

STAND. COM. REP. NO. **2680**

Honolulu, Hawaii

FEB 16 2024

RE: S.B. No. 3183
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 3183 entitled:

"A BILL FOR AN ACT RELATING TO ROAD USAGE CHARGE PROGRAM,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide authority for a county to impose a mileage-based road usage charge;
- (2) Provide for disposition of funds of a county mileage-based road usage charge;
- (3) Clarify the disposition of funds of a state mileage-based road usage charge; and
- (4) Repeal the maximum amount a driver will pay in a mileage-based road usage charge on June 30, 2028.

Your Committee received testimony in support of this measure from the Department of Transportation, Hawaii State Energy Office, Oahu Metropolitan Planning Organization, one member of the Honolulu City Council, one member of the Kaua'i County Council, and Ulupono Initiative.



Your Committee received testimony in opposition to this measure from the Hawai'i Automobile Dealers' Association and three individuals.

Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that as fuel tax revenues decline, the Department of Transportation supports the adoption of a per-mile road usage charge to provide fair and sustainable funding for the State's road infrastructure. Your Committee further finds that permitting counties to do this will result in lower administrative costs for the state and county agencies tasked with implementing the road usage charge and create more efficiency and simplicity for the traveling public as the State begins transitioning to a fair and sustainable source of transportation funding. This measure will promote fairness and guarantee a continual and equitable source of funding for road maintenance as the State works towards decarbonizing ground transportation.

Your Committee has amended this measure by:

- (1) Adding the definition of "motor vehicle" to the county mileage-based road usage charge;
- (2) Amending the definition of "motor vehicle" in section 431:10C-103, Hawaii Revised Statutes;
- (3) Adding language to authorize the State Highway Fund to be expended for purposes and functions connected with traffic control and preservation of safety on public highways and streets;
- (4) Deleting language that established county subaccounts within the State Highway Fund;
- (5) Adding language to authorize the State Highway Fund to be expended by the counties for the acquisition, design, construction, improvement, repair, and maintenance of pedestrian walkways; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Transportation and Culture and the Arts that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3183, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3183, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
Culture and the Arts,



CHRIS LEE, Chair



