

# S.B. NO. 1011

JAN 25 2017

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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE REGISTRATION.

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

1           SECTION 1. Section 249-31, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§249-31 State registration fee.** (a) All vehicles and  
4 motor vehicles in the State as defined in section 249-1,  
5 including antique motor vehicles, except as otherwise provided  
6 in sections 249-4, 249-6, and 249-31.5, shall be subject to a  
7 [~~\$45~~] \$75 annual vehicle registration fee. The fee shall be  
8 paid each year together with all other taxes and fees levied by  
9 this chapter on a staggered basis as established by each county  
10 as authorized by section 286-51, and the state registration for  
11 that county shall likewise be staggered so that the state  
12 registration fee is due and payable at the same time and shall  
13 be collected together with the county fee. The state  
14 registration fee shall be deemed delinquent if not paid with the  
15 county registration fee. The respective counties shall collect  
16 this fee together with the vehicle registration tax collected  
17 for the county and shall transfer the moneys collected under  
18 this section to the State.

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1 (b) From each annual motor vehicle registration fee, the  
2 director shall deposit [~~\$40~~] \$70 into the state highway fund and  
3 \$5 into the emergency medical services special fund."

4 SECTION 2. There is appropriated out of the state highway  
5 fund the sum of \$ or so much thereof as may be necessary for  
6 fiscal year 2017-2018 for the operations and maintenance of the  
7 state highways program.

8 The sum appropriated shall be expended by the department of  
9 transportation for the purposes of this Act.

10 SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act, upon its approval, shall take effect  
13 on January 1, 2018.

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INTRODUCED BY: 

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BY REQUEST

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**Report Title:**

Motor Vehicles; Annual; Registration Fees; State Highway Fund;  
Operations; Maintenance

**Description:**

Allows for increase in the state motor vehicle registration fee  
and deposits the money into the State Highway Fund.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Transportation

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

PURPOSE: To provide the Department of Transportation with the resources needed to accomplish their primary mission and goals by increasing the state motor vehicle registration fee.

MEANS: Amend section 249-31, 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 increased demand for travel. Programmatic and project needs far exceed the available resources. The land transportation system will continue to deteriorate as demand for travel continues to increase; and costs to manage, construct, and administer the system increase.

The current flow of revenues for both the Federal Highway Trust Fund and the State Highway Fund from their respective fuel taxes are continuously decreasing as automobiles become more fuel efficient and the demand for fuel progressively decreases. As the average fuel economy of motor vehicles improves in accordance with the Corporate Average Fuel Economy standards and the increase in electric, plug-in hybrid electric vehicles and alternative fuel vehicles, it is clear that the current gas fuel tax is not sustainable for future highway funding. The fate of the State's ability to provide safe

and efficient roadways to the public relies upon its ability to acquire the needed funding for all highway programs and projects. With the funding needs of the State Highway Program severely outweighing the revenues being generated through the state fuel tax, more innovative revenue generating programs need to be studied to support the State Highway Fund revenues.

The increase in revenues will provide safer infrastructure enhancements for all users including pedestrians, bicyclists, transit users, and motorists and would positively impact the department's ability to qualify state matching funds for the highways federal-aid program.

Impact on the public: The estimated cost impact on the motoring public is an increase of \$30.00 for each registered motor vehicle. The state motor vehicle registration fee is an annual flat rate fee.

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 Capital Improvement Projects and special maintenance programs. The failure of the State to properly maintain the State Highway System may result in sanctions by the Federal Highway Administration, including the loss of federal funds.

The increase in revenues will also improve the Department of Transportation's ability to provide state matching funds for the highways federal-aid program. 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 registration fee 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: January 1, 2018.