-394-HD-1

Submitted on: 2/22/2019 8:30:10 AM

Testimony for FIN on 2/22/2019 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Saumalu Mataafa	Individual	Support	No

Comments:

Please support HB 394. Rental cars should pay the same rate as residents for vehicle registration. Money would support removal of abandoned vehicles and help keep our highways beautiful.