

STAND. COM. REP. NO.

1702

Honolulu, Hawaii

**MAR 18**, 2025

RE: S.B. No. 1473  
S.D. 2  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Transportation, to which was referred S.B. No. 1473, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CENTRAL SERVICES ASSESSMENT,"

begs leave to report as follows:

The purpose of this measure is to amend the transfer of funds for central service expenses from the State Highway Fund, Airport Revenue Fund, and Harbor Special Fund by:

- (1) Limiting the deduction of all receipts and deposits into the funds to 2.5 percent or an unspecified dollar amount, whichever is less; and
- (2) By September 30, 2025, creating a process to deduct additional amounts based on the Consumer Price Index.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that a set percentage is deducted from the State Highway Fund, Airport Revenue Fund, and Harbor Special Fund, but there is no way to know in advance how much will be

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available to pay for central service expenses. This measure provides certainty by setting an amount that will be deducted from each fund while also addressing increases in the cost of government services due to inflation by allowing for additional deductions from each fund based on the Consumer Price Index.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider limiting the base deductions to \$5,000,000, as requested by the Department of Transportation.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1473, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1473, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,



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DARIUS KILA, Chair



