STAND. COM. REP. NO. 15
Honolulu, Hawaii

FEB 0 2 2011

RE: S.B. No. 1329

Honorable Shan S. Tsutsui President of the Senate Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committee on Transportation and International Affairs, to which was referred S.B. No. 1329 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE WEIGHT TAX," begs leave to report as follows:

The purpose and intent of this measure is to increase the state vehicle weight tax, which is deposited into the state highway fund, as follows:

- (1) From 0.75 cent a pound to 1.75 cents a pound for vehicles up to and including four thousand pounds net weight;
- (2) From 1.00 cent a pound to 2.00 cents a pound for vehicles over four thousand pounds and up to and including seven thousand pounds net weight;
- (3) From 1.25 cents a pound to 2.25 cents a pound for vehicles over seven thousand pounds and up to and including ten thousand pounds net weight; and
- (4) From a flat rate of \$150 to a flat rate of \$300 for vehicles over ten thousand pounds net weight;

and appropriate moneys from the state highway fund for the operations and maintenance of the state highways program.

Your Committee received testimony in support of this measure from the State Departments of Transportation and Taxation, and the

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City and County of Honolulu. Testimony in opposition to this measure was received from the Hawaii Transportation Association, Enterprise Rent-A-Car, Alamo Rent-A-Car, and National Car Rental in Hawaii. Comments on this measure were received from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. However, the maintenance of state highways has not kept pace with the State's growing economy, land use development patterns, and increased demand for travel. Land transportation programs and projects will continue to deteriorate as demand for travel continues to increase. Concomitantly, the costs to manage, construct, and administer the transportation system continue to increase.

This measure improves the Department of Transportation's ability to construct, operate, and maintain the state highway system, including funding capital improvement projects and special maintenance programs. Failure to maintain the state highways could result in a loss of federal funding for highways, including state matching funds for highway federal-aid programs.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1329 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Transportation and International Affairs,

J. KALANI ENGLISH, Chair

The Senate Twenty-Sixth Legislature State of Hawaiʻi

Record of Votes Committee on Transportation and International Affairs TIA

| Bill / Resolution No.:* Committee | ee Referral: A, WA | | ite: 1 / 3 | 31/11 |
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| The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: | | | | |
| The Recommendation is: | | | | |
| Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| ENGLISH, J. Kalani (C) | / | | | |
| ESPERO, Will (VC) | | / | | |
| DELA CRUZ, Donovan M. | Sheet and the second se | / | 10 y 100 100 100 100 100 100 100 100 100 | |
| GABBARD, Mike | | | | |
| KAHELE, Gilbert | | 2 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - | 79.23 (V | **** |
| KOUCHI, Ronald D. | | | | The state of the s |
| SLOM, Sam | | | | |
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| TOTAL | 4 | 2 | 1 | · · |
| Recommendation: Adopted Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes