

STAND. COM. REP. NO. 14

Honolulu, Hawaii

FEB 02 2011

RE: S.B. No. 819
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Transportation and International Affairs,
to which was referred S.B. No. 819 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Transportation to evaluate a vehicle miles traveled pilot program;
- (2) Require the Department to develop one or more pilot programs to test alternatives to motor vehicle fuel taxes; and
- (3) Authorize the Department of Transportation to refund motor vehicle fuel taxes under any pilot program under this measure.

Your Committee received testimony in support of the intent of this measure from the State Department of Transportation. Your Committee received comments from the Electric Auto Association of Honolulu and the Hawaii Automobile Dealers Association.

Your Committee finds that paying less and not having to pay any liquid fuel tax are often viewed as incentives for motorists to purchase or use more fuel efficient motor vehicles or motor vehicles that use alternative sustainable fuel sources. The liquid fuel tax, however, is the primary means of funding the



infrastructure improvements that support motor vehicular travel, regardless of fuel type. As the use of fuel efficient and alternative energy vehicles becomes more prevalent, less gas will be consumed and liquid fuel tax collections will correspondingly diminish. The current method of assessing the motor vehicle liquid fuel tax on a per gallon basis will become less and less effective at generating a stable revenue source to fund the land transportation infrastructure program.

Your Committee further finds that as gas prices recently soared to historic highs, the demand for more fuel efficient vehicles also increased. This correlation shows that the price of gas has a far greater influence than avoidance of paying liquid fuel taxes on encouraging the use of fuel efficient vehicles and alternative energy.

According to testimony of the Department of Transportation, the Department is in the process of evaluating programs similar to the vehicle miles traveled pilot program that are being conducted in other states to determine the efficacy and suitability of such programs in Hawaii. Your Committee believes that the Department should continue with its present plans on its own initiative rather than being required to do so.

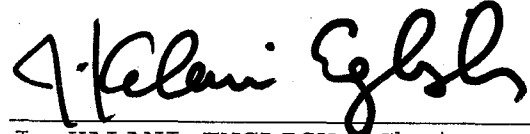
Your Committee has amended this measure by:

- (1) Authorizing the Department of Transportation to establish a vehicle miles traveled pilot program and to develop other pilot programs; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 819, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 819, S.D. 1, and be referred to the Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Transportation and
International Affairs,



J. KALANI ENGLISH, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:* SB 819	Committee Referral: TIA, WAM	Date: 1/28/11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
ESPERO, Will (VC)	✓			
DELA CRUZ, Donovan M.	✓			
GABBARD, Mike	✓			
KAHELE, Gilbert	✓			
KOUCHI, Ronald D.				✓
SLOM, Sam			✓	
TOTAL	5		1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Will Espero</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes