

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR



January 15, 2020

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
and Members of the Committee on Ways and Means
The Honorable Sylvia J. Luke, Chair
The Honorable Ty J.K Cullen, Vice Chair
and Members of the Committee on Finance
House of Representatives, Capitol Auditorium
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Dela Cruz and Luke, Vice-Chairs Keith-Agaran and Cullen, and
Members of the Committees on Ways and Means and Finance:

SUBJECT: Informational Briefing with County Mayors

Thank you for the opportunity this afternoon to brief you on matters of importance
to the State and City and County of Honolulu.

Hawaii Council of Mayors Package

While my comments will be focused on matters of importance to the City and
County of Honolulu, let me start by emphasizing that the City and County of Honolulu
supports several initiatives proposed by our sister counties, and the four counties are
unified in this effort.

Congestion Pricing Resolution

First, we have a resolution. This resolution would request that the counties
report proposed congestion pricing strategies to the legislature. Congestion pricing is
not a new concept and we see it here in Hawaii all the time with hotel, airline, and
transportation network company (TNC) prices.

While those are the most familiar occurrences for Hawaii residents, there are many more examples throughout the U.S. for congestion pricing related to traffic management. Most of us will be most familiar with toll roads used to ease traffic and pay for infrastructure. With the population in Hawaii increasing each year, we feel it is very important to get ahead of the issues that will come with it, in particular, the increase in traffic.

The report would be useful in helping to identify zones of congestion, possible pricing options for those zones, and possible uses for the revenue generated.

Electric Scooters

The sudden introduction of electric scooters has created a new and challenging safety issue for these new riders, but also for pedestrians and vehicle drivers. Without regulation, there has been chaos. Scooters have been used on streets, sidewalks, and in bike lanes, traveling at whatever speed they want. This has created a hazard for all of our residents. In response, we have proposed a bill that seeks to fix that issue by incorporating electric scooters into the traffic code.

The bill would set requirements for age, speed, safety equipment, insurance, and registration. Furthermore, it would allow the counties to further tailor the requirements to reflect their individual needs.

TNC Regulation

Another booming industry is being run by a number of TNC groups. These companies have been using State and county resources to make a profit for years, and it is only right that they should help to maintain those resources. As it is with taxi cab companies, counties across the country have begun to charge fees to TNC groups:

- Chicago charges a \$0.67 per-ride fee.
- New Orleans charges a \$.50 per-ride fee for each ride originating in the parish.
- New York City charges 8.875% of the total fare, plus either a \$2.75 per-ride fee or \$0.75 for each person per shared ride.
- Philadelphia charges 1.4% of the total fare for each ride originating in the city.
- Portland charges a \$0.50 per-ride fee.

- Seattle charges a \$0.24 per-ride fee on rides originating in the city.
- Washington D.C. charges 6% of the total fare.

As the needs will vary by county, we have proposed a bill that would allow the counties to charge TNC a per-ride fee, set its rate, and determine the most appropriate use of the funds generated.

Gift Certificates

With the expansion of public transportation and movement into new technologies, the city has been exploring the option of expanding the Holo Card to act as a municipal card. We hope that in the future the card could be used for more than just transportation. The card could be used for many things, from accessing city services to feeding the parking meters.

However, in preparation for possible expansion, some issues have come up. To be cautious, Corporation Counsel and the Department of Transportation Services were consulted and it was found that, with some of these expanded uses, Holo Card may fall under the category of a gift certificate. This bill would clarify that gift certificates do not include a card, certificate, or other medium that is, “issued by a county for the purpose of loading and storing value for the purpose of, including but not limited to, paying transit fares and other county fees, or other uses as authorized by the applicable county ordinances.”

Abandoned Vehicles

Per the Hawaii Revised Statutes, Section 290-11, the maximum amount that can be charged for towing an unattended vehicle is \$65, or \$75 for a tow using a dolly.

In addition, the towing company may charge a mileage fee of \$7.50 per mile towed and \$25 per day or fraction of a day for storage for the first seven days and \$20 per day, thereafter.

Furthermore, when the tow occurs between 6:00 p.m. and 6:00 a.m., from Monday through Thursday and from Friday 6:00 p.m. to Monday 6:00 a.m., the towing company can add an overtime charge of \$15.

In the case of a difficult hookup, meaning an above or below ground hookup in a multilevel facility, a towing surcharge of \$30 is also applicable.

This means that given the right circumstances we are looking at \$120 in towing plus, for a 4 mile tow, a \$30 mileage fee, bringing the total to \$150 plus any storage fees.

Working in conjunction with the bills Mayor Kawakami will mention, we have proposed an additional bill to help fund the collection and disposal of abandoned vehicles in our state. This bill would add to the county vehicle tax that is part of the annual registration. It would create an additional \$25 fee that would go straight to the highway beautification fund of the county the vehicle is registered in, specifically for the purpose of dealing with abandoned vehicles.

A collection of \$25 per vehicle, per year, will be used to tow away all vehicles currently in use should they be abandoned in the future, and to get the many other, already abandoned, vehicles off the streets.

Transportation Safety

On the issue of safety, we have also offered a couple of bills that would help to improve safety for users of public transportation. Currently, it is a felony to interfere with the operator of public transit vehicle. However, with the introduction of driverless vehicles, including the Honolulu rail project and the Maui airport shuttle, it becomes even more important that we protect our passengers and get them where they need to go in a safe and timely manner.

The first bill would add the class C felony of, “intentionally, knowingly, or recklessly causing the delay, malfunction, or breakdown of an automated operation of a public transit vehicle, system, or service.”

A class C felony is punishable by up to five years’ imprisonment and a fine of up to \$10,000.

The second bill, while **not** included in the Hawaii Council of Mayors Package, is focused on discouraging bad behavior on public transportation and in transit centers. The bill would increase penalties for certain offenses committed on a public transit vehicle or in a public transit facility to a class C felony. These crimes would include:

- Assault in the third degree
- Terroristic threatening in the second degree
- Sexual assault in the fourth degree
- Criminal property damage in the third

- Criminal property damage in the third degree
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- Disorderly conduct
- Harassment
- Harassment by stalking

All these crimes are currently either a misdemeanor, punishable by up to one year in jail and a fine of up to \$2,000 or a petty misdemeanor, punishable by up to 30 days in jail and a fine of up to \$1,000.

Other Initiatives

As for the City and County of Honolulu in particular, this year our focus will be on helping the state and its counties save on expenses. As such, we have proposed a few bills that we believe will help reduce costs statewide.

Advertisement of Concession Bids

First, we have proposed a bill that would allow the advertisement of calls for bids in the newspaper and online. In particular, allowing advertisement on the government agency's own website would save the cost of publication, and may help to reach a greater audience.

Act 87 Extension

In 2015, the State Legislature passed SB 1090, relating to the employee's retirement system. This Act requires the State and counties to furnish payroll and personnel transaction information to the Employees' Retirement System in the *required format* and requires the State or county to pay to the system in a lump sum at the beginning of the fiscal year the amount equal to the employer contributions payable by the department or agency if a department or agency fails to provide the information in the required format. Furthermore, the Act requires any unpaid amounts to bear interest.

This Act is set to come into effect this coming fiscal year. However, it has been the concern of some of the departments, that the “required format” is still unclear.

The proposed bill would delay the effective date of Act 87 to July 1, 2025, in order to allow the ERS to clarify the required format for department compliance. If the effective date is not pushed back, it could result in many fine and interest based costs for all State and county departments.

Election Day

Finally, with the passage of HB 1248 this past legislative session, we have proposed two bills for consideration, aimed at saving both the state and counties money.

With statewide vote by mail and now that there are no longer polling stations located in schools, the need for a state holiday every even numbered year for Election Day is no longer needed.

These two bills would propose a big change. The proposed bills would remove Election Day as a state holiday, and replace it with a day of paid leave every even numbered year.

One version of the bill would allow an employee to take this day of paid leave whenever they should choose, while the other would allow a specific day to be set. In its current form, the day is set be the employee’s date of birth in even numbered years.

The reality is, that for every state holiday, there are certain people who will never be able to take that day off. Police officers, sheriffs, and other emergency responders are forced to work on these state holidays and are paid a higher rate because of it. These bills would allow these public servants to take a day off, and save the state and county money in the process.

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