IN REPLY REFER TO:

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

February 17, 2009

TESTIMONY OF THE DEPARTMENT OF TRANSPORTATION HOUSE BILL NO. 829

COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS

House Bill 829 provides an exemption from vehicle taxes and registration fees for members of the armed services, including members of the National Guard and Reserves, who were disabled in the line of duty while on active military service.

The Department of Transportation (DOT) supports veterans and understands the efforts to reward their sacrifices for our country with lower fees and charges. However, **the Department must oppose this bill** because it would have an adverse impact on fees that support the operations and maintenance, and construction of our highways.

The exemption from the state registration fee will reduce the revenues deposited into the State Highway Fund. The state registration fee makes up 10 per cent of the total State Highway Fund revenues. At a time when the Highways Division is looking for new ways to generate revenue and maintain current revenue levels, any decrease would be detrimental to the health of the State Highway Fund.