

STATE OF HAWAII  
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 1153, RELATING TO VETERANS  
PRESENTATION TO THE  
COMMITTEE ON FINANCE

BY

MR. RONALD P. HAN  
DIRECTOR OF THE STATE OFFICE OF VETERANS SERVICES

February 25, 2015

Chair Luke, Vice Chair Nishimoto and Committee members:

I'm Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to provide testimony in support of the concepts in House Bill 1153.

This measure would exempt certain total and permanently disabled veterans from paying the State motor vehicle registration fee. Veterans who qualify must be a resident of Hawaii and be a 100% disabled veteran as determined by the United States Department of Veteran Affairs (VA) and in receipt of disability retirement pay.

These service connected 100% disabled Veterans served valiantly in uniform in support and in sacrifice for our country. The freedoms we enjoy today have been paved by their dedicated and honored service. This is a small token of our appreciation for their heralded duty.

We defer to the agency with direct responsibility for implementation.

The OVS supports the concepts and intent expressed in this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Budget.

Thank you for this opportunity to provide testimony on behalf of Hawaii's Veterans and their families.

# TAXBILLSERVICE

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TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

**SUBJECT:** MOTOR VEHICLE, Exempt motor vehicle registration for disabled veterans

**BILL NUMBER:** SB 343; HB 1153 (Identical)

**INTRODUCED BY:** SB by Gabbard, Espero, Inouye, Shimabukuro and 3 Democrats; HB by Aquino, Cullen, Har, Johanson, LoPresti, Takumi, Yamane, Yamashita and 1 Democrat

**BRIEF SUMMARY:** Adds a new section to HRS chapter 249 to provide that any totally and permanently disabled veteran who is: (1) a resident of Hawaii; (2) other than dishonorably discharged from the U.S. uniformed armed forces; (3) determined by the U.S. Department of Veterans Affairs to have a service-connected 100% disability rating for compensation or a service-connected disability rating of 100%; (4) determined by the U.S. Department of Veterans Affairs as having an annual income of not more than \_\_\_\_\_; and (5) in receipt of disability retirement pay from any branch of the uniformed armed forces, shall not be required to pay any state motor vehicle registration fees provided the exemption shall not extend to vehicles used for commercial purposes, nor to more than one vehicle of the disabled veteran.

**EFFECTIVE DATE:** Upon approval; applicable to motor vehicle registrations occurring on or after September 1, 2015

**STAFF COMMENTS:** This measure proposes to exempt one noncommercial motor vehicle owned by disabled veterans who are residents of the state from the state motor vehicle registration fee. The legislature by Act 141, SLH 2008, exempted from the motor vehicle weight taxes, one noncommercial motor vehicle owned by members of the national guard, reserves, active duty armed services, including the coast guard, who are residents of Hawaii.

The motor vehicle weight tax and registration fees are user charges designed to recover the cost of construction and maintenance of Hawaii's highway system. It should be remembered that all motorists use the state highways and should, therefore, lend a hand in paying for good and safe roads. Note well, that any exemption granted to a select group of users requires that the lost revenues be made up by those who must continue to pay. Motorists who will have to pick up the additional costs created by this proposed exemption should hold those who would propose such an exemption responsible for raising their taxes.

Exemptions based solely on physical condition or age have no place in the tax law and represent poor tax policy. So while the exemption would provide relief to a disabled veteran, a single mom making minimum wage, barely making ends meet, must continue to pay these fees. As such, this proposal cannot be justified. Given that this proposal has been continually introduced, it is hard to imagine that lawmakers have not asked the question as to why they believe that a disabled veteran is financially incapable of paying his or her fair share to maintain the state's highways.

Digested 2/6/15

**Testimony of**

**Thomas Smyth, State Legislative Chair**

**Military Officers Association of America, Hawaii Chapter**

**Before the Committee on Finance**

**Wednesday, February 25, 2015, 2:00 pm, Conference Room 308**

**On**

**HB 1153 Relating to Veterans**

**Chair Luke, Vice Chair Nishimoto and Members of the Committee:**

**Our association of retired and currently serving officers of the seven Uniformed Services strongly supports HB 1153 which exempts qualifying totally and permanently disabled veterans from Hawaii vehicle weight taxes.**

**We owe a great debt to these veterans, many of whom were stationed in Hawaii or trained here before going to war on our behalf. Many other states have provided direct cash bonuses to veterans returning from these conflicts and to those with severe disability ratings. Hawaii has not paid bonuses but can now join in offering this small token of appreciation to them.**

**Many in this specific group of veterans are elderly or have such a disability that they do not drive a car, but at least we can help those who do have to pay these taxes. Many totally disabled veterans have vehicles that are modified due to their disability and the taxes can be fairly high.**

**We urge this committee to pass this long overdue bill.**

**Thank you for the opportunity to provide this testimony.**

**finance8-Melanie**

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**From:** Brooks <boutland@hawaii.rr.com>  
**Sent:** Monday, February 23, 2015 12:23 PM  
**To:** FINTestimony  
**Subject:** HB1153

Aloha :o),

Madam Chairwoman Luke, Vice Chairman Nishimoto, Members of the Committee:

Thank you for allowing me to testify in support of the bill being heard by this Committee today .

Since 2008, efforts to get approval for a full exemption of the Annual Vehicle Registration fees have survived the scrutiny of all Committees having cognizance over this particular bill by an almost unanimous vote, but have failed to get it passed!

Most of the States across the country have already provided this full exemption to the permanently disabled Veterans residing in their states. I do not believe that the State of Hawaii wants to be known as the only state that declares they cannot afford to lose the revenue that this exemption would cause!

If any group of residents of Hawaii deserve this exemption, it is those Veterans who are permanently disabled as a result of their service in our Armed Forces.

All the facts and figures regarding the impact of this exemption are finally available. Last year's disapproval was based on an unrealistically high figure representing lost revenue. In actuality, the undeterminable estimate of the impact is about half the figure which was provided the Finance Committees last year.

It is respectfully requested that this small group of permanently disabled Veterans be granted this full exemption during this session of the Legislature.

Very respectfully & Mahalo nui loa,

Brooks W. Outland, Senior Chief U.S. Navy(Ret) 87-1057 Huamoa Street, Waianae, HI 96792  
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**LATE**

Beverly A. Gotelli  
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February 25, 2015  
2:00 pm Room 308

Testimony in Support HB 1153 Relating to Veterans

Representative Sylvia Luke, Chair  
Representative Scott Nishimoto, Vice Chair

Chair Luke, Vice Chair Nishimoto, Thank you for the opportunity to testify in support of HB 1153. This legislation would exempt qualifying totally and permanently disabled veterans from paying State motor vehicle registration fee.

I'm the spouse of a permanently disabled veteran, my husband went into combat like many young men to defend their country. He came back with many scars. After many years of doctor visits he was deemed disabled, no longer able to hold a full time job. It is very difficult to see your loved one who wants to work but cannot.

I don't know the number of those who would qualify under this bill, but I know it would be appreciated. We all recognize what our veterans have done for us.

I believe our veterans who fall under this bill would greatly benefit. Many are on a fixed income and as the cost of the registration fee goes up some of them may not be able to keep their vehicles. If we want to assist those who are able to work continue to work they will look favorably to this assistance.

I urge the Committee to pass this out to continue the conversation on how we can help our Veterans.