

KATHY L. KAOHU
County Clerk



JAMES G.M. KRUEGER
Deputy County Clerk

DEPT. COMM. NO. 517

OFFICE OF THE COUNTY CLERK
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/county/clerk

September 15, 2020

Honorable Ronald D. Kouchi, President
Hawaii State Senate
State of Hawaii
State Capitol, Room 409
Honolulu, Hawaii 96813

Dear Sir:

Transmitted herewith are copies of Resolution Nos. 20-130 –
20-133, which were adopted by the Council of the County of Maui, State of
Hawaii, on September 11, 2020.

Respectfully,

A handwritten signature in black ink that reads "Kathy L. KaoHu". The signature is written in a cursive, flowing style.

KATHY L. KAOHU
County Clerk

/lks

Enclosure

Resolution

No. 20-130

APPROVING FOR INCLUSION IN THE 2021 MAUI
COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE
BILL TO ALLOCATE A PORTION OF LIQUOR FINES
COLLECTED PER YEAR TO FUND ALCOHOL
ADDICTION TREATMENT PROGRAMS

WHEREAS, impaired driving while under the influence of alcohol contributes to roughly 40 percent of all fatal accidents in Hawaii annually; and

WHEREAS, while it is important to have laws in place to protect the public from drunk drivers, it is equally important to address the root of the issue relating to alcohol addiction; and

WHEREAS, according to a Substance Abuse and Mental Health Services Administration report, the rate of alcohol abuse in Hawaii has been higher than the national average every year since 2010; and

WHEREAS, in uncertain economic times, individuals may be more inclined to use alcohol as a coping mechanism in an attempt to temporarily deal with pain, anxiety, and depression; and

WHEREAS, allocating a portion of liquor fines collected per year to fund alcohol addiction treatment programs would help to provide social and economic benefits to Hawaii's residents; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to allocate 15 percent of liquor fines collected per year be used to fund alcohol addiction treatment programs, is approved for inclusion in the 2021 Maui County Council Legislative Package; and
2. That certified copies of this Resolution be transmitted to the Governor of the State of Hawaii, the President of the State Senate, the Speaker of the State House of Representatives, the County's delegation to the State Legislature, the Mayor of the County of Maui, and the Corporation Counsel.

____.B. NO. _____

A BILL FOR AN ACT

RELATING TO LIQUOR FINES COLLECTED PER YEAR.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Substance Abuse and Mental Health Services
2 Administration reports that the annual rate of alcohol abuse in
3 Hawaii has been higher than the national average every year since
4 2010.

5 Impaired driving while under the influence of alcohol
6 contributes to roughly 40 per cent of all fatal accidents in Hawaii
7 annually.

8 There have been various forms of legislation enacted over the
9 years that help to protect the public from drunk drivers. However,
10 more must be done to prevent alcohol-related deaths, including
11 preventing and treating alcohol addiction.

12 Allocating a portion of liquor fines collected per year to
13 fund alcohol addiction treatment programs is another tool to help
14 minimize and, ultimately, prevent impaired driving.

15 The purpose of this Act is to allocate an additional 15 per
16 cent of liquor fines collected per year to be used to fund alcohol
17 addiction treatment programs.

1 SECTION 2. Section 281-17, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The liquor commission, within its own county, shall
4 have the jurisdiction, power, authority, and discretion, subject
5 only to this chapter:

6 (1) To grant, refuse, suspend, and revoke any license for
7 the manufacture, importation, and sale of liquors;

8 (2) To take appropriate action against a person who,
9 directly or indirectly, manufactures, sells, or
10 purchases any liquor without being authorized pursuant
11 to this chapter; provided that in counties that have
12 established by charter a liquor control adjudication
13 board, the board shall have the jurisdiction, power,
14 authority, and discretion to hear and determine
15 administrative complaints of the director regarding
16 violations of the liquor laws of the State or of the
17 rules of the liquor commission, and impose penalties for
18 violations thereof as may be provided by law;

19 (3) To control, supervise, and regulate the manufacture,
20 importation, and sale of liquors by investigation,
21 enforcement, and education; provided that any
22 educational program shall be limited to the commission
23 staff, commissioners, liquor control adjudication board

____.B. NO. _____

1 members, and licensees and their employees, and shall be
2 financed through the money collected from the assessment
3 of fines against licensees; provided that fine moneys [7]
4 are not to exceed [ten] 25 per cent a year of fines
5 accumulated, of which 10 per cent may be used to fund
6 public liquor-related educational or enforcement
7 programs and 15 per cent may be used to fund alcohol
8 addiction treatment programs;

9 (4) From time to time to make, amend, and repeal rules, not
10 inconsistent with this chapter, as in the judgment of
11 the commission are deemed appropriate for carrying out
12 this chapter and for the efficient administration
13 thereof, and the proper conduct of the business of all
14 licensees, including every matter or thing required to
15 be done or [which] that may be done with the approval or
16 consent, by order, under the direction or supervision
17 of, or as prescribed by the commission; which rules,
18 when adopted as provided in chapter 91 shall have the
19 force and effect of law;

20 (5) Subject to chapter 76, to appoint and remove an
21 administrator, who may also be appointed an investigator
22 and who shall be responsible for the operations and
23 activities of the staff. The administrator may hire and

____.B. NO. _____

1 remove hearing officers, investigators, and clerical or
2 other assistants as its business may from time to time
3 require, prescribe their duties and fix their
4 compensation, and engage the services of experts and
5 persons engaged in the practice of a profession, if
6 deemed expedient. Every investigator, within the scope
7 of the investigator's duties, shall have the powers of
8 a police officer.

9 (6) To limit the number of licenses of any class or kind
10 within the county, or the number of licenses of any class
11 or kind to do business in any given locality, when in
12 the judgment of the commission such limitations are in
13 the public interest;

14 (7) To prescribe the nature of the proof to be furnished,
15 the notices to be given, and the conditions to be met or
16 observed in the case of the issuance of a duplicate
17 license in place of one alleged to have been lost or
18 destroyed, including a requirement of any indemnity
19 deemed appropriate to the case;

20 (8) To fix the hours between which licensed premises of any
21 class or classes may regularly be open for the
22 transaction of business, which shall be uniform
23 throughout the county as to each class respectively;

- 1 (9) To prescribe all forms to be used for the purposes of
2 this chapter not otherwise provided for in this chapter,
3 and the character and manner of keeping of books,
4 records, and accounts to be kept by licensees in any
5 matter pertaining to their business;
- 6 (10) To investigate violations of this chapter, chapter 244D
7 and, notwithstanding any law to the contrary,
8 violations of the applicable department of health's
9 allowable noise levels, through its investigators or
10 otherwise, to include covert operations, and to report
11 violations to the prosecuting officer for prosecution
12 and, where appropriate, the director of taxation to hear
13 and determine complaints against any licensee;
- 14 (11) To prescribe, by rule, the terms, conditions, and
15 circumstances under which persons or any class of
16 persons may be employed by holders of licenses;
- 17 (12) To prescribe, by rule, the term of any license or
18 solicitor's and representative's permit authorized by
19 this chapter, the annual or prorated amount, the manner
20 of payment of fees for the licenses and permits, and the
21 amount of filing fees;
- 22 (13) To prescribe, by rule, regulations on dancing in
23 licensed premises; and

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 20-130 was adopted by the Council of the County of Maui, State of Hawaii, on the 11th day of September, 2020, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS-FERNANDEZ Vice-Chair	G. Riki HOKAMA	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	No	Excused	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK

Resolution

No. 20-131

APPROVING FOR INCLUSION IN THE 2021
MAUI COUNTY COUNCIL LEGISLATIVE
PACKAGE A STATE BILL TO CREATE A
SINGLE-PAYER HEALTHCARE SYSTEM
COVERING ALL HAWAII RESIDENTS

WHEREAS, the economic and fiscal health and survival of the County of Maui is tightly connected to the economic and fiscal health and survival of the State of Hawaii itself; and

WHEREAS, a *Reuters-Ipsos* survey published on August 23, 2018, showed 70 percent of Americans support a single-payer healthcare system, guaranteeing healthcare for all people living in the United States; and

WHEREAS, every person in the State of Hawaii, including every person in the County of Maui, deserves high-quality healthcare; and

WHEREAS, managed care and other market-based reforms have failed to contain healthcare costs; and

WHEREAS, the current COVID-19 pandemic has led to record levels of unemployment, loss of employer-sponsored health insurance, a severely strained healthcare system, widespread illness, and taken a profound toll on our community's mental health; and

WHEREAS, the United States spends roughly one-third of its \$3.5 trillion healthcare budget on non-medical expenses; and

WHEREAS, under a single-payer healthcare system, that figure could be reduced to approximately 6 to 8 percent; and

WHEREAS, according to a University of Michigan study published in the November 2010 issue of the *American Journal of Public Health*, online September 16, 2010, "Native Hawaiians are far more likely than whites to suffer early death;" and

Resolution No. 20-131

WHEREAS, under Chapter 322H, Hawaii Revised Statutes, the Hawaii Health Authority is charged with developing “a comprehensive health plan” for “all residents,” which could include legislation for a single-payer healthcare system, but the State has not been supporting the Authority; now, therefore;

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit “A,” to create a single-payer or all-payer healthcare system covering all Hawaii residents, is approved for inclusion in the 2021 Maui County Council Legislative Package;
2. That the Council Chair is also authorized to testify on the Council’s behalf in support of similar legislation authored by the Hawaii Health Authority, if any; and
3. That certified copies of this Resolution be transmitted to Governor of the State of Hawaii, the President of the State Senate, the Speaker of the State House of Representatives, the County’s delegation to the State Legislature, and the Mayor of the County of Maui.

____. B. NO. _____

A BILL FOR AN ACT

RELATING TO HEALTH CARE INSURANCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

PART I – The Hawaii Health Authority

1 SECTION 1. The legislature finds that it is in the best interest of the State of Hawaii for
2 each and every state citizen to have publicly provided, high quality, affordable health care. Health
3 care is more than just medical insurance payouts — it includes cost-saving, preventive, and early
4 intervention measures to prohibit medical conditions from becoming chronic, permanently
5 disabling, or fatal.

6 The legislature further finds that Hawaii's current health care insurance system is a
7 disjointed, costly, inefficient, and unnecessarily complicated, multi-payer, private medical
8 insurance model.

9 Additionally, health care rates are skyrocketing, creating an affordability and accessibility
10 crisis for Hawaii's residents. The two of the largest cost-drivers of health care in the United States
11 and Hawaii are: (1) the excessive administrative costs; and (2) the high cost of prescription drugs.

12 The legislature further finds that for more than a quarter of a century, Hawaii was far ahead
13 of most other states and often called itself "the health state" because of the 1974 Hawaii Prepaid
14 Health Care Act. Hawaii was once known for having a low uninsured population of between two
15 and five per cent in 1994.

16

____. B. NO. _____

1 However, the crisis in health care in the United States has also befallen Hawaii. Today,
2 thousands of Hawaii citizens lack health care coverage, many of whom are children. Many other
3 Hawaii residents are underinsured, unable to use their insurance properly, or even at all, because
4 of increasingly expensive deductibles and out-of-pocket co-payments for outpatient visits,
5 diagnostic tests, and prescription drugs, among other factors under Affordable Care Act plans
6 purchased on the individual market and Medicare plans. Even well-insured individuals experience
7 problems with their insurers denying, or very reluctantly dispensing, expensive medicines and
8 treatments. About half of all bankruptcies are due to extremely expensive, catastrophic illnesses
9 that are not covered after a certain cap is reached. Other persons are near bankruptcy with their
10 quality of life seriously impacted.

11 The legislature further finds that a universal, publicly administered, health care-for-all
12 insurance model with a single-payer or all-payer system for caregivers and providers, adapted to meet
13 the unique conditions in Hawaii, would be beneficial for the following reasons:

14 (1) For union members and their employers, it means taking health care off the negotiating
15 table;

16 (2) For patients, as taxpayers and insurance premium-payers, it means significant
17 reductions in overall costs, increases in benefits, and the slowing of annual inflation cost
18 increases. It also means a comeback from increasingly uncaring, profit-driven health care to the
19

____. B. NO. _____

1 restoration of human-need-driven, mutually respectful and caring patient-doctor-nurse-and other
2 caregiver relationships, which in earlier times were fundamental to meaningful health care;

3 (3) For businesses, large and small, it reduces significant overhead expenses;

4 (4) For the local economy, it means keeping almost all health care dollars in the State;

5 (5) For government, it means having one integrated, electronic, health information
6 database for unprecedented planning and cost-containment capabilities. It also means relief from
7 the perceived emerging problem of unfunded liabilities associated with long-term funding of
8 government retiree health care benefits; and

9 (6) For physicians, nurses, and other caregivers, it means less paperwork, less work stress,
10 and more time with patients.

11 SECTION 2. The legislature further finds that, fortunately, since 2009, the Hawaii health
12 authority, established by the legislature pursuant to chapter 322H of the Hawaii Revised Statutes,
13 has been working with minimal support from other government agencies to pave the way for
14 adoption of a universal, publicly administered, health care-for-all insurance model with a single-payer
15 or all-payer system for caregivers and providers, adapted for Hawaii, and that the Hawaii health
16 authority is in great and urgent need of additional support at this time.

17 SECTION 3. The legislature further commends the Hawaii health authority for the
18 authority's research on (1) the causes, consequences, and means to mitigate burn-out by physicians

____. B. NO. _____

1 and other providers of medical services in the state of Hawaii; (2) the needs to respond to and to
2 revise certain compensation practices adopted by health insurers in the state of Hawaii; and (3) to revise
3 other current financial practices relating to healthcare to prepare for adoption of a universal, publicly
4 administered, health care-for-all insurance model with a single-payer or all-payer system for Hawaii.

5 SECTION 4. The Hawaii health authority is hereby authorized to continue planning for
6 adoption of universal, publicly administered, health care-for-all insurance model with a single-payer
7 or all-payer system for Hawaii and to report to the governor, the legislature, and to the general public
8 at such intervals as it finds necessary and appropriate.

9 SECTION 5. There is appropriated from the general revenues of the State of Hawaii the
10 sum of \$350,000 or so much thereof as may be necessary for fiscal year 2020-2021 for expenditure
11 by the Hawaii health authority for its general administration under this Act, including the hiring
12 of an executive director and other staff, exempt from civil service, as it may deem necessary for
13 the fulfillment of its functions.

14 PART II – Administration of Unfunded Liabilities by Hawaii Health Authority

15 SECTION 1. The legislature finds that, according to the National Conference of State
16 Legislatures, in 2010, forty-six states self-insured or self-funded at least one of their employee
17 health care plans, and at least twenty-nine states self-funded all of their employee health care
18 offerings.

____. **B. NO.** _____

1 The legislature also finds that self-insured or self-funded plans have a number of potential
2 advantages over fully insured plans. The legislature further finds that many states administering
3 self-insured or self-funded employee health care plans have been able to lower costs while still
4 maintaining a high level of health benefits.

5 Hawaii's employer-union health benefits trust fund is currently fully insured rather than
6 self-insured. However, health care premiums have risen rapidly over the last decade. Therefore,
7 the legislature believes that it is both prudent and essential that the State examine whether
8 converting the employer-union health benefits trust fund to a self-insured model will result in cost
9 savings.

10 The purpose of this part is to authorize and direct the Hawaii health authority to contract
11 for the provision of healthcare benefits to state and county employees using a self-insured model.

12 SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the
13 sum of \$ _____ or so much thereof as may be necessary for fiscal year 2021-2022 for the
14 purposes of this part.

15 The sum appropriated shall be expended by the Hawaii health authority for the purposes of
16 this part.

17 SECTION 3. The legislature finds that as of July 2, 2015, the unfunded portion of the
18 actuarial accrued liability of the Hawaii employer-union health benefits trust fund was
19 \$11,772,008,000. This is \$969,745,000 more than the total revenues for the State for fiscal year
20 2015.

____. **B. NO.** ____

1 To address this unfunded liability, Act 268, Session Laws of Hawaii 2013, requires the State and
2 counties to prefund other post-employment health and other benefit plan costs for retirees and their
3 beneficiaries by making annual contributions to the other post-employment benefits trust
4 fund. State, county, and other public employers' annual contributions to the other post-
5 employment benefits trust fund totals \$427,299,249, while all assets of the trust fund total
6 \$2,370,481,565, for fiscal year 2018.

7 Meanwhile, the State, counties, and other public employers are also required to make
8 payments to cover a portion of pay-as-you-go Hawaii employer-union health benefits trust fund
9 costs. Clearly, given current and projected revenues, the State and the counties cannot afford to
10 prefund both health and pension unfunded liabilities, which are projected to total more than
11 \$800,000,000 per year in later years. A more affordable and less painful solution is necessary.

12 Furthermore, the Hawaii employer-union health benefits trust fund projects a seven per
13 cent investment return on funds in the other post-employment benefits trust fund, which amounts
14 to an estimated \$140,000,000 that will be deposited into the rate stabilization reserve fund each
15 year. By not requiring other post-employment benefits prefunding through 2049, this Act will free
16 up moneys for important state, county, and other public employee services, projects, and needs.

17 Accordingly, this part:

18 (1) Caps public employer prefunding to the other post-employment benefits trust fund
19 once the separate accounts for each public employer have a combined subaccount balance of at
20 least \$2,000,000,000;

____. **B. NO.** ____

1 (2) Thereafter, transfers any investment income and interest from the other post-
2 employment benefits trust fund to a newly established rate stabilization reserve fund, which will
3 provide reserve funding to stabilize the Hawaii employer-union health benefits trust fund at times
4 when that trust fund has insufficient moneys to cover the costs of providing health and other
5 benefits plans for active employees and retirees and their beneficiaries; and

6 (3) Provides for the use of a portion of the transient accommodations tax revenues to
7 supplement deficient county public employer contribution amounts if necessary.

8 SECTION 4. Chapter 87A, Hawaii Revised Statutes, is amended by adding a new section
9 to be appropriately designated and to read as follows:

10 "§87A- Rate stabilization reserve fund; establishment; purpose. (a) There is
11 established a rate stabilization reserve fund to be placed within the employer-union health benefits
12 trust fund for administrative purposes.

13 (b) The rate stabilization reserve fund may cover the increasing costs of providing health
14 and other benefit plans for active employees and retirees and their beneficiaries as required by this
15 chapter. A separate account for each public employer shall be established and maintained to
16 accept and account for each public employer's contributions. Unless otherwise specified by law,
17 the rate stabilization reserve fund shall not be subject to appropriation for any purpose and shall
18 not be subject to claims by creditors of employers or the board.

19 (c) The rate stabilization reserve fund shall consist of:

____. **B. NO.** ____

1 (1) Moneys transferred from the Hawaii employer-union health benefits trust fund
2 established by section 87A-30 and the other post-employment benefits trust fund established by
3 section 87A-42;

4 (2) Interest from the separate trust fund established to prefund other post-employment
5 health and other benefits plan costs for members and their beneficiaries pursuant to section 87A-
6 42 and interest from the rate stabilization reserve fund; and

7 (3) Appropriations from the legislature

8 (d) The rate stabilization reserve fund shall meet the requirements of the Governmental
9 Accounting Standards Board regarding employment benefits trusts."

10 SECTION 5. Section 87A-42, Hawaii Revised Statutes, is amended as follows:

11 1. By amending subsection (a) to read:

12 "(a) Notwithstanding sections 87A-31 and 87A-31.5, the board, upon terms and conditions
13 set by the board, shall establish and administer a separate trust fund for the purpose of receiving
14 employer contributions that will prefund other post-employment health and other benefit plan costs
15 for retirees and their beneficiaries. The separate trust fund shall meet the requirements of
16 the Governmental Accounting Standards Board regarding other post-employment benefits
17 trusts. The board shall establish and maintain a separate account for each public employer within
18 the separate trust fund to accept and account for each public employer's contributions. Employer
19 contributions to the separate trust fund shall be irrevocable, all assets of the fund shall be dedicated
20 exclusively to providing health and other benefits to retirees and their beneficiaries, and assets of

____. **B. NO.** _____

1 the fund shall not be subject to appropriation for any other purpose and shall not be subject to
2 claims by creditors of the employers or the board or plan administrator. The board's powers under
3 section 87A-24 shall also apply to the fund established pursuant to this section. Notwithstanding
4 any law to the contrary, once the separate accounts for each public employer within the separate
5 trust fund have a combined balance of at least \$2,000,000,000, any earnings from the
6 \$2,000,000,000 remaining in the separate trust fund at the end of each fiscal year shall be
7 transferred to the separate public employer accounts within the rate stabilization reserve fund
8 established in section 87A- . Unless otherwise specified by law, the \$2,000,000,000 and the
9 separate trust fund shall not be subject to appropriation for any purpose and shall not be subject to
10 claims by creditors of employers or the board."

11 2. By amending subsection (d) to read:

12 "(d) In any fiscal year in which a county public employer's contributions into the fund are
13 less than the amount of the annual required contribution, the amount that represents the excess of
14 the annual required contribution over the county public employer's contributions shall be deposited
15 into the applicable fund pursuant to this section from a portion of all transient accommodations tax
16 revenues collected by the department of taxation under section 237D-6.5(b)(4). The director of
17 finance shall deduct the amount necessary to meet the county public employer's annual required
18 contribution from the revenues derived under section 237D-6.5(b)(4) and transfer the amount to
19 the board for deposit into the appropriate account of the separate trust fund."

20 3. By amending subsection (f) to read:

____. B. NO. _____

1 "(f) For the purposes of this section, "annual required contribution" means a public
2 employer's required contribution to the trust fund established in this section.

3 SECTION 6. If any provision of this Act, or the application thereof to any person or
4 circumstance, is held invalid, the invalidity does not affect other provisions or applications of the
5 Act that can be given effect without the invalid provision or application, and to this end the
6 provisions of this Act are severable.

7 SECTION 7. New statutory material is underscored.

8 SECTION 8. This Act shall take effect on July 1, 2021.

9

10

INTRODUCED BY: _____

11

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is **HEREBY CERTIFIED** that **RESOLUTION NO. 20-131** was adopted by the Council of the County of Maui, State of Hawaii, on the 11th day of September, 2020, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS-FERNANDEZ Vice-Chair	G. Riki HOKAMA	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	No	Excused	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK

Resolution

No. 20-132

APPROVING FOR INCLUSION IN THE 2021 MAUI
COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE
BILL TO GIVE COUNTIES AUTHORITY TO
ESTABLISH RENTAL-CAR LIMITS

WHEREAS, by Resolution 19-98, the Council affirmed Maui County's commitment to the Paris Climate Agreement and its goals of mitigating greenhouse-gas emissions and adapting to impacts of climate change; and

WHEREAS, reducing rental cars on the road would contribute to meeting these goals by reducing dependency on petroleum and greenhouse gas emissions generated from for ground-transportation vehicles; and

WHEREAS, the United States Environmental Protection Agency states that a typical passenger vehicle emits about 4.6 metric tons of carbon dioxide per year; and

WHEREAS, over 20,000 rental cars on Maui adversely impact the County's ability to mitigate greenhouse-gas emissions; and

WHEREAS, the United States Department of Transportation states that reducing traffic can improve the environment by reducing vehicle miles traveled, which reduces fuel consumed and emissions generated by acceleration and decelerations; and

WHEREAS, counties do not have the ability to limit rental cars under State law; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to allow counties to establish rental-car limits, is approved for inclusion in the 2021 Maui County Council Legislative Package; and

Resolution No. 20-132

2. That certified copies of this Resolution be transmitted to the Governor of the State of Hawaii, the President of the State Senate, the Speaker of the State House of Representatives, the County's delegation to the State Legislature, and the Mayor of the County of Maui.

get:misc:004(2)areso(rental-car limits)02:ske

____.B. NO.____

A BILL FOR AN ACT

RELATING TO RENTAL MOTOR VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Hawai'i is committed to mitigating emissions and
2 creating a clean energy pathway by investing in renewable energy
3 and energy efficiency. Utilities and transportation currently
4 account for the majority of emissions in Hawai'i.

5 Reducing cars on the road will contribute to meeting Hawai'i's
6 clean energy goals by reducing dependency on petroleum and
7 greenhouse gas emissions generated from for ground transportation
8 vehicles. However, over 20,000 rental motor vehicles on Maui
9 adversely impact Hawai'i's intent to mitigate greenhouse gas
10 emissions.

11 SECTION 2. Section 46-1.5, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "Subject to general law, each county shall have the following
14 powers and shall be subject to the following liabilities and
15 limitations:

16 (1) Each county shall have the power to frame and adopt a
17 charter for its own self-government that shall establish the county
18 executive, administrative, and legislative structure and

____.B. NO. _____

1 organization, including but not limited to the method of
2 appointment or election of officials, their duties,
3 responsibilities, and compensation, and the terms of their office;

4 (2) Each county shall have the power to provide for and
5 regulate the marking and lighting of all buildings and other
6 structures that may be obstructions or hazards to aerial
7 navigation, so far as may be necessary or proper for the protection
8 and safeguarding of life, health, and property;

9 (3) Each county shall have the power to enforce all claims on
10 behalf of the county and approve all lawful claims against the
11 county, but shall be prohibited from entering into, granting, or
12 making in any manner any contract, authorization, allowance
13 payment, or liability contrary to the provisions of any county
14 charter or general law;

15 (4) Each county shall have the power to make contracts and to
16 do all things necessary and proper to carry into execution all
17 powers vested in the county or any county officer;

18 (5) Each county shall have the power to:

19 (A) Maintain channels, whether natural or artificial,
20 including their exits to the ocean, in suitable condition to carry
21 off storm waters;

22 (B) Remove from the channels, and from the shores and beaches,
23 any debris that is likely to create an unsanitary condition or

____.B. NO. _____

1 become a public nuisance; provided that, to the extent any of the
2 foregoing work is a private responsibility, the responsibility may
3 be enforced by the county in lieu of the work being done at public
4 expense;

5 (C) Construct, acquire by gift, purchase, or by the exercise
6 of eminent domain, reconstruct, improve, better, extend, and
7 maintain projects or undertakings for the control of and protection
8 against floods and flood waters, including the power to drain and
9 rehabilitate lands already flooded;

10 (D) Enact zoning ordinances providing that lands deemed
11 subject to seasonable, periodic, or occasional flooding shall not
12 be used for residence or other purposes in a manner as to endanger
13 the health or safety of the occupants thereof, as required by the
14 Federal Flood Insurance Act of 1956 (chapter 1025, Public Law
15 1016); and

16 (E) Establish and charge user fees to create and maintain any
17 stormwater management system or infrastructure;

18 (6) Each county shall have the power to exercise the power of
19 condemnation by eminent domain when it is in the public interest
20 to do so;

21 (7) Each county shall have the power to exercise regulatory
22 powers over business activity as are assigned to them by chapter
23 445 or other general law;

____.B. NO. _____

1 (8) Each county shall have the power to fix the fees and
2 charges for all official services not otherwise provided for;

3 (9) Each county shall have the power to provide by ordinance
4 assessments for the improvement or maintenance of districts within
5 the county;

6 (10) Except as otherwise provided, no county shall have the
7 power to give or loan credit to, or in aid of, any person or
8 corporation, directly or indirectly, except for a public purpose;

9 (11) Where not within the jurisdiction of the public utilities
10 commission, each county shall have the power to regulate by
11 ordinance the operation of motor vehicle common carriers
12 transporting passengers and the number of rental motor vehicles
13 within the county and adopt and amend rules the county deems
14 necessary for the public convenience and necessity;

15 (12) Each county shall have the power to enact and enforce
16 ordinances necessary to prevent or summarily remove public
17 nuisances and to compel the clearing or removal of any public
18 nuisance, refuse, and uncultivated undergrowth from streets,
19 sidewalks, public places, and unoccupied lots. In connection with
20 these powers, each county may impose and enforce liens upon the
21 property for the cost to the county of removing and completing the
22 necessary work where the property owners fail, after reasonable
23 notice, to comply with the ordinances. The authority provided by

____.B. NO. _____

1 this paragraph shall not be self-executing, but shall become fully
2 effective within a county only upon the enactment or adoption by
3 the county of appropriate and particular laws, ordinances, or rules
4 defining "public nuisances" with respect to each county's
5 respective circumstances. The counties shall provide the property
6 owner with the opportunity to contest the summary action and to
7 recover the owner's property;

8 (13) Each county shall have the power to enact ordinances
9 deemed necessary to protect health, life, and property, and to
10 preserve the order and security of the county and its inhabitants
11 on any subject or matter not inconsistent with, or tending to
12 defeat, the intent of any state statute where the statute does not
13 disclose an express or implied intent that the statute shall be
14 exclusive or uniform throughout the State;

15 (14) Each county shall have the power to:

16 (A) Make and enforce within the limits of the county all
17 necessary ordinances covering all:

18 (i) Local police matters;

19 (ii) Matters of sanitation;

20 (iii) Matters of inspection of buildings;

21 (iv) Matters of condemnation of unsafe structures, plumbing,
22 sewers, dairies, milk, fish, and morgues; and

____.B. NO. _____

1 (v) Matters of the collection and disposition of rubbish and
2 garbage;

3 (B) Provide exemptions for homeless facilities and any other
4 program for the homeless authorized by part XVII of chapter 346,
5 for all matters under this paragraph;

6 (C) Appoint county physicians and sanitary and other
7 inspectors as necessary to carry into effect ordinances made under
8 this paragraph, who shall have the same power as given by law to
9 agents of the department of health, subject only to limitations
10 placed on them by the terms and conditions of their appointments;
11 and

12 (D) Fix a penalty for the violation of any ordinance, which
13 penalty may be a misdemeanor, petty misdemeanor, or violation as
14 defined by general law;

15 (15) Each county shall have the power to provide public
16 pounds; to regulate the impounding of stray animals and fowl, and
17 their disposition; and to provide for the appointment, powers,
18 duties, and fees of animal control officers;

19 (16) Each county shall have the power to purchase and
20 otherwise acquire, lease, and hold real and personal property
21 within the defined boundaries of the county and to dispose of the
22 real and personal property as the interests of the inhabitants of
23 the county may require, except that:

____.B. NO. _____

1 (A) Any property held for school purposes may not be disposed
2 of without the consent of the superintendent of education;

3 (B) No property bordering the ocean shall be sold or otherwise
4 disposed of; and

5 (C) All proceeds from the sale of park lands shall be expended
6 only for the acquisition of property for park or recreational
7 purposes;

8 (17) Each county shall have the power to provide by charter
9 for the prosecution of all offenses and to prosecute for offenses
10 against the laws of the State under the authority of the attorney
11 general of the State;

12 (18) Each county shall have the power to make appropriations
13 in amounts deemed appropriate from any moneys in the treasury, for
14 the purpose of:

15 (A) Community promotion and public celebrations;

16 (B) The entertainment of distinguished persons as may from
17 time to time visit the county;

18 (C) The entertainment of other distinguished persons, as well
19 as, public officials when deemed to be in the best interest of the
20 community; and

21 (D) The rendering of civic tribute to individuals who, by
22 virtue of their accomplishments and community service, merit civic
23 commendations, recognition, or remembrance;

____.B. NO. _____

1 (19) Each county shall have the power to:

2 (A) Construct, purchase, take on lease, lease, sublease, or
3 in any other manner acquire, manage, maintain, or dispose of
4 buildings for county purposes, sewers, sewer systems, pumping
5 stations, waterworks, including reservoirs, wells, pipelines, and
6 other conduits for distributing water to the public, lighting
7 plants, and apparatus and appliances for lighting streets and
8 public buildings, and manage, regulate, and control the same;

9 (B) Regulate and control the location and quality of all
10 appliances necessary to the furnishing of water, heat, light,
11 power, telephone, and telecommunications service to the county;

12 (C) Acquire, regulate, and control any and all appliances for
13 the sprinkling and cleaning of the streets and the public ways,
14 and for flushing the sewers; and

15 (D) Open, close, construct, or maintain county highways or
16 charge toll on county highways; provided that all revenues received
17 from a toll charge shall be used for the construction or
18 maintenance of county highways;

19 (20) Each county shall have the power to regulate the renting,
20 subletting, and rental conditions of property for places of abode
21 by ordinance;

____.B. NO. _____

1 (21) Unless otherwise provided by law, each county shall have
2 the power to establish by ordinance the order of succession of
3 county officials in the event of a military or civil disaster;

4 (22) Each county shall have the power to sue and be sued in
5 its corporate name;

6 (23) Each county shall have the power to:

7 (A) Establish and maintain waterworks and sewer works;

8 (B) Implement a sewer monitoring program that includes the
9 inspection of sewer laterals that connect to county sewers, when
10 those laterals are located on public or private property, after
11 providing a property owner not less than ten calendar days' written
12 notice, to detect leaks from laterals, infiltration, and inflow,
13 any other law to the contrary notwithstanding;

14 (C) Compel an owner of private property upon which is located
15 any sewer lateral that connects to a county sewer to inspect that
16 lateral for leaks, infiltration, and inflow and to perform repairs
17 as necessary;

18 (D) Collect rates for water supplied to consumers and for the
19 use of sewers;

20 (E) Install water meters whenever deemed expedient; provided
21 that owners of premises having vested water rights under existing
22 laws appurtenant to the premises shall not be charged for the
23 installation or use of the water meters on the premises; and

____.B. NO. _____

1 (F) Take over from the State existing waterworks systems,
2 including water rights, pipelines, and other appurtenances
3 belonging thereto, and sewer systems, and to enlarge, develop, and
4 improve the same; and

5 (G) For purposes of subparagraphs (B) and (C):

6 (i) "Infiltration" means groundwater, rainwater, and
7 saltwater that enters the county sewer system through cracked,
8 broken, or defective sewer laterals; and

9 (ii) "Inflow" means non-sewage entering the county sewer
10 system via inappropriate or illegal connections;

11 (24) (A) Each county may impose civil fines, in addition to
12 criminal penalties, for any violation of county ordinances or rules
13 after reasonable notice and requests to correct or cease the
14 violation have been made upon the violator. Any administratively
15 imposed civil fine shall not be collected until after an
16 opportunity for a hearing under chapter 91. Any appeal shall be
17 filed within thirty days from the date of the final written
18 decision. These proceedings shall not be a prerequisite for any
19 civil fine or injunctive relief ordered by the circuit court;

20 (B) Each county by ordinance may provide for the addition of
21 any unpaid civil fines, ordered by any court of competent
22 jurisdiction, to any taxes, fees, or charges, with the exception
23 of fees or charges for water for residential use and sewer charges,

____.B. NO. _____

1 collected by the county. Each county by ordinance may also provide
2 for the addition of any unpaid administratively imposed civil
3 fines, which remain due after all judicial review rights under
4 section 91-14 are exhausted, to any taxes, fees, or charges, with
5 the exception of water for residential use and sewer charges,
6 collected by the county. The ordinance shall specify the
7 administrative procedures for the addition of the unpaid civil
8 fines to the eligible taxes, fees, or charges and may require
9 hearings or other proceedings. After addition of the unpaid civil
10 fines to the taxes, fees, or charges, the unpaid civil fines shall
11 not become a part of any taxes, fees, or charges. The county by
12 ordinance may condition the issuance or renewal of a license,
13 approval, or permit for which a fee or charge is assessed, except
14 for water for residential use and sewer charges, on payment of the
15 unpaid civil fines. Upon recordation of a notice of unpaid civil
16 fines in the bureau of conveyances, the amount of the civil fines,
17 including any increase in the amount of the fine which the county
18 may assess, shall constitute a lien upon all real property or
19 rights to real property belonging to any person liable for the
20 unpaid civil fines. The lien in favor of the county shall be
21 subordinate to any lien in favor of any person recorded or
22 registered prior to the recordation of the notice of unpaid civil
23 fines and senior to any lien recorded or registered after the

____.B. NO. _____

1 recordation of the notice. The lien shall continue until the unpaid
2 civil fines are paid in full or until a certificate of release or
3 partial release of the lien, prepared by the county at the owner's
4 expense, is recorded. The notice of unpaid civil fines shall state
5 the amount of the fine as of the date of the notice and maximum
6 permissible daily increase of the fine. The county shall not be
7 required to include a social security number, state general excise
8 taxpayer identification number, or federal employer identification
9 number on the notice. Recordation of the notice in the bureau of
10 conveyances shall be deemed, at such time, for all purposes and
11 without any further action, to procure a lien on land registered
12 in land court under chapter 501. After the unpaid civil fines are
13 added to the taxes, fees, or charges as specified by county
14 ordinance, the unpaid civil fines shall be deemed immediately due,
15 owing, and delinquent and may be collected in any lawful manner.
16 The procedure for collection of unpaid civil fines authorized in
17 this paragraph shall be in addition to any other procedures for
18 collection available to the State and county by law or rules of
19 the courts;

20 (C) Each county may impose civil fines upon any person who
21 places graffiti on any real or personal property owned, managed,
22 or maintained by the county. The fine may be up to \$1,000 or may
23 be equal to the actual cost of having the damaged property repaired

____.B. NO. _____

1 or replaced. The parent or guardian having custody of a minor who
2 places graffiti on any real or personal property owned, managed,
3 or maintained by the county shall be jointly and severally liable
4 with the minor for any civil fines imposed hereunder. Any such
5 fine may be administratively imposed after an opportunity for a
6 hearing under chapter 91, but such a proceeding shall not be a
7 prerequisite for any civil fine ordered by any court. As used in
8 this subparagraph, "graffiti" means any unauthorized drawing,
9 inscription, figure, or mark of any type intentionally created by
10 paint, ink, chalk, dye, or similar substances;

11 (D) At the completion of an appeal in which the county's
12 enforcement action is affirmed and upon correction of the violation
13 if requested by the violator, the case shall be reviewed by the
14 county agency that imposed the civil fines to determine the
15 appropriateness of the amount of the civil fines that accrued while
16 the appeal proceedings were pending. In its review of the amount
17 of the accrued fines, the county agency may consider:

18 (i) The nature and egregiousness of the violation;

19 (ii) The duration of the violation;

20 (iii) The number of recurring and other similar violations;

21 (iv) Any effort taken by the violator to correct the
22 violation;

____.B. NO. _____

1 (v) The degree of involvement in causing or continuing the
2 violation;

3 (vi) Reasons for any delay in the completion of the appeal;
4 and

5 (vii) Other extenuating circumstances.

6 The civil fine that is imposed by administrative order after
7 this review is completed and the violation is corrected shall be
8 subject to judicial review, notwithstanding any provisions for
9 administrative review in county charters;

10 (E) After completion of a review of the amount of accrued
11 civil fine by the county agency that imposed the fine, the amount
12 of the civil fine determined appropriate, including both the
13 initial civil fine and any accrued daily civil fine, shall
14 immediately become due and collectible following reasonable notice
15 to the violator. If no review of the accrued civil fine is
16 requested, the amount of the civil fine, not to exceed the total
17 accrual of civil fine prior to correcting the violation, shall
18 immediately become due and collectible following reasonable notice
19 to the violator, at the completion of all appeal proceedings; and

20 (F) If no county agency exists to conduct appeal proceedings
21 for a particular civil fine action taken by the county, then one
22 shall be established by ordinance before the county shall impose
23 the civil fine;

____.B. NO. _____

1 (25) Any law to the contrary notwithstanding, any county
2 mayor, by executive order, may exempt donors, provider agencies,
3 homeless facilities, and any other program for the homeless under
4 part XVII of chapter 346 from real property taxes, water and sewer
5 development fees, rates collected for water supplied to consumers
6 and for use of sewers, and any other county taxes, charges, or
7 fees; provided that any county may enact ordinances to regulate
8 and grant the exemptions granted by this paragraph;

9 (26) Any county may establish a captive insurance company
10 pursuant to article 19, chapter 431; and

11 (27) Each county shall have the power to enact and enforce
12 ordinances regulating towing operations.”

13 SECTION 3. Statutory material to be repealed is bracketed
14 and in strikethrough. New statutory material is underscored.

15 SECTION 4. This Act shall take effect upon its approval.

16

17 INTRODUCED BY: _____

18

19 get:misc:004(2)amisc(rental-car limits)02:ske

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 20-132 was adopted by the Council of the County of Maui, State of Hawaii, on the 11th day of September, 2020, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS- FERNANDEZ Vice-Chair	G. Riki HOKAMA	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	No	Excused	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK

Resolution

No. 20-133

APPROVING FOR INCLUSION IN THE 2021 MAUI
COUNTY COUNCIL LEGISLATIVE PACKAGE A STATE
BILL TO ALLOW MAUI COUNTY TO ESTABLISH A
GENERAL EXCISE TAX SURCHARGE

WHEREAS, Maui County was authorized to establish a General Excise Tax surcharge up until March 31, 2019; and

WHEREAS, extending the deadline would allow Maui County to establish the surcharge; and

WHEREAS, Maui County is the only county in the State that is not receiving the benefits of a General Excise Tax surcharge; and

WHEREAS, the surcharge would provide much-needed diversification in Maui County's ability to generate revenue, while limiting the burden on residents subject to the Real Property Tax; and

WHEREAS, the funds derived from the surcharge would allow for a greater investment in infrastructure, affordable housing, transportation, and other countywide priorities; and

WHEREAS, these funds will be even more necessary in light of the negative economic impacts of the COVID-19 pandemic; and

WHEREAS, enabling legislation has already been introduced to the Council and is pending before the Economic, Development and Budget Committee; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to allow Maui County to establish a General Excise Tax surcharge, is approved for inclusion in the 2021 Maui County Council Legislative Package; and

Resolution No. 20-133

2. That certified copies of this Resolution be transmitted to the Governor of the State of Hawaii, the President of the State Senate, the Speaker of the State House of Representatives, the County's delegation to the State Legislature, and the Mayor of the County of Maui.

paf:ans:19-314e

A BILL FOR AN ACT

RELATING TO TAXATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 46-16.8, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§46-16.8 County surcharge on state tax.**

4 (a) Each county may establish a surcharge on state tax at
5 the rates enumerated in sections 237-8.6 and 238-2.6. A county
6 electing to establish this surcharge shall do so by ordinance;
7 provided that:

8 (1) No ordinance shall be adopted until the county
9 has conducted a public hearing on the proposed ordinance;

10 (2) The ordinance shall be adopted prior to December
11 31, 2005; and

12 (3) No county surcharge on state tax that may be
13 authorized under this subsection shall be levied prior to
14 January 1, 2007, or after December 31, 2022, unless
15 extended pursuant to subsection (b).

16 Notice of the public hearing required under paragraph (1) shall
17 be published in a newspaper of general circulation within the
18 county at least twice within a period of thirty days immediately
19 preceding the date of the hearing.

20 A county electing to exercise the authority granted under
21 this subsection shall notify the director of taxation within ten
22 days after the county has adopted a surcharge on state tax
23 ordinance and, beginning no earlier than January 1, 2007, the
24 director of taxation shall levy, assess, collect, and otherwise
25 administer the county surcharge on state tax.

26 (b) Each county that has established a surcharge on state
27 tax prior to July 1, 2015, under authority of subsection (a) may
28 extend the surcharge until December 31, 2030, at the same rates.
29 A county electing to extend this surcharge shall do so by
30 ordinance; provided that:

31 (1) No ordinance shall be adopted until the county
32 has conducted a public hearing on the proposed ordinance;
33 and

.B. NO.

1 (2) The ordinance shall be adopted prior to January 1,
2 2018.

3 A county electing to exercise the authority granted under
4 this subsection shall notify the director of taxation within ten
5 days after the county has adopted an ordinance extending the
6 surcharge on state tax. The director of taxation shall levy,
7 assess, collect, and otherwise administer the extended surcharge
8 on state tax.

9 (c) Each county that has not established a surcharge on
10 state tax prior to July 1, 2015, may establish the surcharge at
11 the rates enumerated in sections 237-8.6 and 238-2.6. A county
12 electing to establish this surcharge shall do so by ordinance;
13 provided that:

14 (1) No ordinance shall be adopted until the county
15 has conducted a public hearing on the proposed ordinance;

16 (2) The ordinance shall be adopted prior to [~~March~~
17 ~~31, 2019~~] June 30, 2021; and

18 (3) No county surcharge on state tax that may be
19 authorized under this subsection shall be levied prior to
20 January 1, 2019, or after December 31, 2030.

21 A county electing to exercise the authority granted under
22 this subsection shall notify the director of taxation within ten
23 days after the county has adopted a surcharge on state tax
24 ordinance. Beginning [~~on~~] no earlier than January 1, 2019, [~~on~~
25 ~~January 1, 2020,~~] as applicable pursuant to sections 237-8.6 and
26 238-2.6, the director of taxation shall levy, assess, collect,
27 and otherwise administer the county surcharge on state tax.

28 (d) Notice of the public hearing required under subsection
29 (b) or (c) before adoption of an ordinance establishing or
30 extending the surcharge on state tax shall be published in a
31 newspaper of general circulation within the county at least
32 twice within a period of thirty days immediately preceding the
33 date of the hearing.

34 (e) Each county with a population greater than five
35 hundred thousand that adopts or extends a county surcharge on
36 state tax ordinance pursuant to subsection (a) or (b) shall use
37 the surcharge revenues received from the State for capital costs
38 of a locally preferred alternative for a mass transit project;
39 provided that revenues derived from the county surcharge on
40 state tax shall not be used:

41 (1) To build or repair public roads or highways,
42 bicycle paths, or support public transportation systems
43 already in existence prior to July 12, 2005;

____.B. NO. _____

1 (2) For operating costs or maintenance costs of the
2 mass transit project or any purpose not consistent with
3 this subsection; or

4 (3) For administrative or operating, marketing, or
5 maintenance costs, including personnel costs, of a rapid
6 transportation authority charged with the responsibility
7 for constructing, operating, or maintaining the mass
8 transit project; provided further that nothing in this
9 section shall be construed to prohibit a county from using
10 county funds that are not derived from a surcharge on state
11 tax for a purpose described in paragraph (2) or (3).

12 (f) Each county with a population equal to or less than
13 five hundred thousand that adopts a county surcharge on state
14 tax ordinance pursuant to this section shall use the surcharges
15 received from the State for:

16 (1) Operating or capital costs of public
17 transportation within each county for public transportation
18 systems, including public roadways or highways, public buses,
19 trains, ferries, pedestrian paths or sidewalks, or bicycle
20 paths; and

21 (2) Expenses in complying with the Americans with
22 Disabilities Act of 1990 with respect to paragraph (1).

23 (g) As used in this section, "capital costs" means
24 nonrecurring costs required to construct a transit facility or
25 system, including debt service, costs of land acquisition and
26 development, acquiring of rights-of-way, planning, design, and
27 construction, and including equipping and furnishing the
28 facility or system. For a county with a population greater than
29 five hundred thousand, capital costs also include non-recurring
30 personal services and other overhead costs that are not intended
31 to continue after completion of construction of the minimum
32 operable segment of the locally preferred alternative for a mass
33 transit project."

34
35 SECTION 2. Section 237-8.6, Hawaii Revised Statutes, is
36 amended to read as follows:

37 **"§237-8.6 County surcharge on state tax; administration.**

38 (a) The county surcharge on state tax, upon the adoption
39 of county ordinances and in accordance with the requirements of
40 section 46-16.8, shall be levied, assessed, and collected as
41 provided in this section on all gross proceeds and gross income
42 taxable under this chapter. No county shall set the surcharge

.B. NO.

1 on state tax at a rate greater than one-half per cent of all
2 gross proceeds and gross income taxable under this chapter. All
3 provisions of this chapter shall apply to the county surcharge
4 on state tax. With respect to the surcharge, the director of
5 taxation shall have all the rights and powers provided under
6 this chapter. In addition, the director of taxation shall have
7 the exclusive rights and power to determine the county or
8 counties in which a person is engaged in business and, in the
9 case of a person engaged in business in more than one county,
10 the director shall determine, through apportionment or other
11 means, that portion of the surcharge on state tax attributable
12 to business conducted in each county.

13 (b) Each county surcharge on state tax that may be adopted
14 or extended pursuant to section 46-16.8 shall be levied
15 beginning in a taxable year after the adoption of the relevant
16 county ordinance; provided that no surcharge on state tax may be
17 levied:

18 (1) Prior to:

19 (A) January 1, 2007, if the county surcharge on
20 state tax was established by an ordinance adopted
21 prior to December 31, 2005;

22 (B) January 1, 2019, if the county surcharge on
23 state tax was established by the adoption of an
24 ordinance after June 30, 2015, but prior to June 30,
25 2018; or

26 (C) January 1, 2020, if the county surcharge on
27 state tax was established by the adoption of an
28 ordinance on or after June 30, 2018, but prior to
29 March 31, 2019; ~~and~~

30 (D) January 1, 2021, if the county surcharge on
31 state tax was established by the adoption of an
32 ordinance on or after March 31, 2019, but prior to
33 June 30, 2020;

34 (E) January 1, 2022, if the county surcharge on
35 state tax was established by the adoption of an
36 ordinance on or after June 30, 2020, but prior to June
37 30, 2021; and

38 (2) After December 31, 2030.

39 (c) The county surcharge on state tax, if adopted, shall be
40 imposed on the gross proceeds or gross income of all written
41 contracts that require the passing on of the taxes imposed under
42 this chapter; provided that if the gross proceeds or gross
43 income are received as payments beginning in the taxable year in
44 which the taxes become effective, on contracts entered into

1 before June 30 of the year prior to the taxable year in which
2 the taxes become effective, and the written contracts do not
3 provide for the passing on of increased rates of taxes, the
4 county surcharge on state tax shall not be imposed on the gross
5 proceeds or gross income covered under the written
6 contracts. The county surcharge on state tax shall be imposed
7 on the gross proceeds or gross income from all contracts entered
8 into on or after June 30 of the year prior to the taxable year
9 in which the taxes become effective, regardless of whether the
10 contract allows for the passing on of any tax or any tax
11 increases.

12 (d) No county surcharge on state tax shall be established
13 on any:

14 (1) Gross income or gross proceeds taxable under this
15 chapter at the one-half per cent tax rate;

16 (2) Gross income or gross proceeds taxable under this
17 chapter at the 0.15 per cent tax rate; or

18 (3) Transactions, amounts, persons, gross income, or
19 gross proceeds exempt from tax under this chapter.

20 (e) The director of taxation shall revise the general
21 excise tax forms to provide for the clear and separate
22 designation of the imposition and payment of the county
23 surcharge on state tax.

24 (f) The taxpayer shall designate the taxation district to
25 which the county surcharge on state tax is assigned in
26 accordance with rules adopted by the director of taxation under
27 chapter 91. The taxpayer shall file a schedule with the
28 taxpayer's periodic and annual general excise tax returns
29 summarizing the amount of taxes assigned to each taxation
30 district.

31 (g) The penalties provided by section 231-39 for failure to
32 file a tax return shall be imposed on the amount of surcharge
33 due on the return being filed for the failure to file the
34 schedule required to accompany the return. In addition, there
35 shall be added to the tax an amount equal to ten per cent of the
36 amount of the surcharge and tax due on the return being filed
37 for the failure to file the schedule or the failure to correctly
38 report the assignment of the general excise tax by taxation
39 district on the schedule required under this subsection.

40 (h) All taxpayers who file on a fiscal year basis whose
41 fiscal year ends after December 31 of the year prior to the
42 taxable year in which the taxes become effective, shall file a
43 short period annual return for the period preceding January 1 of
44 the taxable year in which the taxes become effective. Each

B. NO.

1 fiscal year taxpayer shall also file a short period annual
2 return for the period starting on January 1 of the taxable year
3 in which the taxes become effective, and ending before January 1
4 of the following year.”

5
6 SECTION 3. Section 238-2.6, Hawaii Revised Statutes, is
7 amended to read as follows:

8 **“§238-2.6 County surcharge on state tax; administration.**

9 (a) The county surcharge on state tax, upon the adoption
10 of a county ordinance and in accordance with the requirements of
11 section 46-16.8, shall be levied, assessed, and collected as
12 surcharge on state tax at a rate greater than one-half per cent
13 of the value of property taxable under this chapter. All
14 provisions of this chapter shall apply to the county surcharge
15 on state tax. With respect to the surcharge, the director shall
16 have all the rights and powers provided under this chapter. In
17 addition, the director of taxation shall have the exclusive
18 rights and power to determine the county or counties in which a
19 person imports or purchases property and, in the case of a
20 person importing or purchasing property in more than one county,
21 the director shall determine, through apportionment or other
22 means, that portion of the surcharge on state tax attributable
23 to the importation or purchase in each county.

24 (b) Each county surcharge on state tax that may be adopted
25 or extended shall be levied beginning in a taxable year after
26 the adoption of the relevant county ordinance; provided that no
27 surcharge on state tax may be levied:

- 28 (1) Prior to:
- 29 (A) January 1, 2007, if the county surcharge on
30 state tax was established by an ordinance adopted
31 prior to December 31, 2005;
 - 32 (B) January 1, 2019, if the county surcharge on
33 state tax was established by the adoption of an
34 ordinance after June 30, 2015, but prior to June 30,
35 2018; or
 - 36 (C) January 1, 2020, if the county surcharge on
37 state tax was established by the adoption of an
38 ordinance on or after June 30, 2018, but prior to
39 March 31, 2019; ~~and~~
 - 40 (D) January 1, 2021, if the county surcharge on
41 state tax was established by the adoption of an

.B. NO.

1 ordinance on or after March 31, 2019, but prior to
2 June 30, 2020;
3 (E) January 1, 2022, if the county surcharge on
4 state tax was established by the adoption of an
5 ordinance on or after June 30, 2020, but prior to June
6 30, 2021; and
7 (2) After December 31, 2030.

8 (c) No county surcharge on state tax shall be established
9 upon any use taxable under this chapter at the one-half per cent
10 tax rate or upon any use that is not subject to taxation or that
11 is exempt from taxation under this chapter.

12 (d) The director of taxation shall revise the use tax
13 forms to provide for the clear and separate designation of the
14 imposition and payment of the county surcharge on state tax.

15 (e) The taxpayer shall designate the taxation district to
16 which the county surcharge on state tax is assigned in
17 accordance with rules adopted by the director of taxation under
18 chapter 91. The taxpayer shall file a schedule with the
19 taxpayer's periodic and annual use tax returns summarizing the
20 amount of taxes assigned to each taxation district.

21 (f) The penalties provided by section 231-39 for failure
22 to file a tax return shall be imposed on the amount of surcharge
23 due on the return being filed for the failure to file the
24 schedule required to accompany the return. In addition, there
25 shall be added to the tax an amount equal to ten per cent of the
26 amount of the surcharge and tax due on the return being filed
27 for the failure to file the schedule or the failure to correctly
28 report the assignment of the use tax by taxation district on the
29 schedule required under this subsection.

30 (g) All taxpayers who file on a fiscal year basis whose
31 fiscal year ends after December 31 of the year prior to the
32 taxable year in which the taxes become effective, shall file a
33 short period annual return for the period preceding January 1 of
34 the taxable year in which the taxes become effective. Each
35 fiscal year taxpayer shall also file a short period annual
36 return for the period starting on January 1 of the taxable year
37 in which the taxes become effective, and ending before January 1
38 of the following year.

39
40 SECTION 4. Statutory material to be deleted is bracketed
41 and in strikethrough. New statutory material is underscored.

42 SECTION 5. This Act shall take effect upon its approval.

____.B. NO. ____

1

2

INTRODUCED BY: _____

3

COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 20-133 was adopted by the Council of the County of Maui, State of Hawaii, on the 11th day of September, 2020, by the following vote:

MEMBERS	Alice L. LEE Chair	Keani N. W. RAWLINS-FERNANDEZ Vice-Chair	G. Riki HOKAMA	Natalie A. KAMA	Kelly T. KING	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	No	Excused	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK