

JAN 26 2011

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE WEIGHT TAX.

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

1 SECTION 1. Section 249-33, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) All vehicles and motor vehicles in the State as
4 defined in section 249-1, including antique motor vehicles,
5 except as otherwise provided in sections 249-3 to 249-6, in
6 addition to all other fees and taxes levied by this chapter,
7 shall be subject to an annual state vehicle weight tax. The tax
8 shall be levied by the county director of finance at the rate of
9 [~~.75~~] 1.75 cents a pound according to the net weight of each
10 vehicle as the "net weight" is defined in section 249-1 up to
11 and including four thousand pounds net weight; vehicles over
12 four thousand pounds and up to and including seven thousand
13 pounds net weight shall be taxed at the rate of [~~1.00-cent~~] 2.00
14 cents a pound; vehicles over seven thousand pounds and up to and
15 including ten thousand pounds net weight shall be taxed at the
16 rate of [~~1.25~~] 2.25 cents a pound; vehicles over ten thousand
17 pounds net weight shall be taxed at a flat rate of [~~\$150-~~]
18 \$300."

S.B. NO. 1329

1 SECTION 2. There is appropriated out of the state highway
2 fund the sum of \$ or so much thereof as may be necessary for
3 fiscal year 2011-2012 and the same sum or so much thereof as may
4 be necessary for fiscal year 2012-2013 for the operations and
5 maintenance of the state highways program.

6 The sums appropriated shall be expended by the department
7 of transportation for the purposes of this Act.

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:



13

BY REQUEST

Report Title:

Motor Vehicle; Weight Tax; State Highway Fund; Operations;
Maintenance

Description:

Allows for increase in the State motor vehicle weight tax and
deposits the money into the State Highway Fund.

JUSTIFICATION SHEET

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO MOTOR VEHICLE WEIGHT TAX.

PURPOSE: To provide the Department of Transportation the resources needed to accomplish their primary mission and goals by amending the state vehicle weight tax through increase of the tax.

MEANS: Amend section 249-33(a), Hawaii Revised Statutes.

JUSTIFICATION: To meet the economic needs of the State and preserve the unique quality of life of its residents and visitors to these precious islands, the department of transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. The state land transportation system, however, has not kept pace with our growing economy, land use development patterns, and evolving life styles with its every increasing demand for travel. Programmatic and project needs far exceed the necessary resources available and needed to properly address them. The land transportation system is and will continue to deteriorate as demand for travel continues to increase; costs to manage, construct, and administer the system increase; and opportunities to expand the system come at too high a consequence.

Impact on the public:

The estimated cost impact to the motoring public for the one cent per pound increase in the state vehicle weight tax will be an additional \$26.25 annually for an average 3,500 pound vehicle.

Impact on the department and other agencies:

The increase in revenues for the State Highway Fund will improve the Department's ability to construct, operate and maintain the State Highway System. This would enable the Department to increase the highways CIP and special maintenance programs. The failure of the State to properly maintain the State Highway System may result in sanctions being imposed by the Federal Highway Administration (FHWA) including the loss of federal funds.

The increase in revenues will also improve the Department of Transportation's ability provide state matching funds for the highways federal-aid program. The availability of state matching funds will allow the State to attract its share for federal funds. The normal federal share for projects on the interstate system is 90 percent and for other eligible roadways it is 80 percent.

The state vehicle weight tax is collected by the counties and deposited into the State Highway Fund.

GENERAL FUND: None.

OTHER FUNDS: None.

PBS PROGRAM
DESIGNATION: TRN 595.

OTHER AFFECTED
AGENCIES: Department of Accounting and General Services, Department of Taxation, and counties.

EFFECTIVE DATE: Upon approval.