
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that traffic congestion
2 is a serious problem that negatively affects the quality of life
3 for residents and visitors in Hawaii. Congestion on the State's
4 roadways continues to increase, forcing people to spend more
5 time sitting in vehicles and less time being productive at work
6 or with families and friends.

7 The legislature also finds that visitors make up a large
8 proportion of public highway users.

9 The legislature believes that it is prudent to target this
10 group of highway users to raise revenue for capital improvements
11 to Hawaii's highways, which will relieve congestion and improve
12 the quality of life for both residents and visitors.

13 The purpose of this Act is to create a pilot project to use
14 fees from the rental of motor vehicles leased at state airports
15 to fund projects to increase highway capacity and relieve
16 traffic congestion.

17 Specifically, this Act:



1 (1) Creates a user fee of \$ for each day, or
2 portion of a day, that a rental motor vehicle is
3 rented from a rental motor vehicle concession located
4 in an airport; and

5 (2) Deposits the fee revenue into the state highway fund;
6 provided that the revenue shall be used to fund
7 highway capital projects that addresses various
8 capacity issues statewide.

9 SECTION 2. Chapter 261, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§261- Supplemental rental motor vehicle user fee. (a)
13 Subject to subsection (d), and in addition to a rental motor
14 vehicle customer facility charge authorized by section 261-7(h),
15 the department shall levy, assess, and collect a supplemental
16 rental motor vehicle user fee of \$ for each day, or any
17 portion of a day, that a rental motor vehicle is rented or
18 leased from a rental motor vehicle concession at an airport.

19 (b) The supplemental rental motor vehicle user fee shall
20 be collected by lessors, as defined in section 437D-3, who shall
21 pay the charges collected to the department.



1 (c) The department shall deposit the revenues collected
2 pursuant to this section into the state highway fund established
3 pursuant to section 248-8.

4 (d) Upon completion of the projects listed in section 248-
5 9(c), the director shall cease levying, assessing, and
6 collecting the supplemental rental motor vehicle user fee
7 established by subsection (a)."

8 SECTION 3. Section 248-9, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§248-9 State highway fund.** (a) Moneys in the state
11 highway fund may be expended for the following purposes:

12 (1) To pay the costs of operation, maintenance, and repair
13 of the state highway system, including without
14 limitation, the cost of equipment and general
15 administrative overhead;

16 (2) To pay the costs of acquisition (including real
17 property and interests therein), planning, designing,
18 construction, and reconstruction of the state highway
19 system and bikeways, including, without limitation,
20 the cost of equipment and general administrative
21 overhead;



- 1 (3) To reimburse the general fund for interest on and
2 principal of general obligation bonds issued to
3 finance highway projects where the bonds are
4 designated to be reimbursable out of the state highway
5 fund; and
- 6 (4) To pay the costs of construction, maintenance, and
7 repair of county roads; provided that none of the
8 funds expended on a county road or program shall be
9 federal funds when such expenditure would cause a
10 violation of federal law or a federal grant agreement.
- 11 (b) At any time, the director of transportation may
12 transfer from the state highway fund all or any portion of
13 available moneys determined by the director of transportation to
14 exceed one hundred thirty-five per cent of the requirements for
15 the ensuing twelve months for the state highway fund as
16 permitted by and in accordance with section 37-53. For purposes
17 of the determination, the director of transportation shall take
18 into consideration:
- 19 (1) The amount of federal funds and bond funds on deposit
20 in, and budgeted to be expended from, the state
21 highway fund during the period;



- 1 (2) Amounts on deposit in the state highway fund that are
- 2 encumbered or otherwise obligated;
- 3 (3) Budgeted amounts payable from the state highway fund
- 4 during the period;
- 5 (4) Revenues anticipated to be received by and
- 6 expenditures to be made from the state highway fund
- 7 during the period based on existing agreements and
- 8 other information for the ensuing twelve months; and
- 9 (5) Any other factors as the director of transportation
- 10 shall deem appropriate.

11 (c) Notwithstanding subsections (a) and (b), the
 12 department of transportation shall expend revenues generated
 13 from the supplemental rental motor vehicle user fee deposited
 14 into the state highway fund pursuant to section 261- for
 15 capacity road projects statewide."

16 SECTION 3. Section 437D-8.4, Hawaii Revised Statutes, is
 17 amended by amending subsection (a) to read as follows:

18 "(a) Notwithstanding any law to the contrary, a lessor may
 19 visibly pass on to a lessee:

- 20 (1) The general excise tax attributable to the
- 21 transaction;



- 1 (2) The vehicle license recovery fees, prorated at 1/292nd
2 of the annual vehicle license recovery fees actually
3 paid on the particular vehicle being rented for each
4 full or partial twenty-four-hour rental day that the
5 vehicle is rented; provided the total of all vehicle
6 license recovery fees charged to all lessees shall not
7 exceed the annual vehicle license recovery fees
8 actually paid for the particular vehicle rented;
- 9 (3) The surcharge taxes imposed in chapter 251
10 attributable to the transaction;
- 11 (4) The county surcharge on state tax under section 46-
12 16.8; provided that the lessor itemizes the tax for
13 the lessee; [and]
- 14 (5) The rents or fees paid to the department of
15 transportation under concession contracts negotiated
16 pursuant to chapter 102, service permits granted
17 pursuant to title 19, Hawaii Administrative Rules, or
18 rental motor vehicle customer facility charges
19 established pursuant to section 261-7; provided that:



- 1 (A) The rents or fees are limited to amounts that can
- 2 be attributed to the proceeds of the particular
- 3 transaction;
- 4 (B) The rents or fees shall not exceed the lessor's
- 5 net payments to the department of transportation
- 6 made under concession contract or service permit;
- 7 (C) The lessor submits to the department of
- 8 transportation and the department of commerce and
- 9 consumer affairs a statement, verified by a
- 10 certified public accountant as correct, that
- 11 reports the amounts of the rents or fees paid to
- 12 the department of transportation pursuant to the
- 13 applicable concession contract or service permit:
- 14 (i) For all airport locations; and
- 15 (ii) For each airport location;
- 16 (D) The lessor submits to the department of
- 17 transportation and the department of commerce and
- 18 consumer affairs a statement, verified by a
- 19 certified public accountant as correct, that
- 20 reports the amounts charged to lessees:
- 21 (i) For all airport locations;



- 1 (ii) For each airport location; and
- 2 (iii) For each lessee;
- 3 (E) The lessor includes in these reports the
- 4 methodology used to determine the amount of fees
- 5 charged to each lessee; and
- 6 (F) The lessor submits the above information to the
- 7 department of transportation and the department
- 8 of commerce and consumer affairs within three
- 9 months of the end of the preceding annual
- 10 accounting period or contract year as determined
- 11 by the applicable concession agreement or service
- 12 permit.

13 The respective departments, in their sole discretion,
14 may extend the time to submit the statement required
15 in this subsection. If the director determines that
16 an examination of the lessor's information is
17 inappropriate under this subsection and the lessor
18 fails to correct the matter within ninety days, the
19 director may conduct an examination and charge a
20 lessor an examination fee based upon the cost per hour
21 per examiner for evaluating, investigating, and



1 verifying compliance with this subsection, as well as
2 additional amounts for travel, per diem, mileage, and
3 other reasonable expenses incurred in connection with
4 the examination, which shall relate solely to the
5 requirements of this subsection, and which shall be
6 billed by the departments as soon as feasible after
7 the close of the examination. The cost per hour shall
8 be \$40 or as may be established by rules adopted by
9 the director. The lessor shall pay the amounts billed
10 within thirty days following the billing. All moneys
11 collected by the director shall be credited to the
12 compliance resolution fund[-]; and

13 (6) The supplemental rental motor vehicle user fee imposed
14 in chapter 261- ."

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Highways; Rental Motor Vehicle User Charge; Pilot Project; State Highway Fund

Description:

Creates a supplemental daily rental motor vehicle user fee to be levied, assessed, and collected for rental motor vehicles rented from a rental motor vehicle concession located in any airport. Uses revenues to pay for certain highway projects. Requires the Director of Transportation to cease collecting the supplemental rental motor vehicle fee upon completion of the specified highway projects. (HB2601 HD1)

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