

Honolulu, Hawaii

FEB 19 2009

RE: S.B. No. 1611
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committees on Transportation, International and
Intergovernmental Affairs and Commerce and Consumer Protection, to
which was referred S.B. No. 1611 entitled:

"A BILL FOR AN ACT RELATING TO HIGHWAYS,"

beg leave to report as follows:

The purpose of this measure is to provide revenue for highway
modernization projects.

Specifically, the measure:

- (1) Increases the state liquid fuel tax, state vehicle registration fee, state vehicle weight fee, and rental motor vehicle surcharge tax;
- (2) Creates the land transportation modernization special fund;
- (3) Provides funding for a six-year comprehensive modernization program;
- (4) Authorizes the implementation of one or more pilot programs to test alternatives to current state and county system of motor vehicle fuel taxes; and
- (5) Requires the Department of Transportation to implement the vehicle miles traveled pilot program.



Your Committees received testimony in support of this measure from the Department of Transportation; Department of Taxation; Pacific Resource Partnership; and Hawaii Developers' Council. Testimony in opposition was received from Avis & Budget Rent A Car Hawaii; Alamo Rent A Car; Enterprise Rent-A-Car; National Car Rental; Catrala-Hawaii; Hertz Corp.; and Dollar Rental Car. Comments were received from the Honolulu Driver Licensing Administrator, Tax Foundation of Hawaii, and Hawaii Transportation Association. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that:

- (1) In order 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 safe, efficient, and effective land transportation facilities and infrastructure for the movement of people and goods;
- (2) A modern and efficient land transportation infrastructure system is essential to a healthy and vibrant economic future;
- (3) Congestion on our highway systems has severe detrimental impacts on our economy and the quality of life of Hawaii's people; and
- (4) The condition of our highway system continues to deteriorate at alarming and unacceptable rates.

Your Committees further find that the Department of Transportation's ability to fulfill its critical infrastructure responsibilities with fixed resources is an extreme challenge that continues to intensify due to programmatic and project needs far exceeding the necessary resources available and needed to properly address them. The land transportation system will continue to deteriorate as demand for travel continues to increase, and as costs to manage, construct, and administer the system increase. Opportunities to expand the system come at too high a consequence.

Your Committees are cognizant of the greater challenges in expanding capacity through new or existing traffic corridors as adjoining lands become more urbanized. As open space diminishes, the potential impacts of new capacity enhancement projects become



ever more deleterious. Since the easier, more cost effective routes have often already been used and improvements implemented, the remaining traffic corridor alternatives or options often come with greater geographic and construction challenges, and higher associated costs.

Your Committees also find that infrastructure deterioration continues to progress, with vehicle miles traveled increasing faster than the State's ability to construct additional lanes of travel, thereby resulting in greater congestion. The morning commute on H-1 Freeway from Kapolei into downtown Honolulu has risen to an average of sixty-five minutes and is expected to increase every year. There is a significant human cost to congestion, with ten minutes of time spent in traffic, equating to approximately \$600 per person, per year, and \$3,300 per commercial vehicle, per year.

The Department of Transportation has developed a \$4,000,000,000 comprehensive six-year work plan and financial plan to implement critical programs and projects. As a part of this effort, the Department of Transportation seeks a one-time, infusion of \$2,000,000,000 in capital to aid in rectifying critical deficiencies by pursuing those programs and projects that have the greatest potential to improve the performance categories relating to safety, congestion, system preservation, and other programs and initiatives.

The overall six-year work program is broken down by performance category, by county, and by transportation corridors to better manage, monitor, and inform the public on the progress being made in improving performance. By accelerating the implementation of the identified programs and projects, the Department of Transportation seeks major improvements in the identified performance categories.

Your Committees have amended this measure by:

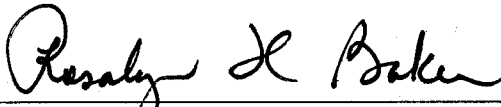
- (1) Deleting the rental motor vehicle surcharge tax increase, which is included in a separate measure;
- (2) Deleting references to the economic conditions of the State as triggering the tax increases;



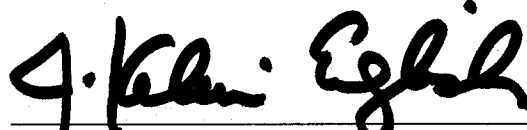
- (3) Making the entire measure effective on July 1, 2012, on the recommendation of the Department of Transportation; and
- (4) Making technical, nonsubstantive amendments.

As affirmed by the records of votes of the members of your Committees on Transportation, International and Intergovernmental Affairs and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1611, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1611, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation,
International and
Intergovernmental Affairs and
Commerce and Consumer
Protection,



ROSALYN H. BAKER, Chair



J. KALANI ENGLISH, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Transportation, International and Intergovernmental Affairs
TIA

Bill / Resolution No.: SB 1611	Committee Referral: TIA/CPN, WAM	Date: 2-11-09							
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____									
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313									
Members	Aye	Aye (WR)	Nay	Excused					
ENGLISH, J. Kalani (C)	✓								
GABBARD, Mike (VC)	✓								
ESPERO, Will	✓								
NISHIHARA, Clarence K.	✓								
SLOM, Sam				✓					
TOTAL	4	—	—	1					
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted									
Chair's or Designee's Signature: 									
<table style="width:100%; border: none;"> <tr> <td style="width:25%;">Distribution:</td> <td style="width:25%;">Original File with Committee Report</td> <td style="width:25%;">Yellow Clerk's Office</td> <td style="width:25%;">Pink Drafting Agency</td> <td style="width:25%;">Goldenrod Committee File Copy</td> </tr> </table>					Distribution:	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy
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***Only one measure per Record of Votes**

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 1611</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">TIA/CPN, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2-11-09</div>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)				✓
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les	✓			
SAKAMOTO, Norman				✓
HEMMINGS, Fred				✓
TOTAL	4	0	0	3
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">[Signature]</div>				
<div style="display: flex; justify-content: space-between;"> <div style="width: 20%;"> Distribution: </div> <div style="width: 80%; text-align: center;"> <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> Original Yellow Pink Goldenrod </div> <div style="display: flex; justify-content: space-around; font-size: 0.7em;"> File with Committee Report Clerk's Office Drafting Agency Committee File Copy </div> </div> </div>				

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