H.B. NO. 3114

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 249, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"**§249- Exemptions for members of Hawaii national guard and reserves and active duty military personnel claiming Hawaii as their residence of record.** Passenger motor vehicles owned by members of the national guard and the reserves and active duty members of the armed services, including the Coast Guard, who are in good standing and residents of the State of Hawaii, shall be exempt from vehicle tax and registration fees. This exemption shall not extend to vehicles used for commercial purposes."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2008.

INTRODUCED BY: Calvin K.Y. Say

BY REQUEST

JAN 22 2008

H.B. NO. 3114

Report Title:
Vehicle Tax; Registration Fees Exemptions; Military

Description:
Provides an exemption from motor vehicle tax and registration fees for private vehicles of Hawaii residents who are members of the military, including the National Guard and Coast Guard.

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JUSTIFICATION SHEET

DEPARTMENT: Defense

TITLE: A BILL FOR AN ACT RELATING TO MOTOR VEHICLES.

PURPOSE: To provide vehicle tax and registration fee exemption to members of the National Guard and reserves and active duty military personnel claiming Hawaii residency.

MEANS: Add new section to chapter 249, Hawaii Revised Statutes.

JUSTIFICATION: This exemption initiative is submitted to honor Hawaii residents that have volunteered to serve in the National Guard and reserves, and other armed services, including the Coast Guard. In supporting America's war on terrorism, many Hawaii residents, enlisted in the National Guard, reserves, and other armed services, including the Coast Guard.

This exemption will provide an incentive for retaining these combat experienced soldiers in their respective military units. Additionally, any benefits that the State and counties provide to Hawaii residents who have enlisted in the armed services, including the National Guard, Reserves, and Coast Guard, will assist in recruiting young men and women to become soldiers, sailors, airmen, and marines. Maintaining our military unit strength and personnel readiness is essential, when called upon, to perform its public safety mission. Passage of this measure would provide a tremendous incentive for the members of the National Guard and reserves to continue their membership upon their return from active duty and for active duty personnel to continue to serve their country.

Impact on the public: Loss of revenue to the State and counties is estimated at $2,709,000.

Impact on the department and other agencies: Passage of this measure will provide an incentive to the National Guard, reserves, and active duty armed forces personnel to recruit and retain their troops.

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Department of Transportation will lose revenues generated from the state registration fees and state vehicle weight taxes.

Department of Health will lose revenues generated from state registration fees.

Counties will lose revenues generated from vehicle registration fees, vehicle weight taxes, and beautification fees.

GENERAL FUND: None.

OTHER FUNDS: Loss of state registration fee revenues of $270,900 from the State Highway fund.

Loss of state registration fee revenues of $67,725 from the Emergency Medical Services Special fund.

Loss of state vehicle weight tax revenues of $595,980 from the State Highway fund.

Loss of city registration fee revenues of $277,673.

Loss of city weight tax revenues of $1,428,998.

Loss of beautification fee revenues of $67,725.

PPBS PROGRAM DESIGNATION: None.

OTHER AFFECTED AGENCIES: Department of Taxation, Department of Transportation, Department of Health, and county finance departments.

EFFECTIVE DATE: July 1, 2008.