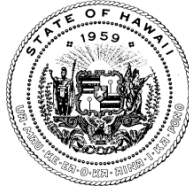


DAVID Y. IGE  
GOVERNOR



**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

Monday, March 18, 2019  
1:00 P.M.  
State Capitol, Room 225

**H.B. 394, HD1**  
**RELATING TO HIGHWAY BEAUTIFICATION**

Senate Committee(s) on Transportation  
& Public Safety, Intergovernmental, and  
Military Affairs

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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.

DEPARTMENT OF CUSTOMER SERVICES  
**CITY AND COUNTY OF HONOLULU**

MISSION MEMORIAL BUILDING  
550 SOUTH KING STREET, HONOLULU, HAWAII 96813  
TELEPHONE: (808) 768-3392 FAX: (808) 768-1591  
<http://www.honolulu.gov>

KIRK CALDWELL  
MAYOR



SHERI T. KAJIWARA  
DIRECTOR

RANDY M. LEONG  
DEPUTY DIRECTOR

March 15, 2019

The Honorable Lorraine R. Inouye, Chair  
The Honorable Breene Harimoto, Vice Chair  
and Members of the Committee on Transportation  
The Honorable Clarence K. Nishihara, Chair  
The Honorable Glenn Wakai, Vice Chair  
and Members of the Committee on Public Safety,  
Intergovernmental, and Military Affairs  
The Senate  
State Capitol, Conference Room 225  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Inouye and Nishihara, Vice-Chairs Harimoto, and Wakai and  
Members of the Committees on Transportation, and Public Safety, Intergovernmental,  
and Military Affairs:

SUBJECT: H.B. No. 394 H.D. 1  
Relating to Highway Beautification

H.B. No. 394, H.D. 1, proposes to allow each county to increase contributions to  
the highway beautification and disposal of abandoned or derelict vehicles revolving fund  
by removing the limit of charging not more than an additional \$1 for each U-drive  
certificate of registration.

The Department Customer Services of the City and County of Honolulu  
**supports the intent** of this measure.

The Highway Beautification and Disposal of Abandoned or Derelict Vehicles  
Revolving Fund (Highway Beautification Fund) established under section 286-51,  
Hawaii Revised Statutes (HRS) is a useful tool for the counties in their effort to maintain  
highways, which include beautification of highways through landscaping and the  
removal and disposal of abandoned and derelict vehicles which is an ongoing issue that  
not only mars the landscape but poses a public health and safety hazard.

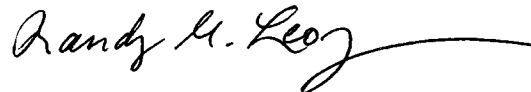
Chairs Inouye and Nishihara, Vice-Chairs Harimoto, and Wakai  
And Members of the Committees on Transportation, and Public Safety,  
Intergovernmental, and Military Affairs  
March 15, 2019  
Page 2

Currently, section 286-51, HRS, caps the fee allowed to be charged by each county for each certificate of registration for U-Drive vehicles to be deposited into the Highway Beautification Fund at \$1. The fee cap imposed on the counties for the certificate of registration for all other vehicles to be deposited into the Highway Beautification Fund is \$2. H.B. No. 394, H.D. 1 proposes to make the fee deposited into the Highway Beautification Fund for the registration of U-Drive motor vehicles consistent with the fee for all other motor vehicles and make any county ordinance that increases a motor vehicle registration fee applicable to U-drive vehicles.

The Department Customer Services has seen an increase in abandoned and derelict vehicles without any commensurate increase to fund this issue. The additional revenue attained from U-Drive registrations will aid our efforts to removing these vehicles from Oahu's roadways.

Thank you for this opportunity to provide testimony in support of the intent of H.B. No. 394, H.D. 1.

Sincerely,

A handwritten signature in black ink that reads "Randy M. Leong". The signature is written in a cursive style with a long, sweeping horizontal line extending to the right.

Randy M. Leong  
Deputy Director

Michael P. Victorino  
Mayor

Sananda K. Baz  
Managing Director



**OFFICE OF THE MAYOR**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov](http://www.mauicounty.gov)

March 14, 2019

The Honorable Lorraine R. Inouye, Chair  
Senate Committee on Transportation

The Honorable Clarence K. Nishihara, Chair  
Senate Committee on Public Safety, Intergovernmental, and Military Affairs

Dear Senator Inouye, Senator Nishihara, and Committee Members:

Re: Hearing of March 18, 2019, Testimony in **SUPPORT OF HB 394 HD 1**, Relating to Highway Beautification

Thank you for the opportunity to testify in **support** for **HB 394 HD 1**. 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.

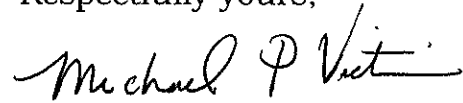
Currently, there are an estimated 20,000 to 25,000 registered U-drive vehicles in Maui County. Maui County could see an estimated \$180,000 to \$225,000 of additional revenue from certificates of registration if this measure passes.

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.

March 14, 2019  
Page 2

Mahalo for your consideration of **HB 394 HD 1**.

Respectfully yours,

A handwritten signature in black ink that reads "Michael P. Victorino". The signature is written in a cursive style with a large initial "M" and a distinct "P" and "V".

MICHAEL VICTORINO  
Maui County Mayor

Council Chair  
Kelly T. King

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
Alice L. Lee  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Maria E. Zielinski

## COUNTY COUNCIL

COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 15, 2019

TO: Honorable Lorraine Inouye, Chair  
Senate Committee on Transportation  
Honorable Clarence Nishihara, Chair  
Senate Committee on Public Safety, Intergovernmental, and Military Affairs

FROM: Yuki Lei Sugimura  
Councilmember

DATE: March 18, 2019

SUBJECT: **SUPPORT OF HB 394 H.D. 1, RELATING TO MOTOR VEHICLES AND HIGHWAY BEAUTIFICATION**

Thank you for the opportunity to testify in SUPPORT this important measure. The purpose of this measure is to make the motor vehicle registration fee for U-drive motor vehicles consistent with the fee for all other motor vehicles. It also makes any county ordinance that increases a motor vehicle registration fee applicable to U-drive vehicles.

The Highway Beautification Fund is an important tool for the removal and disposal of abandoned vehicles from public roadways. This is an ongoing issue throughout Maui County, and will continue to worsen as resident and visitor populations continue to grow.

U-drive motor vehicles utilize roads just like all other vehicles. They should contribute equally to the beautification of our highways. This measure will help to address that discrepancy.

Mahalo for your consideration of HB 394.

Council Chair  
Kelly T. King

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Riki Hokama  
Alice L. Lee  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Maria E. Zielinski

**COUNTY COUNCIL**  
COUNTY OF MAUI  
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[www.MauiCounty.us](http://www.MauiCounty.us)

March 18, 2019

**LATE**

TO: Clarence K. Nishihara  
Honorable , Chair

FROM: G. Riki Hokama  
Councilmember

DATE: March 18, 2019

SUBJECT: **H.B. 394 BILL FOR AND ACT, RELATING TO HIGHWAY  
BEAUTIFICATION**

Thank you for the opportunity to testify in this important measure. The purpose of this measure is .

The Highway Beautification Fund has long been a highly useful tool for Maui County to conduct important operations relating to highways under our jurisdiction, as well as in dealing with abandoned vehicles. Based on projections from Fiscal Year 2018, taking into account the estimated 20,000 to 25,000 registered U-drive vehicles on Maui, the County could see an estimated revenue total around \$200,000 from certificates of registration if this bill were in place.

Making the Statute uniform streamlines administration and collection, and will also provide Maui County with additional revenue. I urge passing of this bill, and thank you for your time and consideration

Sincerely,

*Riki Hokama*

G. Riki Hokama  
Maui County Council – Lanai Seat

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

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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