

STATE OF HAWAII
DEPARTMENT OF DEFENSE

TESTIMONY ON HOUSE BILL 1153 SD1, RELATING TO VETERANS
PRESENTATION TO THE
COMMITTEE ON WAYS AND MEANS

BY

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Chair Tokuda; Vice Chair Kouchi and Committee Members:

I'm Ron Han, Director of the State Office of Veterans Services (OVS). I appreciate this opportunity to provide testimony in support of the concepts in House Bill 1153 SD1.

This measure would exempt certain total and permanently disabled veterans from paying the State motor vehicle registration fee. Veterans who qualify must be a resident of Hawaii and be a 100% disabled veteran as determined by the United States Department of Veteran Affairs (VA) and in receipt of disability retirement pay.

These service connected 100% disabled Veterans served valiantly in uniform in support and in sacrifice for our country. The freedoms we enjoy today have been paved by their dedicated and honored service. This is a small token of our appreciation for their heralded duty.

We defer to the agency with direct responsibility for implementation.

The OVS supports the concepts and intent expressed in this measure as long as its implementation does not impact or replace the priorities set forth in the Executive Budget.

Thank you for this opportunity to provide testimony on behalf of Hawaii's Veterans and their families.

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SUBJECT: MOTOR VEHICLE, Exempt motor vehicle registration for disabled veterans

BILL NUMBER: HB 1153, SD-1

INTRODUCED BY: Senate Committees on Public Safety, Intergovernmental and Military Affairs and Transportation

BRIEF SUMMARY: Adds a new section to HRS chapter 249 to provide that any totally and permanently disabled veteran who is: (1) a resident of Hawaii; (2) other than dishonorably discharged from the U.S. uniformed armed forces; (3) determined by the U.S. Department of Veterans Affairs to have a service-connected 100% disability rating for compensation or a service-connected disability rating of 100%; (4) determined by the U.S. Department of Veterans Affairs as having an annual income of not more than _____; and (5) in receipt of disability retirement pay from any branch of the uniformed armed forces, shall not be required to pay any state motor vehicle registration fees provided the exemption shall not extend to vehicles used for commercial purposes, nor to more than one vehicle of the disabled veteran.

EFFECTIVE DATE: July 1, 2020

STAFF COMMENTS: This measure proposes to exempt one noncommercial motor vehicle owned by disabled veterans who are residents of the state from the state motor vehicle registration fee. The legislature by Act 141, SLH 2008, exempted from the motor vehicle weight taxes, one noncommercial motor vehicle owned by members of the national guard, reserves, active duty armed services, including the coast guard, who are residents of Hawaii.

The motor vehicle weight tax and registration fees are user charges designed to recover the cost of construction and maintenance of Hawaii's highway system. It should be remembered that all motorists use the state highways and should, therefore, lend a hand in paying for good and safe roads. Note well, that any exemption granted to a select group of users requires that the lost revenues be made up by those who must continue to pay. Motorists who will have to pick up the additional costs created by this proposed exemption should hold those who would propose such an exemption responsible for raising their taxes.

Exemptions based solely on physical condition or age have no place in the tax law and represent poor tax policy. So while the exemption would provide relief to a disabled veteran, a single mom making minimum wage, barely making ends meet, must continue to pay these fees. As such, this proposal cannot be justified. Given that this proposal has been continually introduced, it is hard to imagine that lawmakers have not asked the question as to why they believe that a disabled veteran is financially incapable of paying his or her fair share to maintain the state's highways.

Digested 4/1/15