

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: HB 2673 HD 2

INTRODUCED BY: House Committee on Judiciary & Hawaiian Affairs

EXECUTIVE SUMMARY: Permits the counties to use county surcharge revenues for maintenance of private roadways that are open to the public. Requires the counties to use fuel taxes for reconstruction, improvement, repair, and maintenance of private roads that are open to the public.

SYNOPSIS: Amends section 46-16.8(f) (1) to allow counties with population greater than 500,000 to use the county surcharge for public roads or highways.

Amends section 46-16.8(h), HRS, to allow counties, regardless of population size to use county surcharge revenue for the maintenance, including flood mitigation, of 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 reconstruction, improvement, repair, and maintenance, including flood mitigation, of private roadways that are open to and used by the public.

Makes additional technical and conforming amendments.

EFFECTIVE DATE: July 1, 3000.

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.

We do recommend, however, that the proviso at the end of current subsection (g) be clarified. As currently phrased, Maui County, which is the only county to adopt the surcharge after 2022,

Re: HB 2673 HD 2

Page 2

is only supposed to use the surcharge revenues for housing infrastructure. If the intent is for this bill to allow Maui to use it on transportation infrastructure as well, the proviso at the end of subsection (g) needs to be amended to permit such a use.

Digested: 2/21/2024

**HB-2673-HD-2**

Submitted on: 2/22/2024 9:54:10 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Darlene	Citizens for Affordable and Sustainable Property Insurance	Support	Written Testimony Only

Comments:

This bill should be passed. The roads in the private subdivisions of the Big Island are used by the public, and should be on the maintenance and improvement list like all roads in the County. People using these roads as well as people living in these subdivisions, created so long ago with permission from both State and County, all pay county taxes, and they deserve to have their roads improved, maintained, and kept safe and passable. YOU should see some roads that get flooded out in heavy rains, present huge potholes that can actually be dangerous. There is no reason for this other than holding on to very old ideas the County set down when these "private" subdivisions were created -- with no county responsibility for roads, sewage, etc. Those times on the Big Island have passed, and it is time to move into the present and future, and this bill gives a good start.

**HB-2673-HD-2**

Submitted on: 2/22/2024 10:13:24 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Amedeo Markoff	Mainstreet Paho Association	Support	Written Testimony Only

Comments:

The Mainstreet Paho Association urges the passage of HD2673 HD2. The Puna district is full of substandard roads that are used by all of the community. These roads were not designed for the usage that they are subjected to now and as our subdivisions get more developed they will simply not be able to be sustainable. Puna is the fastest growing district in the State and this is the only way we can accommodate the growing populace. This is a socioeconomic and civil rights issue as we receive a fraction of funding and services warranted by our evergrowing population.

Sincerely Amedeo Markoff

Mainstreet Paho Association

**HB-2673-HD-2**

Submitted on: 2/21/2024 6:45:58 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
David S Davenport	Individual	Support	Written Testimony Only

Comments:

As a Puna resident in an area with many private roads used by the public, I support using excise taxes to pay for maintenance and other work on private roads.

**HB-2673-HD-2**

Submitted on: 2/21/2024 7:17:05 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

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

Comments:

It is not equitable to require that private citizens pay the costs of roads open to and widely used by the general public. This bill should begin to address this longstanding problem. I urge your support.

**HB-2673-HD-2**

Submitted on: 2/21/2024 7:48:29 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrea Rosanoff	Individual	Support	Written Testimony Only

Comments:

This bill should be passed. The roads in the private subdivisions of the Big Island are used by the public, and should be on the maintenance and improvement list like all roads in the County. People using these roads as well as people living in these subdivisions, created so long ago with permission from both State and County, all pay county taxes, and they deserve to have their roads improved, maintained, and kept safe and passable. YOU should see some roads that get flooded out in heavy rains, present huge potholes that can actually be dangerous. There is no reason for this other than holding on to very old ideas the County set down when these "private" subdivisions were created -- with no county responsibility for roads, sewage, etc. Those times on the Big Island have passed, and it is time to move into the present and future, and this bill gives a good start.

**HB-2673-HD-2**

Submitted on: 2/21/2024 8:19:08 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ruth Love	Individual	Oppose	Written Testimony Only

Comments:

Taxpayers should not be paying for roads in private subdivisions. Unless the private subdivisions have roads that are up to state code already and then are turned over to the state. The subdivision that I am in has been paving a road each year. Our subdivision has pleasant roads because the residents paid dues/assessments to ensure that the roads are good by paving them.

I see other subdivision that do not bother with any or minimal road maintenance. We, the taxpayers, should not subsidize the development of roads in areas where the residents don't make an effort to pave their own roads. Going forward developers should also be required to create roads up to state standards in developments that are created.

Thank you,

Mrs. Ruth Love



**HB-2673-HD-2**

Submitted on: 2/21/2024 10:01:55 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Donald Carroll	Individual	Support	Written Testimony Only

Comments:

Living in the Puna District and frequently using roads that are in need of maintenance.

I fully support this Bill.

My main concern is that favoritism will cause ill feeling. With so many roads needing improvements. Where do you honestly start. Since road improvements also affect land values.

**HB-2673-HD-2**

Submitted on: 2/21/2024 11:09:16 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Mentnech	Individual	Support	Written Testimony Only

Comments:

I support this measure. Roads used by the public are infact public roads, no matter who holds title to the land they sit on. Public safety is a primary function of government, this bill acknowledges that.

**HB-2673-HD-2**

Submitted on: 2/21/2024 11:30:48 PM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lanell Lua	Individual	Support	Written Testimony Only

Comments:

I live in Hawaiian Paradise Park. I strongly support HB2673 HD2. We need help to bring the roads in HPP up to just standard! All help is greatly appreciated. Please pass HB2673 HD2.

Mahalo nui loa,

Lanell Lua

**HB-2673-HD-2**

Submitted on: 2/22/2024 3:03:30 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Braja RuthAnne Tarletz	Individual	Support	Written Testimony Only

Comments:

Honorable House Members of the Committee on Finance - My name is Braja RuthAnne Tarletz and I present this testimony in SUPPORT of HB2673 representing myself, Puua Community and Road Association, and Kehilat Olam Ejad Ganim / Congregation Gaia Yoga Gardens / aka GaiaYoga Gardens. We are in full support of HB2673 (Privately-owned Roadway Maintenance) which permits the counties to use county surcharge revenues for maintenance of public roadways and private roadways that are open to the public. Requires the counties to use fuel taxes for reconstruction, improvement, repair, and maintenance of private roads that are open to the public.

Where we live in Lower Puna (Pu'u'ā per Hawaiian sectioning) there is no public roadway access. To reach us post-lava one must drive Cinder Road (owned by Kapoho Land Partnership, Lono Lyman), Railroad Avenue (same ownership and one of our 2 easements), and Pu'u'ā Road (our other easement, owned by Chow Bros), approximately 3 miles over unpaved private roads. Prior to the lava our access was by easements belonging to others (called Noni Farms Road) directly from the 132. This would be such a blessing to us. In reality it is only a beginning of what we really need.

I have available three documents that represent my research and testimony regarding being land-locked and /or lava-locked and needing at least one alternative route in and out of Lower Puna. I include a timeline regarding what has been done regarding this issue. I also have available Resolution No 732 – 18, November 20, 2018 as I believe it is relevant to this issue. This resolution refers to the opening of Railroad Avenue as an emergency route. I have attached 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'a Community and Road Association

Secretary / Treasurer Kehilat Olam Ejad Ganim

Treasurer, Lower Puna Rising

**HB-2673-HD-2**

Submitted on: 2/22/2024 7:14:01 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Paul D Crawford	Individual	Support	Written Testimony Only

Comments:

East Hawaii is covered in poorly maintained private roads that the property owners cannot afford to maintain. Police, fire, ambulances, all have a very difficult time providing emergency services to the population here, with all the pot holes, ruts, mud and sometimes boulders on the roads. Fed Ex, UPS, water trucks and other vital services have a difficult time as well. This is a dangerous situation. Some kind of fix needs to be done.

Paul Crawford

**HB-2673-HD-2**

Submitted on: 2/22/2024 7:45:40 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Steve Sparks	Individual	Support	Written Testimony Only

Comments:

I support this bill because it will give the citizens the service they need to be safe and will better spend the tax dollars of that people living in Hawaii. The maintenance of roads is necessary for the health of our prosperity of all of Hawaii.

**HB-2673-HD-2**

Submitted on: 2/22/2024 8:01:58 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Barbara Cigainero	Individual	Support	Written Testimony Only

Comments:

Dear Committee Chair and Members:

I am writing in support of HB 2673. Having roads that can be safely traveled by law enforcement and EMS services is in the public interest.

Thank you for your consideration of my position.

Sincerely,

Barbara Cigainero, Keaau, HI

**HB-2673-HD-2**

Submitted on: 2/22/2024 8:35:54 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Renee Rabb	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice-Chair Kitagawa, and Members:

Thank you for allowing me the opportunity to testify in support of HB2673 by Rep. Ilagan which allows the counties to use surcharge revenues for private roadways that are open to the public and requires the counties to use fuel taxes to repair and improve private roads that are open to the public. I live in Hawaiian Paradise Park and our roads are designated as private, although they have become a major short-cut for traffic off of 130. The improvement of these roads would be a benefit to all of us.

Renee Rabb

Hawaiian Paradise Park

Keaau, HI 96749



**HB-2673-HD-2**

Submitted on: 2/22/2024 10:23:03 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Deborah K. Evans	Individual	Support	Written Testimony Only

Comments:

My husband, Terry L> Evans and myself, Deborah K. Evans are in support of HB2673. It is important that all of Hawaii streets receive the maintence required to keep them safe for public use whether they be private or public.

**HB-2673-HD-2**

Submitted on: 2/22/2024 11:37:27 AM

Testimony for FIN on 2/23/2024 11:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Craig Patterson	Individual	Support	Written Testimony Only

Comments:

There is a real and increasing need for another access route between lower Puna and Hilo. Until an actual solution can be negotiated, maintenance of the few partial alternates is extremely important. Failure to do so would not only be inconvenient but potentially dangerous.