

JAN 23 2015

A BILL FOR AN ACT

RELATING TO HARBORS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to address harbors.

2 More specifically, this Act:

3 (1) Requires the fuel taxes paid by ocean-going ships,

4 tugs, and dredges to be deposited into the harbor

5 special fund instead of the boating special fund; and

6 (2) Authorizes the use of harbor special funds for

7 environmental remediation of the waters of or adjacent

8 to commercial harbors.

9 The legislature finds that this Act promotes fairness by
10 requiring the deposit into the harbor special fund of fuel taxes
11 paid by ships. The legislature notes that this Act follows the
12 situation with respect to fuel taxes paid by small boats, which
13 are currently deposited into the boating special fund.

14 The legislature further finds that this Act provides a
15 potential source of funds for environmental clean-up of
16 commercial harbor waters. Other state sources of funds are not



1 sufficient for this activity, necessitating the pursuit of
2 alternatives.

3 SECTION 2. Section 248-8, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§248-8 Special funds in treasury of State.** (a) There
6 are created in the treasury of the State three special funds to
7 be known, respectively, as the state highway fund, the airport
8 revenue fund, and the boating special fund. All taxes collected
9 under chapter 243 in each calendar year, except the "county of
10 Hawaii fuel tax", "city and county of Honolulu fuel tax",
11 "county of Maui fuel tax", and "county of Kauai fuel tax", shall
12 be deposited in the state highway fund; provided that:

13 (1) All taxes collected under chapter 243 with respect to
14 gasoline or other aviation fuel sold for use in or
15 used for airplanes shall be set aside in the airport
16 revenue fund; ~~and~~

17 (2) All taxes collected under chapter 243 with respect to
18 liquid fuel sold for use in or used for small boats
19 shall be deposited in the boating special fund~~[-]~~; and

20 (3) All taxes collected under chapter 243 with respect to
21 liquid fuel sold for use in or used for ocean-going



1 ships, tugs, and dredges shall be deposited in the
2 harbor special fund.

3 (b) As used in this section[7]:

4 "Ocean-going ships, tugs, and dredges" means all vessels
5 and other watercraft operated in overseas transportation beyond
6 the State and ocean-going tugs and dredges.

7 "~~small~~ Small boats" means all vessels and other
8 watercraft except those operated in overseas transportation
9 beyond the State, and ocean-going tugs and dredges.

10 (c) The chairperson of the board of land and natural
11 resources, from July 1, 1992, and every three years thereafter,
12 shall establish standards or formulas that will as equitably as
13 possible establish the total taxes collected under chapter 243
14 in each fiscal year that are derived from the sale of liquid
15 fuel for use in or used for small boats. The amount so
16 determined shall be deposited in the boating special fund.

17 (d) An amount equal to 0.3 per cent of the highway fuel
18 tax but not more than \$250,000 collected under chapter 243 shall
19 be allocated each fiscal year to the special land and
20 development fund for purposes of the management, maintenance,
21 and development of trails and trail accesses under the



1 jurisdiction of the department of land and natural resources
2 established under section 198D-2."

3 SECTION 3. Section 266-19, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is created in the treasury of the State the
6 harbor special fund. All moneys received by the department of
7 transportation from the rates, fees, fines, and administrative
8 penalties pursuant to sections 266-17(a)(1), 266-25, 266-28, and
9 266-30 and liquid fuel taxes pursuant to section 248-8 shall be
10 paid into the harbor special fund. The harbor special fund and
11 the second separate harbor special fund heretofore created shall
12 be consolidated into the harbor special fund at such time as
13 there are no longer any revenue bonds payable from the second
14 separate harbor special fund. The harbor reserve fund
15 heretofore created is abolished.

16 All moneys derived pursuant to this chapter from harbor
17 properties of the statewide system of harbors shall be paid into
18 the harbor special fund and each fiscal year shall be
19 appropriated, applied, or expended by the department of
20 transportation for the statewide system of harbors for any
21 purpose within the jurisdiction, powers, duties, and functions



1 of the department of transportation related to the statewide
 2 system of harbors, including, without limitation, the costs of
 3 operation, maintenance, and repair of the statewide system of
 4 harbors and reserves therefor, and acquisitions (including real
 5 property and interests therein), constructions, additions,
 6 expansions, improvements, renewals, replacements,
 7 reconstruction, engineering, investigation, and planning, for
 8 the statewide system of harbors, all or any of which in the
 9 judgment of the department of transportation are necessary to
 10 the performance of its duties or functions. The environmental
 11 remediation of waters within or adjacent to the statewide system
 12 of harbors shall be an authorized use of the proceeds of the
 13 harbor special fund."

14 SECTION 4. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 5. This Act shall take effect on July 1, 2015.

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Report Title:

Fuel Taxes Paid By Ships; Harbor Special Fund

Description:

Requires fuel taxes paid by ocean-going ships, tugs, and dredges to be deposited into the harbor special fund. Authorizes the use of harbor special funds for environmental remediation of the waters of harbors.

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