



DISABILITY AND COMMUNICATION ACCESS BOARD

LATE

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129

February 23, 2022

TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

Senate Bill 3121, Senate Draft 1 – Relating to Funding for Parking for Disabled Persons

The Disability and Communication Access Board (DCAB) strongly supports Senate Bill 3121, Senate Draft 1. The purpose of this bill is to increase the annual vehicle registration fee by \$1.00, which will be deposited into the DCAB accessible parking special account in the DCAB special fund to administer the parking for persons with disabilities program.

DCAB is the State agency responsible for the overall coordination and administration of this federally required program. DCAB coordinates with the counties to issue first time, temporary, and replacement placards. The long term placard renewals are issued through a mail-in process by the DCAB office.

Currently the parking for persons with disabilities program is one hundred percent general funded, except for a small portion of revenue collected and retained by the Counties for issuing replacement and temporary placards.

Because the placard is transferable to any vehicle and only vehicles can park in accessible parking stalls, this program benefits all vehicle owners who potentially can transport a person with a placard. This is a more appropriate financing mechanism than the general fund. The proposed DCAB accessible parking special account in the DCAB special fund ensures the program to be self-sufficient. The COVID-19 pandemic severely impacted the program and without a stable funding mechanism, the parking for persons with disabilities program will be a severe loss for people with disabilities who use their placards daily for transportation to purchase groceries, and attend medical appointments, etc.

The DCAB accessible parking special account will ensure any future economic decline does not disrupt the parking program.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

Kristine Pagano

for KIRBY L. SHAW
Executive Director

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Increase Vehicle Registration Fee to Support Accessible Parking

BILL NUMBER: SB 3121 SD1

INTRODUCED BY: Senate Committees on Human Services and Transportation

EXECUTIVE SUMMARY: Creates an accessible parking special account within the disability and communication access board special fund. Increases the state vehicle registration fee by \$1, to be deposited into the accessible parking special account. Requires all costs associated with the statewide parking program for persons with disabilities to be appropriated from the accessible parking special account beginning July 1, 2023.

SYNOPSIS: Adds a new section to chapter 291, HRS, stating that all costs associated with the statewide parking program for persons with disabilities shall be paid by the new special account.

Adds a new section to chapter 348F, HRS, establishing an accessible parking special account within the disability and communication access board special fund (section 348F-7, HRS).

Amends section 291-31, HRS, to increase the state motor vehicle registration fee by \$1 and earmarking that \$1 to the establishing an accessible parking special account.

EFFECTIVE DATE: January 1, 2023.

STAFF COMMENTS: This is an Administration bill sponsored by the Department of Health and designated HTH-25 (22).

We are providing testimony on the special account component of the bill. The 1989 Tax Review Commission noted that use of special fund financing is a “departure from Hawaii’s sound fiscal policies and should be avoided.” It also noted that special funds are appropriate where the revenues to the funds maintain some direct connection between a public service and the beneficiary of that service. The Commission found that special funds which merely set aside general funds cannot be justified as such actions restrict budget flexibility, create inefficiencies, and lessen accountability. It recommended that such programs can be given priority under the normal budget process without having to resort to this type of financing.

Repeal of special funds enhances transparency and accountability in the budgeting process. The present bill does not add a special fund but it adds a special account within an existing special fund, adding to the complexity of accounting for State funds.

We also need to correct misinformation that was contained in DCAB’s testimony supporting this bill. In its testimony, DCAB asserted: “The DCAB accessible parking special account will ensure any future economic decline does not disrupt the parking program that is required by federal law, The Uniform System for Handicapped Parking, Public Law No. 100-641.” The

Committee Report of the prior committees also referred to a “federally required program,” apparently following this testimony. But there is no such federal requirement. Section 3 of Pub. L. No. 100-641, 102 Stat. 3335 (1988), directs the U.S. Department of Transportation to issue regulations (1) which establish a uniform system for handicapped parking designed to enhance the safety of handicapped individuals, and (2) which encourage adoption of such system by all the States. The regulations so adopted, 23 C.F.R. part 1235, explicitly state that the regulations provide guidelines to the States for the establishment of a uniform system for persons with disabilities and do not say anything about a mandate or a requirement that the States must follow.

Digested: 2/19/2022