

STAND. COM. REP. NO. 610

Honolulu, Hawaii

**FEB 14 2025**

RE: S.B. No. 1124

S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Sir:

Your Committee on Transportation and Culture and the Arts, to which was referred S.B. No. 1124 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) Establish the retail delivery safety fee of 50 cents to be imposed on a retailer for each transaction involving a non-food item retail delivery in the State;
- (2) Allow the retailer to transfer the fee to the purchaser;
- (3) Create certain exemptions;
- (4) Require the Director of Taxation to deposit the collected fees into the Safe Routes to School Program Special Fund; and
- (5) Allows the Director of Taxation to deposit collected fees that cover the administration of the retail delivery safety fee into the state general fund.

Your Committee received testimony in support of this measure the from Department of Transportation, Hawai'i Appleseed Center for



Law and Economic Justice, Hawai'i Bicycling League, Get Fit Kauai, Ulupono Initiative, and three individuals.

Your Committee received testimony in opposition to this measure from Chamber of Progress and Retail Merchants of Hawaii.

Your Committee received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, and Hawaii Food Industry Association.

Your Committee finds that the increasing number of deliveries into residential neighborhoods has led to growing numbers of large trucks speeding through local communities. Your Committee further finds that funding safety upgrades in residential areas will decrease the risk of dangerous accidents. Therefore, this measure will deposit funds into the Safe Routes to School Program Special Fund to increase public safety for all pedestrians, bicyclists, and other vulnerable roadway users.

Accordingly, your Committee has amended this measure by:

- (1) Exempting a retail delivery for drugs and medical devices from the retail delivery safety fee;
- (2) Exempting a retail delivery from grocery stores, non-food items, from the retail delivery safety fee;
- (3) Changing the retail delivery fee amount from 50 cents to an unspecified amount, to facilitate further discussion on the measure; and
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion.

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. 1124, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1124, S.D. 1, and be referred to your Committees on Commerce and Consumer Protection and Ways and Means.



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



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CHRIS LEE, Chair



