

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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**SUBJECT:** GENERAL EXCISE, FUEL, Allow county revenues to repair private roadways used by the public

**BILL NUMBER:** HB 2673, SB 2178

**INTRODUCED BY:** HB by ILAGAN; SB by INOUYE, CHANG, Kim

**EXECUTIVE SUMMARY:** Allows certain counties to utilize tax revenues collected by the counties for the repair and maintenance of private roads that are open to and used by the public.

**SYNOPSIS:** Amends section 46-16.8, HRS, to allow each county with a population less than or equal to 500,000 to use county surcharge revenue to be used for private roadways that are open to and used by the public.

Amends section 243-6, HRS, to allow fuel taxes deposited in county highway funds to be used for private roadways that are open to and used by the public.

Makes additional technical and conforming amendments.

**EFFECTIVE DATE:** Upon approval.

**STAFF COMMENTS:** Section 243-6, HRS, provides generally that fuel taxes, both at the state and county levels, are deposited into the highway fund. The highway fund generally funds construction and improvements to our highways and byways.

The Highway Fund is needed under federal law to demonstrate the state's expenditures for transportation infrastructure, which is a requirement to get federal aid for highway construction.

The county surcharge on the General Excise Tax is used in the City & County of Honolulu to support its rail mass transit project. The law creating the county surcharge for the other counties allowed those counties to use the surcharge funds for transportation infrastructure.

It appears that the proposed additional use of highway funds and transportation-related county surcharge revenue is within the spirit of the law. The fuel tax disposition statute, HRS section 243-6, already contains language stating that no expenditures shall be made if they would jeopardize federal aid for highway construction.

Digested: 1/29/2024

**HB-2673**

Submitted on: 1/30/2024 5:06:11 PM

Testimony for TRN on 2/1/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Braja RuthAnne Tarletz	Pu'u'a Community and Road Association	Support	Written Testimony Only

Comments:

My name is Braja RuthAnne Tarletz and I present this testimony in SUPPORT of HB2673 representing myself, Pu'u'ā Community and Road Association, and Kehilat Olam Ejad Ganim / Congregation Gaia Yoga Gardens / aka GaiaYoga Gardens. I realize that as we are not a sub-division, just a community and road association, we probably will not qualify as Authorized Entities. Note we formed the Association with the intent of be able to purchase insurance in order to support our desire to have Railroad Avenue opened to us for at a minimum emergency access. However, as a first step towards rectifying the lack of connectivity in Puna, especially Lower Puna, we are in full support of HB2673. I have available three documents that represent my research and testimony/regarding the public use of private roads and necessity for them to be maintained as otherwise many areas in Hawai'i County are land-locked and /or lava-locked. Following my testimony in these documents is a timeline that is background to the reason I believe that Cinder Road, Railroad Avenue, and Pu'u'ā Road should be maintained by the County to improve, grade, repair or perform other construction work upon said private, nondedicated and non-surrendered roads. The intent behind the measure is to serve public need of ensuring private roads open to the public are at a standard necessary for public transportation and/or public safety. Since the 2018 Lava Flow this is the only access we have of egress and ingress as both of our previous routes are under lava and the third possible route has been blocked (previously there was a gate - we have been told it would be an hour before we could be rescued if Railroad Avenue / Cinder Road route was blocked. We would be dead by then!) I bless Lono Lyman every day for allowing us to use these roads (Cinder Road and Railroad Ave, which is one of our two easements the other being the Chow Easement aka Pu'u'ā Road, formerly know as Noni Farms Road). For us living in this land/lava-locked area this is only a temporary solution so that we are at least to get out safely in the case of an emergency. What I see as the permanent solution is listed after that in the attachments. I am more than thankful and bless G-d for this first important step in a solution. There are many other areas that have similar issues. Resolution No 732 – 18, November 20, 2018: This resolution refers to the opening of Railroad Avenue as an emergency route. I have available the full resolution. This was never enacted! Shaloha, Braja RuthAnne Tarletz, BBA JD MATM (formerly MICS - Master's in Intercultural Studies, Fuller Theological Seminary) Secretary, Pu'u'ā Community and Road Association Secretary / Treasurer Kehilat Olam Ejad Ganim Treasurer, Lower Puna Rising

**HB-2673**

Submitted on: 1/31/2024 11:02:25 AM

Testimony for TRN on 2/1/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Karin Lynn Hoffman	Hawaiian Paradise Park Owners Association	Support	Written Testimony Only

Comments:

I am the President of HPPOA, a private subdivision in the Puna district of Hawaii, and we are required to maintain our roads with funds that the 8,850 owners pay each year. As the second largest subdivision in the country, our roads are traveled by both residents and non-residents each day. At this time, we have half of our roads paved and the main roads that are the arteries to all 166 miles of roads are starting to fall apart for all the usage. Getting help with funds from this Bill would allow us to keep the roads safe for everyone. There are 3 tourist destinations in our development, all of which are at the bottom of the 4 mile long main roads, so we have much public use of our roads. The Main roads alone are 16 miles of roads which will cost us 16 million to repave. Our yearly budget for paving is \$1 million a year, so we will have a difficult time getting them repaved without assistance. We support the use of GET and Fuel tax to help us be able to provide safe roads for the residence and general public.

**HB-2673**

Submitted on: 1/30/2024 3:30:38 PM

Testimony for TRN on 2/1/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Janet Marshall	Individual	Support	Written Testimony Only

Comments:

HOAs should not have to bear the costs of public using their roads without assistance. Please support this bill.

When the Counties were initially formed they took responsibility for all roads used publicly regardless of condition. I can still remember county roads in Hawaii County that were not even paved. One of the functions of government is to provide services that are not possible to be done by private businesses. The military is an example, or in this case public roads.

The roads in my subdivision are used daily as a short cut for hundreds if not thousands of cars to avoid the traffic congestion on Highway 130. The Counties refusal to accept any responsibility for roads that are no up to a standard created after the subdivision was approved is not defensible.

If they are using some quirk in the Sate law as an excuse for shirking their responsibility, I hope this bill will address that short coming.

Thank you

Eileen O'Hara, Ph.D.  
15-2782 Papio Street  
Pahoa, HI 96778

Date: Jan 31, 2024

TO: Transportation Committee, Chair Todd

RE: Support for HB2673

Aloha Chair and Committee members,

The County of Hawaii needs you to pass this important legislation as we have a huge inventory of "private" roads open to the public. While there are similar issues in other counties around the state, Big Island was home to inappropriate land planning from 1958 into the 1970s that created 80,000 developable small lots in substandard subdivisions with no thought of what would occur when these properties became built out. As these substandard subdivisions went under the guise of agricultural lots (some parcels as small as 8,000 sq. ft.) and were sold cheaply, it is now the case that these properties are nearing 50% build out. This has caused the population of Puna to reach over 50,000 individuals and it is still growing faster than any other area of the state.

**With ¼ of the island's population in the Puna district and no legal basis for collecting road fees in most of the island's subdivisions, our privately held roads in some cases are barely passible and cannot accommodate, police, fire, school buses and public transport.** This is a major public safety issue and also part of the reason that Puna is so plagued by crime.

When Hawaii County adopted the one-half percent increase to the GE tax six years ago, it was specific for use on road maintenance/improvement and public transport and was a step in the right direction. Passing Bill 2673 will allow the County to allocate some of its tax revenue towards maintenance and improvements of the vast inventory of privately held subdivision roads which are open to the public.

Respectfully requesting your support of HB 2673

