

Honolulu, Hawaii  
, 2024

**MAR 14**

RE: S.B. No. 3022  
S.D. 2  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 3022, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to impose a fee on each transportation network company ride, the proceeds of which shall be used on safety projects.

Your Committee received testimony in support of this measure from the Hawai'i State Energy Office; Oahu Metropolitan Planning Organization; Ulupono Initiative; Hawai'i Bicycling League; Hawai'i Appleseed Center for Law & Economic Justice; and two individuals. Your Committee received testimony in opposition to this measure from Uber Technologies. Your Committee received comments on this measure from the Department of Budget and Finance; Department of Taxation; Department of Transportation; and Tax Foundation of Hawaii.

Your Committee finds that rideshare services, also known as transportation network companies, provide a valuable service to the State's residents and visitors. Your Committee further finds that use of a rideshare service is not a one-to-one vehicle trip replacement, as many rideshare drivers log miles of driving



without a passenger. A comprehensive 2021 study of more than forty-four cities concluded that ridesharing in urban areas resulted in a 0.9 percent increase in traffic and that congestion increased by 4.5 percent. Your Committee believes that implementation of a fee on transportation network companies to provide funding for safety measures is in alignment with the State's broader initiative to promote responsible tourism and will promote a sustainable and responsible means of addressing safety issues in the State. Your Committee also finds that a similar fee should be imposed on taxicabs and limousines.

Accordingly, your Committee has amended this measure by:

- (1) Expanding the fee to include rides provided by taxicabs and limousines;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes the concerns raised in testimony by the Tax Foundation of Hawaii that the fee imposed by this measure does not have a nexus with the Safe Routes to Schools Program and may be considered a tax on transportation network companies. Therefore your Committee respectfully requests your Committee on Consumer Protection & Commerce to consider whether the fee should be more appropriately classified as a tax.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3022, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3022, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



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CHRIS TODD, Chair



