

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 601, RELATING TO EXEMPTIONS FROM  
REGISTRATION FEES

PRESENTATION TO THE  
COMMITTEE ON PUBLIC SAFETY, VETERANS & MILITARY AFFAIRS

BY

MR. RONALD P. HAN  
DIRECTOR OF STATE OFFICE OF VETERANS SERVICES

January 30, 2019  
10:30 a.m.

Good morning, Chair Takayama, Vice Chair Gates, and members of the Committee:

I'm Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to provide testimony **in support** of the concepts in House Bill 601.

This measure would repeal the requirement that disabled veterans be in receipt of disability retirement pay in order to be exempt from paying the annual vehicle registration fees. Veterans who qualify, if this measure is adopted, must be a resident of Hawaii, a 100% disabled veteran as determined by the United States Department of Veteran Affairs (VA) and received an "other than dishonorable discharge".

Service connected 100% disabled Veterans served valiantly in uniform in support and in defense of our country. The freedoms we enjoy today have been paved by their dedicated and honored service. This is a small token of our appreciation for their heralded duty. There are currently 3790 VA rated 100% disabled Veterans that reflect Hawaii as their home or residence.

We defer to the agency with direct responsibility for implementation.

The OVS supports the intent expressed in this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Budget.

Thank you for this opportunity to provide testimony on behalf of Hawaii's Veterans and their families.

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

**LATE**

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

Wednesday, January 30, 2019  
10:30 A.M.  
State Capitol, Room 430

**H.B. 601**  
**RELATING TO EXEMPTIONS FROM REGISTRATION FEES**

House Committee on Public Safety, Veterans and Military Affairs

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The Department of Transportation (DOT) **supports** this bill.

The DOT generally does not support exemptions as reductions in revenue are detrimental to the health of the State Highway Fund. This bill seeks to expand the exemption from payment of vehicle registration fees for disabled veterans residing in Hawaii with a 100-percent disability rating, to include those who are pre-retired, which could decrease vehicle registration revenues by approximately \$118,000. The DOT recognizes that these exemptions will assist our disabled veterans, and thus, we support this measure.

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, Exempt Disabled Veterans from Motor Vehicle Taxes

BILL NUMBER: HB 601

INTRODUCED BY: HASHEM, KONG, TAKAYAMA; Hashimoto

EXECUTIVE SUMMARY: Disabled veterans by this bill are excused from paying all vehicle registration fees and weight taxes. However, there is no showing that veterans are unfairly singled out by the tax or otherwise face undue hardship, so why should the rest of us be required to pay for repairs, maintenance, and similar charges on roads they use?

SYNOPSIS: Amends HRS section 249-31.5, which now exempts disabled veterans from payment of annual vehicle registration fees. Under the amendment, disabled veterans can qualify without needing to receive disability retirement pay from a branch of the armed services.

EFFECTIVE DATE: This Act shall take effect on July 1, 2019.

STAFF COMMENTS: Act 128, SLH 2015, provides that disabled veterans (except those dishonorably discharged) shall be exempt from the state motor vehicle registration fee provided the exemption shall not apply to commercial vehicles and be applicable to only one motor vehicle for vehicles registered or renewed after 1/1/16. To accomplish this, Act 128 added a new section to HRS chapter 249, and that section is proposed to be amended by this bill.

The present bill seeks to expand on the benefits offered to disabled veterans.

The motor vehicle weight tax and registration fees are user charges designed to recover the cost of construction and maintenance of Hawaii's highway system. It should be remembered that all motorists use the state highways and should, therefore, lend a hand in paying for good and safe roads. Note well, that any exemption granted to a select group of users requires that the lost revenues be made up by those who must continue to pay. Motorists who will have to pick up the additional costs created by this proposed exemption should hold those who would propose such an exemption responsible for raising their taxes.

Exemptions based solely on physical condition or age represent poor tax policy. So, while the exemption would provide relief to a disabled veteran, a single mom making minimum wage, barely making ends meet, must continue to pay these fees. Given that this proposal has been continually introduced, it is hard to imagine that lawmakers have not asked the question as to why they believe that a disabled veteran is financially incapable of paying his or her fair share to maintain the state's highways.

Digested 1/25/2019

**HB-601**

Submitted on: 1/25/2019 10:34:29 PM

Testimony for PVM on 1/30/2019 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Mike Golojuch	Individual	Support	No

Comments:

Please pass HB601 to support our disabled veterans.

Michael Golojuch, Jr., Lt Col, USAF(Ret)

**HB-601**

Submitted on: 1/28/2019 8:16:29 AM

Testimony for PVM on 1/30/2019 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Carlos	Individual	Support	No

Comments:

Please support this bill. This is a correction to fix the bill that was passed a few years ago that did not create the desired intent of the bill.