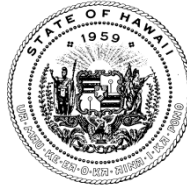


DAVID Y. IGE  
GOVERNOR



**TESTIMONY BY:**

JADE T. BUTAY  
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LYNN A.S. ARAKI-REGAN  
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**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 25, 2020  
12:40 P.M.  
State Capitol, Room 211

**S.B. 2783**  
**RELATING TO REGISTRATION FEES**

Senate Committee on Ways and Means

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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 State Highway Fund. This bill seeks to exempt Hawaii resident disabled veterans that have a service-connected 50 percent disability rating and has been other than dishonorably discharged from the full payment of the annual motor vehicle registration fees. Instead, this bill proposes a fifty-percent reduction of the annual motor vehicle registration fee, which could decrease vehicle registration revenues by approximately \$94,275. 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, Halve Vehicle Registration Fees for Disabled Veterans

BILL NUMBER: SB 2783

INTRODUCED BY: GABBARD, Baker, Keith-Agaran, Shimabukuro, L. Thielen

EXECUTIVE SUMMARY: Reduces the annual vehicle registration fee by fifty per cent for disabled veterans who are fifty per cent or more disabled. 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 section 249-31.5, HRS, to provide that a disabled veteran who: (1) is a resident of Hawaii; (2) has been other than dishonorably discharged from the United States uniformed armed forces; and (3) is determined by the United States Department of Veterans Affairs or its predecessor to have a service-connected fifty per cent or greater disability rating for compensation or a service-connected disability rating of fifty per cent or greater; shall pay a reduced annual vehicle registration fee as required by section 249-31 equal to fifty per cent of the amount required under that section; provided that this reduced fee shall not extend to any vehicle used for commercial purposes or to more than one vehicle owned by the disabled veteran.

EFFECTIVE DATE: Upon approval.

STAFF COMMENTS: STAFF COMMENTS: Section 249-31.5 was added by Act 128, SLH 2015, and provides that 100% 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. 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 generally will have to pick up the additional costs created by this proposed exemption.

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. Why is a 50% disabled veteran financially incapable of paying his or her fair share to maintain the state's highways?

Digested 2/21/2020

**SB-2783**

Submitted on: 2/20/2020 6:02:46 PM

Testimony for WAM on 2/25/2020 12:40:00 PM

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

Comments:

**SB-2783**

Submitted on: 2/25/2020 11:32:35 AM

Testimony for WAM on 2/25/2020 12:40:00 PM

**LATE**

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

Comments:

Dear Honorable Legislative Representatives,

I am in support of this bill. I believe it is a long time coming. As a VA 100% disabled veteran who did not retire from the military, I have not been able to utilize a benefit to reduce the the registration on any of my vehicles. Now I may be able to do this if it passes.

Thank you,

David Fukuzawa

**SB-2783**

Submitted on: 2/25/2020 1:07:30 PM

Testimony for WAM on 2/25/2020 12:40:00 PM

**LATE**

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

Comments: