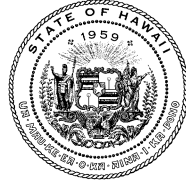


DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

To: The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Wednesday, March 4, 2015
Time: 9:00 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 19, S.D. 1, Relating to Taxation

The Department of Taxation (Department) provides the following comments regarding S.B. 19, S.D. 1, for your consideration.

Section 2 of S.B. 19, S.D. 1, amends section 248-2.6, Hawaii Revised Statutes (HRS), to provide that one-half of the amounts retained by the State, for the costs of assessment, collection, and disposition of the county surcharge on state tax, shall be set aside and dedicated to transit-oriented development projects. S.D.1 has a defective effective date of July 1, 2050.

Section 3 of S.B. 19, S.D. 1, amends Act 247, Session Laws of Hawaii 2005 (Act 247), by: (1) extending the deadline by which the counties must adopt an ordinance to levy a county surcharge on state tax from December 31, 2005 to an unspecified date; and (2) extending the December 31, 2022 sunset date of the Act to December 31, 2047.

Act 247 authorized each county to establish a surcharge on state tax at rates no greater than one-half percent of all gross receipts taxable under chapter 237, HRS, General Excise Tax Law, and chapter 238, HRS, Use Tax Law, to fund public transportation systems in their respective counties. Act 247 also required the Department to levy, assess, and collect the county surcharge on State taxes. On August 10, 2005, the Honolulu City Council passed Ordinance 05-027 to establish the one-half percent surcharge to be collected by the Department beginning January 1, 2007.

If the Legislature wishes to allow the counties to also establish a surcharge, the Department requests that the measure mandate that the surcharge rate be the same for all counties. Different surcharge rates will create administrative and enforcement issues. Different

surcharge rates are also likely to cause taxpayers to improperly source their income to the county with the lowest rate. If the respective county surcharges are imposed at the same rate, there will be no incentive for a taxpayer to improperly source their income.

Due to the substantial number of changes that must be done to the forms, instructions and computer system, the Department requests that the counties affirm their adoption of the surcharge by December 31, 2015, and the effective date be no earlier than January 1, 2018. the Department will not be able to implement the required system changes without sufficient notice and time to plan and develop these changes. As such, section 46-16.8 (a) (2),HRS, should be amended as follows:

"[§46-16.8] County surcharge on state tax. (a) Each county may establish a surcharge on state tax at the rates enumerated in sections 237-8.6 and 238-2.6. A county electing to establish this surcharge shall do so by ordinance; provided that:

(1) No ordinance shall be adopted until the county has conducted a public hearing on the proposed ordinance;

(2) The ordinance shall be adopted prior to December 31, ~~[2005.]~~ 2015; and

(3) No county surcharge on state tax that may be authorized under this section shall be levied prior to January 1, ~~[2007.]~~ 2018."

Thank you for the opportunity to provide comments.

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 19, S.D. 1

March 4, 2015

RELATING TO TAXATION

Senate Bill No. 19, S.D. 1, extends the half percent county surcharge on State tax for the City and County of Honolulu's (C&CH) rail project from December 31, 2022 to December 31, 2047. The bill also:

- Reinstates the ability of the Counties of Hawaii, Kauai and Maui to adopt a half percent county surcharge up to an unspecified date;
- Requires half of the 10% administrative fee going to the State general fund to be set aside and dedicated for transit oriented development projects;
- Requires the Honolulu Authority for Rapid Transportation (HART) to complete the entire rail transit project from downtown Kapolei to East Kapolei to Ala Moana Center to the University of Hawaii at Manoa by December 31, 2047;
- Requires the buildings comprising each rail transit station to be integrated so that all buildings are physically connected, except at the Honolulu International Airport and Pearl Harbor rail stations;
- Requires the C&CH to plan transient oriented development to accommodate the anticipated growth in population;

- Directs the Auditor to conduct ongoing fiscal and management audits of the HART and the rail transit project and report its findings and recommendations to the Legislature 20 days prior to the 2016 regular session and every third session thereafter until the 2047 regular session.

The Department of Budget and Finance would like to inform the Committee that the HART has provided us with written responses to the questions (see attached testimony) that we raised about the financial aspects of the rail project during the February 12th hearing before the Senate Committees on Transportation and Public Safety, Intergovernmental and Military Affairs. We also met with the HART's financial staff to discuss the written responses.

It is our understanding that the HART has provided, or will be providing shortly, copies of this information to the Committee. We believe that the information will be particularly helpful to the Legislature in making an informed decision on extending the half percent county surcharge.

Further, because of the magnitude and complexity of the rail project (it is the largest public works undertaking in the State), we believe that it would be prudent to focus on completing the current scope of the project - the 20 mile route from East Kapolei to Ala Moana Center. We also believe that ongoing monitoring by the Auditor is critical to ensuring that the project gets back and stays on track.

We are willing to assist the Committee in reviewing and analyzing the information provided by the HART.

Attachment

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON TRANSPORTATION AND PUBLIC SAFETY,
INTERGOVERNMENTAL AND MILITARY AFFAIRS
ON
SENATE BILL NO. 19

February 12, 2015

RELATING TO TAXATION

Senate Bill No. 19 makes permanent the half percent county surcharge on State tax for the City and County of Honolulu's (C&CH) rail project.

The Department of Budget and Finance has serious reservations about making the half percent county surcharge permanent based on the information available to date. In order to make an informed decision on any type of extension, we strongly believe that the Honolulu Authority for Rapid Transportation (HART) and City Administration need to provide the Legislature, Governor and taxpayers of the C&CH with, at a minimum, the following information:

- Updated cost projections for all aspects of the rail project's construction and development (i.e., land and right-of-way acquisition, design and project management, construction, equipment, etc.) based on current economic conditions, and identification and explanation of differences greater than \$5.0 million in the updated construction and development cost projections versus the baseline cost projections that were in place when construction contracts were first awarded.
- Updated cost projections for all aspects of the rail's operations and maintenance (i.e., administration, staffing, utilities, maintenance and repairs, etc.) using appropriate inflation indices to adjust costs to the time period

when the rail will be operational, and identification and explanation of differences greater than \$5.0 million in the updated operations and maintenance cost projections versus the baseline cost projections that were in place when construction contracts were first awarded.

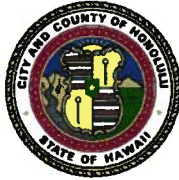
- Updated revenue estimates for all revenue sources for the rail project (i.e., the half percent county surcharge on State tax, federal funds, developer assessments, rider fees, etc.), and identification and explanation of differences greater than \$5.0 million in the updated revenue estimates versus the baseline revenue estimates that were in place when construction contracts were first awarded.
- A detailed accounting of all expenditures and revenues for the rail project from January 1, 2007 to December 31, 2014, and a detailed accounting of all outstanding contract commitments as of December 31, 2014.
- An updated financial plan for the rail project and future rail operations that reflects updated annual revenues and expenditures, annual surpluses (deficits), and ending balances on a cash basis for the period from fiscal year 2013-14 to fiscal year 2033-34.
 - Included in the financial plan should be the amounts necessary each fiscal year to keep the rail project progressing and operating along with an explanation of the financial plan's underlying assumptions.
 - Two financial plan scenarios should be presented:
 - One with the half percent county surcharge sun-setting on December 31, 2022; and
 - Another with the half percent county surcharge sun-setting on December 31, 2027.

- Any proposed bond financing plans with details on size of issue(s), structure and terms, projected interest rates, debt service schedules, repayment pledges, etc.
- Actions being taken or planned to minimize actual and/or anticipated cost overruns.
- Alternative, non-State revenue sources being proposed, including additional funding from the C&CH's sources of revenues, and if no non-State revenue sources are being proposed, an explanation of the reason(s) for not pursuing non-State funding.

Until this information is provided, consideration of any extension of the half percent county surcharge would be premature.

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR
DESIGNATE

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

March 3, 2015

The Honorable Jill N. Tokuda, Chair
and Members of the Committee on Ways and Means
State Senate
State Capitol, Room 207
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Senator Tokuda and Members of the Committee:

SUBJECT: Testimony on Senate Bill No. 19 S.D. 1 Relating to Taxation

First, my sincere appreciation and Mahalo to the Senate for moving this important and critical bill forward to the Committee on Ways and Means. I appreciate this opportunity to file this testimony in strong support of Senate Bill No. 19 S.D. 1.

Over the last two years, as Mayor of the City and County of Honolulu, I have worked with my City team and the Honolulu Authority for Rapid Transportation (HART) to construct a robust multi-modal transportation system that will provide travel options to Oahu's residents and visitors alike, particularly those who live, work, attend school and pass through Oahu's most densely congested leeward urban corridor.

In 1977, the Oahu General Plan designated the Ewa region as the location for a secondary urban center to be developed around a community known as Kapolei. Originally thousands of acres of barren land, today's Kapolei is a thriving and growing community of nearly 40,000, with more than 800 businesses employing over 27,000 local residents.

The success of our plan to grow the Ewa region, build affordable homes and create jobs is evident today in the surface motor vehicle traffic which not only negatively impacts Kapolei, but families, businesses and communities outside Kapolei and beyond.

Building rail was a commitment to these local families, businesses and communities to provide faster, reliable and affordable public transportation options as an alternative to private automobile travel on congested surface roadways. The City

The Honorable Jill N. Tokuda, Chair
and Members of the Committee on Ways and Means
March 3, 2015
Page 2

likewise committed to plan, design and build transit-enhanced neighborhoods, where families, including seniors and those dependent on affordable public transportation, could age-in-place in dense neighborhoods without the need for a car. This commitment prioritized development along the rail line while respecting the wishes of those who wanted to "keep the country country."

We also made mutual commitments with our construction industry and unions, asking them to step-up and provide local skilled laborers in return for our promise to build rail and communities around rail, jobs that will be lost should we retreat on our commitments.

Traffic congestion on Oahu is at unacceptable levels. Building less than the twenty (20) mile twenty-one (21) station fixed guideway minimal operating segment (MOS), or worse, underfunding rail and forcing the cancellation of the project in whole, abdicates on the many commitments collectively made to the people of this great island. As Mayor, that is not my nature and I will continue to ask that we stand firm to our vision for a robust multi-modal transportation system on Oahu.

Building the Locally Preferred Alternative (LPA) by extending multi-modal transportation options to U.H. Manoa and Kapolei would be an even better solution. It adds new value to an extension of the GET and links Oahu's second city to the flagship campus of our University of Hawaii system.

As Mayor of the City and County of Honolulu, we are committed to the rail project. We are building transit-enhanced neighborhoods with the necessary infrastructure to accommodate all modes of travel connecting with rail (pedestrian, bike, bus/handivan and motor vehicle). We are developing electronic fare media which will allow transit riders to make seamless connections between bus and rail using a common fare card (smart card). And we are committed to studying value capture mechanisms through the appointment of a task force to consider all options and an implementation time frame.

Sincerely,

A handwritten signature in black ink, appearing to read "Kirk Caldwell", with a stylized flourish at the end.

Kirk Caldwell
Mayor



HONOLULU AUTHORITY for RAPID TRANSPORTATION

IN REPLY REFER TO:
CMS-AP00-01123

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

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Damien T.K. Kim
Carrie K.S. Okinaga, Esq.

Statement of
DANIEL A. GRABAUSKAS
Executive Director and CEO, Honolulu Authority for Rapid Transportation
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, March 4, 2015
9:00 a.m.
State Capitol, Conference Room 211

In consideration of
SB 19, SD1
RELATING TO TAXATION

Chair Tokuda, Vice Chair Kouchi, and Members of the Senate Committee on Ways and Means,

The Honolulu Authority for Rapid Transportation (HART) supports Senate Bill 19, SD1, which, among other amendments, extends the sunset date of the county surcharge on excise tax to December 31, 2047.

HART believes extending the general excise tax (GET) sunset date of December 31, 2022, is the best option to meet multiple goals. These goals are to: (1) eliminate the current projected deficit; (2) start immediate plans for extensions to the University of Hawaii at Manoa and downtown Kapolei; and (3) create an equitable source of operating subsidy, one-third of which is paid for by visitors to our island.

The Full Funding Grant Agreement (FFGA) provided the City with \$1.55 billion in Federal New Starts funding. The FFGA also states the City has an obligation to complete this project under the time frame specified in the agreement (20 miles, 21 stations, 80 rail vehicles) regardless of any financial challenges the City might encounter. If the City defaults on this agreement, then the City could face even greater fiscal challenges, including repayment of these Federal funds.

HART's major contracts must be advertised by the end of this year and awarded by mid-2016 to stay on schedule. Staying on schedule is critical to prevent costly delays and to comply with the terms of the FFGA. According to State law, Hawaii Revised Statutes Section 103D-309 and Hawaii Administrative Rules Section 3-122-102, pertaining to HART's contracts, the City must have funding in place before HART can award contracts to complete the project. No contracts can be awarded without funding in place.

In addition, Honolulu's construction costs are among the highest in the nation, and rising. HART has consulted with a wide spectrum of the construction industry, including experts who track construction prices across the country as well as here in Hawaii. All projections lead us to believe that construction costs are expected to increase 12% to 15% each year over the next two years. Pushing the project schedule back will mean higher bids and higher costs. For example, on a billion-dollar contract, with these projections, simply waiting a year will cost our taxpayers more than \$120 million to \$150 million with no benefit. Time is money and this is particularly true in the construction field.

Based upon the legal necessity to have funding in place in order to sign contracts, coupled with rapidly rising market costs that are beyond our control, we believe extending the sunset on the GET now is the best course of action.

Thank you for this opportunity to submit written testimony.



IN REPLY REFER TO:
CMS-AP00-01125

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

BOARD OF DIRECTORS

Ivan M. Lui-Kwan, Esq.
CHAIR

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George I. Atta
Robert Bunda
Michael D. Formby
Ford N. Fuchigami
William "Buzz" Hong
Keslie W.K. Hui
Damien T.K. Kim
Carrie K.S. Okinaga, Esq.

Statement of
IVAN LUI-KWAN
Chair of the Board of Directors of the
Honolulu Authority for Rapid Transportation
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, March 4, 2015
9:00 a.m.
State Capitol, Conference Room 211

In consideration of
SB 19, SD1
RELATING TO TAXATION

Chair Tokuda, Vice Chair Kouchi, and Members of the Senate Committee on Ways and Means,

The Board of Directors of the Honolulu Authority for Rapid Transportation (HART) supports Senate Bill 19, SD1, which, among other things, extends the sunset date of the county surcharge on state tax to December 31, 2047.

The HART Board of Directors favors and supports legislative measures which seek to increase the amount of the county surcharge on state tax revenues that will be paid to the City and County of Honolulu for HART to construct the Honolulu Rail Transit Project.

Please find attached Resolution 2015-3 stating the HART Board of Directors' position.

Thank you for this opportunity to provide written testimony.

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2015-3

REGARDING THE POSITION OF THE BOARD OF DIRECTORS OF THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION ON THE COUNTY TAX SURCHARGE PROCEEDS COLLECTED BY THE STATE OF HAWAII FOR THE HONOLULU RAIL TRANSIT PROJECT

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended; and

WHEREAS, with the enactment of Act 247, Hawaii Session Laws 2005, the Hawaii State Legislature authorized the City and County of Honolulu to levy a surcharge of one-half percent on the state general excise and use taxes by ordinance to fund operating or capital costs of a locally preferred alternative (LPA) for a mass transit project, and expenses in complying with the Americans with Disabilities Act of 1990 with respect to such project; and

WHEREAS, on August 10, 2005, the Honolulu City Council passed Ordinance 05-027 which established the one-half percent surcharge to be collected by the State beginning January 1, 2007; and

WHEREAS, through the approval of Ordinance 07-001, the Honolulu City Council selected a fixed guideway system as the LPA for the Honolulu High-Capacity Transit Corridor Project (now known as the Honolulu Rail Transit Project or HRTTP); and

WHEREAS, Ordinance 07-001 requires that the LPA be financed only by general excise and use tax surcharge revenues, interest earned on the revenues, and any federal, state, or private revenues; and

WHEREAS, during the Twenty-Eighth State Legislature (2015-2016), there will be various legislative measures introduced and discussed relating to the county surcharge on state general excise tax; and

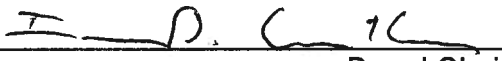
WHEREAS, in order to meet current and future financial needs of the HRTTP, assurance of additional county surcharge amounts for building the HRTTP will enhance HART's ability to avoid using funds from the Federal Transit Administration's Urbanized Area Formula Program (49 U.S.C. §5307), and without adversely impacting the city and county of Honolulu's fiscal status;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. The HART Board of Directors favors and supports legislative measures which seek to increase the amount that will be paid to the City for HART of the county surcharge on state tax revenues to construct the HRTTP; and

2. The HART Executive Director and CEO is authorized to submit testimony on pertinent legislation consistent with the overall policies set forth herein; and
3. This Resolution shall take effect immediately upon its adoption.

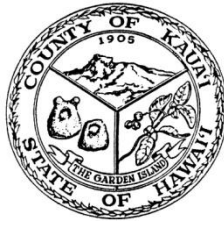
ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on
JAN 29 2015.


Board Chair

ATTEST:


Board Administrator

Bernard P. Carvalho, Jr.
Mayor



Nadine K. Nakamura
Managing Director

OFFICE OF THE MAYOR
County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 235, Lihue, Hawai'i 96766
TEL (808) 241-4900 FAX (808) 241-6877

Testimony of
Mayor Bernard P. Carvalho, Jr.
Before the Senate Committee on Ways and Means
Wednesday, March 4, 2014; 9:00 a.m.

In consideration of
SENATE BILL 19: RELATING TO TAXATION

Aloha, Chair Tokuda and members of the Committee. Allow me to express our support for the overall intent of this measure, which will provide the counties the authority to levy a surcharge on the general excise tax (GET).

As you may know, the Hawai'i Conference of Mayor's (HCOM) submitted a similar proposal this session to allow for up to a 1% surcharge on the GET at the county level, with a portion of the proceeds to be retained by the state for administrative costs. The HCOM proposal is currently being heard in the House as HB 320, and that is the version we prefer.

It is critical that the counties be granted authority to levy a surcharge on the GET. Real property taxes comprise the counties' main source of revenue, followed by the Transient Accommodations Tax (TAT), which as you know is presently capped pending the recommendations of a statewide working group. In recent years, Kaua'i's real property tax rates have been increased so that they now more closely align with state averages. Other revenue sources, such as the vehicle weight tax, the annual vacation rental permit renewal fee, and the vehicle registration fee have been increased as well. Despite these adjustments, we are still challenged with aligning revenues with expenditures, primarily due to the impact of collective bargaining raises.

There are many expensive capital improvements, service improvements and charter-driven obligations that we must find a way to fund in the coming decade. These include: expansion of The Kauai Bus, catching up on \$100 million in deferred roadway repairs and improvements, constructing a new landfill and resource recovery park, and building more affordable housing. Consideration for some flexibility in the use of GET funds to meet a range of important needs would be appreciated. Also, we would appreciate a reasonable timeframe to enact such a surcharge, at least until after there is agreement on a new TAT distribution formula.

For the past two years we have been in discussions with the legislature about expanding our revenue portfolio via the authorization of a county-specific GET surcharge. We feel that being granted this authority, coupled with the adoption of a fair distribution of the TAT, will provide us with the resources we need to enact a sustainable, long-term financial plan. We hope that discussion on this bill – including amendments that would bring it into line with the HCOM proposal – will continue and that agreement may be reached this session.

Mahalo for your consideration.

COUNTY COUNCIL

Mel Rapozo, Chair
Ross Kagawa, Vice Chair
Mason K. Chock
Gary L. Hooser
Arryl Kaneshiro
KipuKai Kualii
JoAnn A. Yukimura

**OFFICE OF THE COUNTY CLERK**

Ricky Watanabe, County Clerk
Jade K. Fountain-Tanigawa, Deputy County Clerk

Telephone (808) 241-4188
Fax (808) 241-6349
Email cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihue, Kauai, Hawaii 96766

March 3, 2015

**TESTIMONY OF JOANN A. YUKIMURA
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 19, SD 1, RELATING TO TAXATION
Committee on Ways and Means
Wednesday, March 4, 2015
9:00 a.m.
Conference Room 211**

Dear Chair Tokuda and Members of the Committee:

Thank you for this opportunity to submit testimony in support of SB 19, SD 1, relating to taxation and the county surcharge on state tax. I am writing as an individual member of the Kauai County Council and Chair of the Housing and Transportation Committee.

As presently written, the bill would extend the sunset date for the City and County of Honolulu's surcharge on state tax for rail and would re-instate the neighbor island counties' authority to levy a county surcharge on state tax earmarked for public transportation (e.g., roads, bus, sidewalks and bikeways), subject also to a sunset date. I strongly and gratefully support the amendment extending the excise tax option to neighbor island counties earmarked for public transportation.

Neighbor Island Land Transportation Systems Deserve Funding Support Similar to the City and County of Honolulu; Growth of Neighbor Island Economies is Important to State of Hawaii.

Granting the neighbor island counties the same option as the City and County of Honolulu to raise revenues for public transportation is both timely and fair. The neighbor islands are at the approximate stage of development as was the City and County of Honolulu in the 1950's and 1960's. If the neighbor island counties can learn from the City and County of Honolulu's experience and use current best practices to develop land transportation systems that are more multi-modal,¹ the counties may be able to avoid some of the mistakes and dilemmas that have haunted Honolulu. On Kauai, it will be difficult, if not impossible, to grow our land transportation system without an earmarked source of money.

¹ I.e., based the "Complete Streets" approach giving balanced support to all modes of land travel: foot, bike, bus and vehicle.

A smooth functioning land transportation system is essential for economic growth. A community stymied in gridlock cannot grow or prosper.² Land transportation is an economic driver, and the State, by virtue of its interest in neighbor island economic growth, has a large stake in well-functioning land transportation systems on the neighbor islands. By authorizing the counties to levy a limited excise tax surcharge and by earmarking the revenues for land transportation, the State will be addressing one of its most pressing issues—traffic and transportation. The earmark will also limit and strategically focus the counties' expenditures on the economic driver that is pivotal for both the State and the counties, thereby helping to generate more excise taxes.

Earmarking Excise Tax Revenues for Transportation is a Better Public Policy Choice than Allowing the Revenues to be added to a County's General Fund for General Purposes.

The excise tax is a regressive tax that disproportionately burdens the lower income and workforce families. It would seem egregious to use these revenues, for example, to offset visitor impacts; using Transient Accommodation Tax (TAT) revenues to offset visitor impacts makes much more sense. Funding collective bargaining increases or solid waste expenses off the backs of poor and middle class families is equally bad. It would be wiser to use the counties' other sources of revenues such as the progressive real property tax system or user fees, which, if used in a "Pay As You Throw ("PAYT") framework will help to reduce garbage and promote re-use and recycling as well as raise revenues. Nor should affordable housing be funded from a regressive tax; more logical sources with a greater nexus are real property taxes from high valued investment properties, conveyance tax surcharges on the conveyance of high priced investment properties, inclusionary zoning and tax credits.

Multi-modal land transportation, especially public transportation, is the best use of the excise tax surcharge revenues. While the excise tax is regressive, those who shoulder the greatest impact will be the greatest beneficiaries if the tax is earmarked for bus expansion and operations.

Earmarking Neighbor Island County Surcharge on State Tax for Transportation Can Nonetheless Increase General Purpose Revenues for the Budgets of Neighbor Island Counties.

The counties have been clamoring for more revenues in general. Earmarking the neighbor island county surcharge on State tax can increase the availability of general fund monies because using the excise tax surcharge revenues for transportation will free up certain amounts of general fund and county highway fund revenues that are presently being used to fund the public transportation systems on the neighbor islands. This will help the neighbor island counties balance their budgets and avoid severe cuts to programs and positions. It is a "win-win" for transportation and for balancing the budget.

² In addition to being the number one complaint of visitors in a recent Kaua'i Visitor Bureau exit survey, traffic congestion is fueling a large anti-development sentiment on Kaua'i. Residents are legitimately asking, "How can the County approve more development when we are caught in a daily gridlock and spend hours on the road right now?"

Two Requests:

1. In setting the deadline for the county to exercise its option, please consider giving the counties at least one year or 18 months. It is my intention, and I believe the County of Kaua'i will exercise that option within six months, but other counties may need more time.
2. Please consider amending the statute to take out the word, "ferry," as one of the transportation modes that qualify for expenditure of excise tax surcharge revenue. It is completely inconsistent with the other listed modes of transportation in that it is not related to land transportation and is certainly a much lower priority than public transportation, roads, bikeways or sidewalks. I do not believe it reflects the intent of the majority of the Legislature.

Summary:

In authorizing the neighbor island counties to levy an excise tax surcharge, the State will be foregoing the excise tax option for itself for several years. By earmarking the revenues for transportation that includes buses, bikeways, sidewalks and motorized vehicles, the State will be funding one of its priorities—economic growth. Without a well-functioning land transportation system on each neighbor island, neighbor island growth will be in jeopardy. SB 19, SD 1 will enable the counties to address this pressing and pivotal issue with a multi-modal approach.

At the same time, earmarking the excise tax revenues for transportation will offer the possibility of freeing up general fund and county highway fund monies currently used for public transportation for other needs. SB 19, SD 1 is "win-win."

For the reasons stated above, I respectfully ask the Committee on Ways and Means to approve this measure. Thank you for this opportunity to provide input. If you have any questions, I can be reached at (808) 652-3988 or jyukimura@kauai.gov.

Very sincerely,

A handwritten signature in black ink, appearing to read "Joann A. Yukimura". The signature is fluid and cursive, with the first name "Joann" being more prominent.

JOANN A. YUKIMURA
Councilmember, Kaua'i County Council

COUNTY COUNCIL

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Ross Kagawa, Vice Chair
Mason K. Chock
Gary L. Hooser
Arryl Kaneshiro
KipuKai Kuali'i
JoAnn A. Yukimura



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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

March 3, 2015

**TESTIMONY OF MASON K. CHOCK
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 19, SD 1, RELATING TO TAXATION
Committee on Ways and Means
Wednesday, March 4, 2015
9:00 a.m.
Conference Room 211**

Dear Chair Tokuda and Members of the Committee:

Thank you for this opportunity to submit testimony in support of SB 19, SD 1, relating to taxation and the county surcharge on state tax. My testimony is submitted in my capacity as an individual member of the Kaua'i County Council.

SB 19, SD 1 in its current form extends the sunset date for the county surcharge on state tax to December 31, 2047, and provides the opportunity for counties who have not implemented the county surcharge on state tax to do so by way of an ordinance. Allowing the neighbor island counties to levy a surcharge on state tax earmarked for public transportation will support economic growth and the development of multi-modal land transportation systems.

Over the years, traffic congestion on Kaua'i has been troublesome for both residents and visitors alike. The continuance of development projects across the island significantly impacts daily traffic flow and affects the economic growth of the county. To provide some relief, I believe the County of Kaua'i is able to improve its transportation system with the support of additional revenue, and earmarking county surcharge revenue for public transportation is a way to support this effort. This earmark could also increase the availability of general fund monies for each county.

For the reasons stated above, I respectfully ask the Committee on Ways and Means to support this measure. Again, thank you for this opportunity to submit testimony. If you have any questions, please feel free to contact the Office of the County Clerk, Council Services Division, at (808) 241-4188.

Sincerely,

MASON K. CHOCK
Councilmember, Kaua'i County Council

AB:lc

AN EQUAL OPPORTUNITY EMPLOYER

COUNTY COUNCIL

Mel Rapozo, Chair
Ross Kagawa, Vice Chair
Mason K. Chock
Gary L. Hooser
Arryl Kaneshiro
KipuKai Kuali'i
JoAnn A. Yukimura

**OFFICE OF THE COUNTY CLERK**

Ricky Watanabe, County Clerk
Jade K. Fountain-Tanigawa, Deputy County Clerk

Telephone (808) 241-4188
Fax (808) 241-6349
Email cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Līhu'e, Kaua'i, Hawai'i 96766

March 3, 2015

TESTIMONY OF KIPUKAI KUALI'I
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 19, SD 1, RELATING TO TAXATION
Committee on Ways and Means
Wednesday, March 4, 2015
9:00 a.m.
Conference Room 211

Dear Chair Tokuda and Members of the Committee:

Thank you for this opportunity to submit comments on SB 19, SD 1, relating to taxation and the county surcharge on state tax. My testimony is submitted in my capacity as an individual member of the Kaua'i County Council and as Chair of the Economic Development / Intergovernmental Relations Committee.

In 2005, the counties were provided the opportunity to levy a county surcharge on state tax for public transportation. However, the counties were only allowed a specific amount of time to implement such tax. Throughout the years, each County's needs have changed and through extensive discussion, the Hawai'i Council of Mayors (HCOM) decided to submit a measure which repeals the deadline for counties wishing to establish a county surcharge on state tax (HB 320). HB 320 also increases the surcharge rate from one half percent (0.5%) to one percent (1%), allows counties with a population of 500,000 or less to use proceeds without restriction, and makes the county surcharge on state tax permanent.

Each island has its own specific needs, and levying a county surcharge on state tax to be used for important government services will support overall economic growth. Although SB 19, SD 1 provides the option for counties to impose a county surcharge, the use of the funds are strictly for public transportation. Thus, I respectfully ask this Committee to consider the language provided in HB 320, to align with the needs important to each county.

Chair Tokuda and Members of the Committee
RE: SB 19, SD 1 Relating to Taxation
March 3, 2015
Page 2

For the reasons stated above, I respectfully ask the Committee on Ways and Means to amend this measure. Again, thank you for this opportunity to submit testimony. If you have any questions, please feel free to contact the Office of the County Clerk, Council Services Division, at (808) 241-4188.

Sincerely,

A handwritten signature in black ink, appearing to read "Kipukai Kualiti".

KIPUKAI KUALITI
Councilmember, Kaua'i County Council

AB:mn



**Testimony to the Senate Committee on Ways and Means
Wednesday, March 4, 2015 at 9:00 A.M.
Conference Room 211, State Capitol**

RE: SENATE BILL 19 SD1 RELATING TO TAXATION

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 19 SD1, which extends the sunset date of the county surcharge on excise tax along with other issues.

The Chamber is the largest business organization in Hawaii, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports an extension of the county surcharge on the excise tax for rail. The Chamber has always supported rail and would like to see the completion of the project as set forth in the Full Funding Grant Agreement between the City & County of Honolulu and the Federal Transit Administration. This transportation solution is in line with one of the Chamber's primary missions: to improve the quality of life for the people of Hawaii, while supporting initiatives that are the catalyst for business growth opportunities. Although the decision is a challenging one and concerns about the financial situation are valid, if we look at the big picture and long-term benefits of this project, we believe that rail will be a positive step for Hawaii.

Thank you for the opportunity to testify.

March 2, 2015

TO: Senator Jill Tokuda, Chair, and Members
Senate Committee on Ways and Means

FROM: Rev. Bob Nakata, Co-Chair
FACE Housing Task Force

**HEARING: Testimony on SB19, SD1 for Hearing on
Wednesday, March 3, 2015, 9:00 a.m.**

Thank you for this opportunity to speak in strong support of SB19, SD1 to extend the 0.5 percent GET surtax for the Honolulu mass transit system. Faith Action for Community Equity (FACE) is a 20-year old interfaith organization which advocates on quality of life issues for those who do not have a voice in the public arena which negatively impact their lives. Housing and homelessness have been such issues throughout FACE's existence. They are in particularly dire condition now.

Affordable rental housing is the solution to literally save people's lives and provide the tens of thousands of affordable housing units that are desperately needed. To provide that housing requires higher densities; hence the need for the transit system. Without it, tens of thousands of our residents will be forced to leave Hawaii, as many already have. We urge you, therefore, to pass SB19, SD1.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcawhawaii.org
Website: www.gcawhawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 4, 2015

TO: HONORABLE JILL TOKUDA, CHAIR, HONORABLE RON KOUCHI, VICE CHAIR AND MEMBERS OF THE SENATE COMMITTEE ON WAYS AND MEANS

SUBJECT: **S.B. 19, SD1 RELATING TO TAXATION.**

Diverts half of the ten per cent administrative fee collected by the State to transit oriented development projects. Extends the ability of other counties to adopt a county surcharge on state tax to an unspecified date. Extends the sunset date of the county surcharge on excise tax to December 31, 2047. Requires the Honolulu authority for rapid transportation (HART) to complete the entire rail transit project by December 31, 2047, including extensions of the project to Ala Moana Center, the University of Hawaii at Manoa, and downtown Kapolei. Requires buildings of each rail transit station to be physically connected. Requires city and county of Honolulu to plan transit oriented development to accommodate anticipated population growth. Requires the auditor to conduct a financial and management audit of the HART and its rail transit project. Effective 7/1/2050.(SD1)

Hearing

DATE: Wednesday, March 4, 2015
TIME: 9:00 a.m.
PLACE: Conference Room 211

Dear Chair Tokuda, Vice Chairs Kouchi and Members of the Committees,

The General Contractors Association of Hawaii (GCA) is an organization comprised of approximately five hundred eighty general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

The GCA is a supporter of the Honolulu Rail Transit project and supports its efforts to ensure the project is completed in its entirety. The funding of the project is the most crucial component to make certain that the project is delivered to the City and County of Honolulu and its residents. With that GCA supports all efforts in finding the most viable solution of funding available and the due diligence required in uncovering all options.

The GCA continues to support the Honolulu Rail Transit Project together with the concerted efforts of all parties involved to plan and construct the rail transit project. All parties must continue to work together to get this project delivered to the residents of the City and County of Honolulu. Rail will provide the most reliable, cost-efficient and convenient transportation pipeline between urban Honolulu and West Oahu. GCA appreciates the opportunity to share its testimony.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

March 3, 2015

The Honorable Jill N. Tokuda, Chair
The Honorable Ronald D. Kouchi, Vice Chair
and members
Committee on Ways and Means
Hawai'i State Senate
Honolulu, Hawai'i 96813

RE: Strong Support for SB19 SD1

Dear Chair Tokuda, Vice Chair Kouchi, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We are in strong support of SB19 SD1, relating to taxation, which among other things would extend the sunset date for the county surcharge on the general excise tax. Such an extension is necessary to ensure completion of the Honolulu Rail Transit project.

Over the past several years, our unions have been strong advocates for the Honolulu Rail Transit project, an important endeavor which will:

- Provide commuters with a fast, safe, and reliable alternative to driving in traffic congestion, eliminating tens of thousands of car trips that would otherwise be taken in private vehicles;
- Generate thousands of jobs in construction, engineering, and related fields, as well as additional indirect jobs in all sectors of our island's economy;
- Create the potential for transit-oriented development to take place in and around station areas, giving families the opportunity to affordably live, work, shop, and play closer to home; and
- Offer a more sustainable future for our island home through reduced CO2 emissions and less dependence on costly, imported oil.

We are proud of the remarkable work that our members have accomplished so far, including relocating utilities along the route, constructing facilities at the Rail Operations Center, drilling and pouring hundreds of shafts and columns, erecting balanced cantilever structures over the H-1 freeway, and casting and erecting numerous segments which comprise the westernmost portion of the guideway. We look forward to having even more members work on this historic project in the years ahead as it advances toward completion.

To ensure the successful completion of the project, to comply with the schedule and requirements set forth in the federal FFGA, and to assure that the benefits of rail can be fully realized for the people of Oahu, we respectfully request that your committees pass SB19 SD1, relating to taxation, to extend the sunset date of the county surcharge on the general excise tax.

Aloha,

A handwritten signature in black ink, reading "Tyler Dos Santos-Tam". The signature is fluid and cursive, with the first name "Tyler" and last name "Tam" being more prominent than the middle name "Dos Santos".

Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiiconstructionalliance.org



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Twenty-Eighth Legislature, State of Hawaii
The Senate
Committee on Ways and Means

Testimony by
Hawaii Government Employees Association
March 4, 2015

S.B. 19, S.D. 1 – RELATING TO TAXATION

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 19, S.D. 1, which extends the county surcharge on the general excise tax for the rail project to the year 2047. While we remain concerned about the increased construction costs above what was originally projected, the residents of Oahu have determined a need for a viable rapid transit system and additional funds are needed to continue the construction of the rail project.

Thank you for the opportunity to testify in support of S.B. 19, S.D. 1.

Respectfully submitted,

Randy Perreira
Executive Director



HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST
650 Iwilei Road, Suite 285 • Honolulu, HI 96817 • Phone: 808-845-3238 • Fax: 808-845-8300

**TESTIMONY OF HAWAII LECET
CLYDE T. HAYASHI - DIRECTOR**

THE SENATE
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

COMMITTEE ON WAYS AND MEANS

Senator Jill Tokuda, Chair
Senator Ronald Kouchi, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 4, 2015
TIME: 9:00 A.M.
PLACE: Conference Room 211
State Capitol
415 South Beretania Street

TESTIMONY ON SENATE BILL NO. 19, SD1, RELATING TO TAXATION.

TO THE HONORABLE JILL TOKUDA, WAM CHAIR, RONALD KOUCHI, WAM VICE CHAIR; AND
MEMBERS OF THE WAYS AND MEANS COMMITTEE:

My name is Clyde T. Hayashi, and I am the Director of Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **STRONG SUPPORT** of Senate Bill No. 19, SD1, which will allow the City and County of Honolulu to extend their .5% GET tax for an additional 25 years, to December 31, 2047.

The Honolulu Rail Project's projected budget shows that the project will cost \$550 million to \$700 million more than originally projected. If 5307 Funds are excluded, then the projected shortfall will be \$910 million. At this point, the only option to allow the Rail Project to be completed is to extend the collection of the county surcharge.

The additional 25 years of surcharge will also allow for the rail extensions to Ala Moana Shopping Center to the University of Hawaii, Manoa and from East Kapolei to West Kapolei.

If this is not approved and if there are no other options, it is very likely that the Rail Project will be killed. That would be terrible for the residents of the City and County of Honolulu. It will eliminate the best solution to our massive traffic problems and it will erase all positive plans to build TOD (transit oriented development), to build affordable housing, and to help to develop the future Honolulu into a modern, sustainable city. It will also be disastrous to the construction industry and to our contractors and members.

For these reasons, we **strongly support** Senate Bill No. 19, SD1, and humbly ask that it passes this committee.



HAWAII OPERATING ENGINEERS INDUSTRY STABILIZATION FUND



*Uniting our strengths and working together
for a better tomorrow.*

Affiliated AFL-CIO
OPEIU - 8 - AFL-CIO (8)

March 2, 2015

Honorable Jill N. Tokuda, Chair
Honorable Ronald D. Kouchi, Vice Chair
And Members of the Committee on Ways and Means
415 South Beretania Street, Room 207
Honolulu, HI 96813

RE: Support of SB 19, SD1 – Relating to Taxation

Chair Tokuda and Members of the Committee,

My name is Kimberly Ribellia, Government Liaison, of the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF), a labor management fund representing 4000 unionized members in heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

HOEISF supports SB 19, SD1 which extends the sunset date of the county surcharge on excise tax to December 31, 2047. The bill requires the Honolulu Authority for Rapid Transportation (HART) to complete the entire rail transit project, including extensions of the project to Ala Moana Center, the University of Hawaii at Manoa, and downtown Kapolei. Diverts half of the ten per cent administrative fee collected by the State to transit oriented development projects, requires buildings of each rail transit station to be physically connected and requires the auditor to conduct a financial and management audit of the HART and its rail transit project.

HOIESF supports the extension of the county surcharge on state tax for a minimum of 25 years. The extension will allow HART to complete the current 20-mile segment of the mass transit system and provide the opportunity to move forward with extension of the transit system to the University of Hawaii at Manoa campus and to Kapolei. Completion of the mass transit system is critical in order to full realize the development potential of Transit-Oriented Development along the 20-plus mile segment and reduce the pressure to build on lands outside the urban growth boundary and focus growth and in-fill in the urban core.

Thank you for this opportunity to testify in this matter.

Sincerely,

A handwritten signature in black ink that reads 'Kimberly Ribellia'.

Kimberly Ribellia
Government Liaison
HOEISF



HAWAII REGIONAL COUNCIL OF CARPENTERS

March 2, 2015

The Honorable Jill N. Tokuda, Chair,
The Honorable Ronald D. Kouchi, Vice Chair, and
Members of the Senate Committee on Ways and Means

Statement of the Hawaii Regional Council of Carpenters on SB 19, SD 1
Relating to Taxation

Wednesday, March 4, 2015
9:00 a.m., Room 211, State Capitol

Dear Chair Tokuda, Vice Chair Kouchi, and members of the committee,

The Hawaii Regional Council of Carpenters represents 6,000 union carpenters and drywall installers in the state. We **support** SB 19, SD 1 to extend the sunset date of the county surcharge on state tax to December 31, 2047, but would prefer lifting the sunset altogether.

The City and County of Honolulu has utilized this provision to fund the Honolulu Rail Transit project. This source of revenue is needed to finance the ongoing rail project, bring in allocated federal funds, and operate the system. This revenue will also create a funding source for approvals and further federal funding for rail extensions to the University of Hawaii at Manoa and downtown Kapolei, allowing rail development to continue without risk of a costly construction halt and restart.

The rail system is the 21st century urban planning catalyst for Hawaii's densest population center. It will provide alternative transportation for long-suffering workers and their families who need to commute to town. It will also provide essential transportation for young students and workers who cannot afford to purchase a vehicle.

We need leadership to see this through. Although recent high bids have come in during an upswing in the construction market, conditions in the years ahead cannot be precisely predicted, and we should not waver with each economic shift. A project of this magnitude will serve us well, despite changing economic trends.

While the cost of the rail system is a serious matter, we must keep in mind that half of the rail transit project is being paid for with the 0.5 percent county surcharge on general excise tax (GET). The combination \$1.55 billion in federal funds with the GET system, which collects a third of its revenue through visitor spending, makes this project both feasible and beneficial.

We have been paying the county surcharge for years, and are prepared to adjust to new information and conditions by continuing to pay for what we get. The value and need for the rail project is high.

Thank you for considering our comments **supporting** SB 19, SD 1.

STATE HEADQUARTERS & BUSINESS OFFICES

OAHU: 1311 Houghtailing Street, Honolulu, Hawaii 96817-2712 • Ph. (808) 847-5761 Fax (808) 841-0300

HILO OFFICE: 525 Kilauea Avenue, Room 205, Hilo, Hawaii 96720-3050 • Ph. (808) 935-8575 Fax (808) 935-8576

KONA OFFICE: 75-126 Lunapule Road, Kailua-Kona, Hawaii 96740-2106 • Ph. (808) 329-7355 Fax (808) 326-9376

MAUI OFFICE: 330 Hookahi Street, Wailuku, Maui 96793-1449 • Ph. (808) 242-6891 Fax (808) 242-5961

KAUAI OFFICE: Kuhio Medical Ctr. Bldg., 3-3295 Kuhio Hwy., Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911



Randy Perreira
President

HAWAII STATE AFL-CIO

345 Queen Street, Suite 500 • Honolulu, Hawaii 96813

The Twenty-Eighth Legislature, State of Hawaii
Hawaii State Senate
Committee on Ways and Means

Telephone: (808) 597-1441

Fax: (808) 593-2149

Testimony by
Hawaii State AFL-CIO
March 4, 2015

S.B. 19, S.D.1 – RELATING TO TAXATION

The Hawaii State AFL-CIO strongly supports S.B. 19, S.D.1 which extends the sunset date of the county surcharge on the excise tax to December 31, 2047, and requires the Honolulu Authority for Rapid Transportation (HART) to complete the entire rail transit project by December 31, 2047, including extensions of the project to Ala Moana Center, the University of Hawaii at Manoa, and downtown Kapolei.

Traffic on Oahu is continually getting worse. Each year, there are thousands of new vehicles on the road creating additional gridlock, increased frustration, and more time spent in a vehicle instead of at home with loved ones. Increasingly, commuters from West Oahu face the daunting reality that traveling to Honolulu or back to West Oahu can take upwards of three to four hours round-trip and on a bad day it could be considerably worse. Rail will help alleviate the daily traffic nightmare that so many commuters face and improve the quality of life for many.

Further, Oahu voters in 2008 approved the Honolulu Rail Transit Project and were promised a rail system that would be operational no later than 2020. In addition, the U.S. Department of Transportation signed a \$1.55 billion federal funding agreement to help build the 20-mile rail project. Unfortunately, lawsuits and other complications caused significant delays resulting in a number of unexpected costs. As a result, the rail project has gone over budget. Without extending or making permanent the half-percent increase to the general excise tax, the HART will not be able to complete the 20-mile planned route and Oahu taxpayers will be on the hook of paying back the federal government the \$1.55 billion they provided. In addition, a shortened rail line may not have as great of an impact reducing traffic.

Consequently, the Hawaii State AFL-CIO strongly urges the passage of S.B. 19, S.D.1 to ensure rail is built as planned.

Thank you for the opportunity to testify.

Respectfully submitted,

Randy Perreira
President



International Brotherhood of Electrical Workers

LOCAL UNION NO. 1186 • Affiliated with AFL-CIO

1935 HAU STREET, ROOM 401 • HONOLULU, HI 96819-5003
TELEPHONE (808) 847-5341 • FAX (808) 847-2224

March 2, 2015

TO: SENATE COMMITTEE ON WAYS & MEANS

For Hearing on Wednesday, March 4, 2015, at 9:00 a.m., in Conf. Rm. 211

RE: TESTIMONY IN STRONG SUPPORT OF SB19 SD1

Honorable Chair Tokuda, Vice Chair Kouchi, and Committee Members,

The **International Brotherhood of Electrical Workers Local Union 1186** represents over 3,400 members working in electrical construction, telecommunications, and with Oceanic Cable. Our members include civil service employees at Pearl Harbor, Hickam, Kaneohe, and military facilities throughout Hawaii. IBEW Local 1186 also represents over 110 signatory electrical contracting companies that perform most of the electrical work in our state.

We strongly support SB19 SD1. The Honolulu Rail project will lessen traffic in the future and provide a viable transportation alternative for those who currently drive, as well as those who are not able to drive their own vehicles, or want to drive less as a family with one car.

Rail will stimulate the local economy with local jobs and revenue, and provide opportunities for smart growth and affordable housing through Transit Oriented Development. Future spurs linking the University of Hawaii at Manoa, Kapolei, or Waikiki will require an extension of the half-percent General Excise Tax. The GE Tax is the best way for Hawaii residents to fund this important public project, and lower costs by having about a third of the revenue come from payments by visitors and non-residents.

For these reasons, IBEW Local Union 1186 strongly supports the passage of SB19 SD1. Thank you for giving us this opportunity to testify.

Mahalo and aloha,

Damien Kim
Business Manager – Financial Secretary
International Brotherhood of
Electrical Workers, Local Union 1186

wam3 - Nicolas

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 03, 2015 12:38 AM
To: WAM Testimony
Cc: darakawa@lurf.org
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|---|--------------------|--------------------|
| David Z. Arakawa | Land Use Research Foundation of Hawaii | Support | No |

Comments: The Land Use Research Foundation of Hawaii SUPPORTS the intent of SB19, SD1, RELATING TO TAXATION, which diverts half of the 10% administrative fee collected by the State to TOD projects. Extends the ability of other counties to adopt a county surcharge on state tax to an unspecified date. Extends the sunset date of the county surcharge on excise tax to 12/31/2047. Requires the HART to complete the entire rail transit project by 12/31/2047, including extensions of the project to Ala Moana Center, the UH at Manoa, and downtown Kapolei. Requires buildings of each rail transit station to be physically connected. Requires C&C to plan TOD to accommodate anticipated population growth. Requires the auditor to conduct a financial and management audit of the HART and its rail transit project. Effective 7/1/2050. (SD1)

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

wam3 - Nicolas

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 02, 2015 4:08 PM
To: WAM Testimony
Cc: zabal7@upwhawaii.org
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM

SB19

Submitted on: 3/2/2015

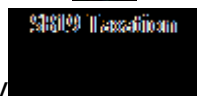
Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|-------------------------------|--------------------|--------------------|
| Al Lardizabal | United Public Workers Support | | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email



webmaster@capitol.hawaii.gov

Testimony of WOEDA in Support of SB 19, SD1

To: Senate Ways and Means Committee

Date: Wednesday, March 4, 2015

Time: 9:00 AM

Place: Conference Room 211 - State Capitol

Honorable Chair and Members of the Committee,

I am Kristi Hirota-Schmidt, representing the members of the West Oahu Economic Development Association, also known as WOEDA, and testifying in support of SB 19, SD1 which extends the general excise tax surcharge to complete the rail project.

Our association is made up of business, community and government leaders dedicated to supporting the economic growth of West Oahu. Our area is the fastest growing population and business base in the state, with the number of businesses here doubling in the past 10 years and many more expected in the future as Kapolei builds out.

For business, time is money. Traffic congestion adds unnecessarily to the cost of doing business. Many of us, our employees and our customers have to travel regularly between downtown Honolulu and Kapolei. Delays due to traffic are more often the norm rather than the exception.

WOEDA believes that the rail project is vital to the success and well being of the “new city” of Kapolei. We strongly support the rail project because it will reduce future traffic congestion, make it easier to travel between town and West Oahu and improve the business climate of our island.

Rail construction is already underway in West Oahu, and HART needs to complete construction and finish the rail project. We are concerned that any delay would only cost the public much more money in the end.

For these reasons, we request your approval of SB 19, SD1.

Thank you for allowing me to provide you with our testimony.

Respectfully on behalf of WOEDA,



Kristi Hirota-Schmidt
President

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Extend county surcharge on state tax

BILL NUMBER: SB 19, SD-1

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

EXECUTIVE SUMMARY: This bill not only allows the City & County of Honolulu to extend the county surcharge on the general excise tax for 25 years past its current sunset date of 2022, but it also allows the other counties to adopt a similar surcharge on or before an unspecified date. The bill also contains provisions that may be seen as micro managing the project – whose project is this anyway? Finally, it attempts to deal with the clearly excessive and unconstitutional 10% siphon of revenues from the tax by mandating that half of it go toward transit oriented development.

BRIEF SUMMARY: Amends HRS section 248-2.6 to provide that of the 10% of the county surcharge retained by the state, one-half shall be set aside and dedicated to transit oriented development projects.

Amends Act 247, SLH 2005, to remove the dates delineated in the section to: (1) allow a county to levy a county surcharge on state tax by _____; (2) extend the date that the ordinance to authorize the imposition of a county surcharge shall be repealed from December 31, 2022 to December 31, 2047; and extend the repeal date of Act 247, SLH 2005, from December 31, 2022 to December 31, 2047.

Requires the Honolulu Authority for Rapid Transit (HART) to complete the entire rail transit project by December 31, 2047 including extensions of the project from Ala Moana shopping center to the University of Hawaii at Manoa and downtown Kapolei.

Requires the buildings comprising each rail transit station to be integrated so that they are physically connected, except at the Honolulu International Airport and Pearl Harbor rail stations.

Directs the City and County of Honolulu to plan transit oriented development to accommodate the anticipated growth in population.

Requires the auditor to conduct ongoing fiscal and management audits of HART and its rail transit project and report findings and recommendations to the 2016 legislature and every third session thereafter until the regular session of 2047.

EFFECTIVE DATE: July 1, 2050

STAFF COMMENTS: This bill relates to the 0.5% surcharge on the general excise tax that is currently imposed in the City and County of Honolulu. It is currently scheduled to sunset on December 31, 2022. This measure would extend the surcharge 25 years to December 31, 2047 and require the entire rail transit project with extensions to be completed by December 31, 2047. The measure also dictates how the rail station buildings should look and directs the City and County of Honolulu to plan transit oriented

development. It looks like the legislature is attempting to “micro mange” the rail transit project which could also add to the cost of the project. Whose project is this, anyway?

The measure would also allow any county to impose a surcharge on state tax. This would increase the cost of living to the county that adopts such a surcharge.

When the surcharge legislation was adopted back in 2006, taxpayers, especially those in Honolulu, were assured that the 0.5% surcharge was going to be temporary. The funds were supposed to be paid to build the system, and not go toward ordinary maintenance. Between HART’s testimony in the subject matter committees and Mayor Caldwell’s State of the City speech, it is now obvious that they want an operating subsidy for the project, which they think is desirable because visitors will pay a third of it according to them.

First, we question the validity of the assumption that one-third of the tax will be paid by visitors. We present the following calculations from Hawaii Tourism Authority and DOTAX data.

| | 2013 | 2012 | 2011 |
|--|----------|----------|----------|
| Total Visitor Expenditures (all data in \$mil) | 14,520.5 | 14,364.8 | 12,254.6 |
| Total Visitor Expenditures in Honolulu | 7,358.7 | 7,672.5 | 6,351.4 |
| Oahu Surcharge on Visitor Spending = 0.5% | 36.8 | 38.4 | 31.8 |
| Oahu Surcharge Collections | 236.6 | 181.6 | 219.6 |
| Oahu Surch. on Visitor Spending as % of All Surch. | 15.55% | 21.13% | 14.46% |

Source: Hawaii Tourism Authority, Dept. of Taxation. Tax Foundation of Hawaii calculations

| | 2013 | 2012 | 2011 |
|--|----------|----------|----------|
| Total Visitor Expenditures (all data in \$mil) | 14,520.5 | 14,364.8 | 12,254.6 |
| GET on Visitor Spending = 4.0% | 580.8 | 574.6 | 490.2 |
| GET Collections | 2,907.6 | 2,844.7 | 2,588.5 |
| GET on Visitor Spending as % of All GET | 19.98% | 20.20% | 18.94% |

Source: Hawaii Tourism Authority, Dept. of Taxation. Tax Foundation of Hawaii calculations

Second, we understand that an operating subsidy was never a part of the justification for the surcharge in the first place. If that is changing and is now a justification for extending the surcharge forever, taxpayers need to know that.

Contributing to the financial woes of the City and County is the fact that the state is siphoning 10% of all surcharge collections into the general fund. This diversion was supposed to represent payment to the

state for the costs incurred in administering the surcharge. After all, the department of taxation collects and enforces the tax and just writes the county a check. But the amount diverted turns out to be a massive amount of money, almost as much as the entire operating budget of the department of taxation, and is obviously far in excess of the costs involved. We believe this diversion to be in violation of the constitutional principle called “intergovernmental tax immunity” – governments don’t tax each other – and is therefore invalid. If all, or some, of these unlawfully collected receipts go back to the City, the problems that the City is now complaining about will be easier to solve.

Specifically, in the fiscal year ending June 30, 2014, about \$242 million was collected for the county surcharge, meaning that the state kept \$24 million. Did it cost that much to collect the surcharge? The Governor’s Budget in Brief says that it takes \$28 million a year for DOTAX to do everything it does, including collecting \$6.34 billion in total taxes other than the county surcharge.

There is a principle in constitutional law called “intergovernmental tax immunity.” The doctrine was established by the United States Supreme Court in *McCulloch v. Maryland*, 17 U.S. (4 Wheat.) 316 (1819), which ruled unanimously that states may not regulate property or operations of the federal government. There, Maryland state law subjected banks not chartered by the state to restrictions and taxes. In particular, Maryland attempted to impose those taxes and restrictions on the Second Bank of the United States, which at the time was the only out-of-state bank in Maryland. “That the power to tax involves the power to destroy,” said the Court, striking down the tax. Some years later, the Court said in *Collector v. Day*, 78 U.S. (11 Wall.) 113 (1870), that the principle also works in reverse, so that the federal government doesn’t have the right to tax state and local governments when they exercise their sovereign functions.

Although the Hawaii Supreme Court hasn’t spoken on the extent to which that principle applies, the constitutional principles should also apply. In order for the state and county governments to coexist within their respective spheres, they should not be burdened by each other, the same as is required for federal and state governments to coexist within their respective spheres. State and county governments aren’t supposed to be taxing each other as well.

The Hawaii Supreme Court has given us some guidelines to distinguish between user fees and taxes. In *State v. Medeiros*, 89 Hawaii 361, 973 P.2d 736 (1999), it said that the courts should analyze whether the charge in question: “(1) applies to the direct beneficiary of a particular service, (2) is allocated directly to defraying the costs of providing the service, and (3) is reasonably proportionate to the benefit received.” Under these principles, the 10% charge is a tax. It fails item (2) because the money collected goes straight to the general fund, and it fails item (3) because this charge brings in what amounts to 85% of DOTAX’s budget while the county surcharge itself makes up less than 4% of the revenues DOTAX collects. As such, it can be seen as a tax on the City & County of Honolulu’s governmental functions and it violates intergovernmental tax immunity.

Alternatively, we can look at the reality that governments don’t pay taxes, but people do. When you take the impost in question as a tax, businesses in the City & County of Honolulu need to pay more into the general fund – presently 4.05% – while those in other counties pay 4.00%. That effectively makes the general excise tax discriminatory against businesses in Honolulu, without a rational basis for the discrimination. Equal Protection concerns are implicated.

To sum up, the 10% siphon off the revenues of the surcharge is unconstitutional. This needs to be fixed. Designating half of it toward transient oriented development does not address the constitutional issues at all.

Above all, lawmakers should be aware that of all the taxes imposed in Hawaii, the general excise tax imposes a serious burden on businesses and individuals alike. It is not only regressive, taking a larger percentage of a poorer family's budget than a high income family's budget, but it also takes its share off the top of a business' income without regard to the profitability of that business.

Digested 3/3/15



Board of Directors

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Chairman and Founder

Keli'i Akina, Ph.D.
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Robin Tijoe

March 4, 2015

9:00 AM

Conference Room 211

To: Senate Committee on Ways and Means

Sen. Jill Tokuda, Chair

Sen. Ronald Kouchi, Vice Chair

From: Grassroot Institute of Hawaii

President Keli'i Akina, Ph.D.

RE: SB 19 -- RELATING TO TAXATION

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer comment on SB 19, which would extend the ability of other counties to adopt a county surcharge on state tax to an unspecified date, extend the sunset date of the county surcharge on excise tax to December 31, 2047, place certain requirements on the completion of the rail project, and require the auditor to conduct a financial and management audit of the HART and its rail transit project.

An audit of the rail transit project is long overdue and would help inform the associated debate about the progress of the project, its costs, actual and projected, and the need for the proposed extension of the surcharge.

However, the fact that this accounting has yet to be done raises the question as to whether it is appropriate to extend the sunset of the surcharge at this time without having all necessary information about the finances of the project.

When the surcharge was first introduced, citizens were told that it was a temporary measure. They were also told that the project was financially sound. In one stroke, the proposed bill exposes these as empty promises. A "temporary" surcharge that is extended 32 years into the future is temporary in name only. By passing this bill, the legislature acknowledges that the rail project will be an endless drain on the taxpayers and that it is not necessary for the project to meet its financial goals, as the legislature has already proven willing to extend taxation as needed to cover costs.

In addition, it is important to consider the long-term effect of continuing the surcharge on the General Excise Tax. The GET surcharge represents a burden on the state's economy, businesses, and citizens and should not be treated lightly.

The nature of the GET already places Hawaii among the worst states for sales and user taxes. The 2014 ALEC-Laffer State Economic Competitiveness Index (otherwise known as *Rich States, Poor States*) ranks Hawaii 50th among all states for its sales tax burden, meaning that the GET contributes a significant negative effect to the state's economic outlook.¹ The Tax Foundation ranks Hawaii 37th in state business tax climate, in part because of the GET (ranked 31st in their study).²

Nor are businesses the only ones burdened by the excise tax. A study from the Institute on Taxation and Economic Policy (ITEP) criticized Hawaii for its regressive taxation practices, ranking it the 15th unfairer tax system in the country. The GET in particular came under criticism as falling particularly heavily on those least able to afford it. According to ITEP, payment of sales and excise taxes takes up an average of 11% of family income for the poorest 20% of earners.³

The proposed bill robs the word "temporary" of all meaning in reference to tax increases and will only foster public distrust of government and the rail project in general. The extension signifies the state's willingness to write a blank check to HART and the rail project without making any inquiry into the fact that it has already failed to meet its goals. At a minimum, the proposed audit envisioned by this bill should take place before any tax extension or increase is discussed. Without an honest accounting of the costs of this project, any other action is premature.

Thank you for the opportunity to submit our comments.

Sincerely,
Keli'i Akina, Ph.D.
President, Grassroot Institute of Hawaii

¹ See <http://www.alec.org/publications/rich-states-poor-states/>.

² Available at <http://taxfoundation.org/article/2013-state-business-tax-climate-index-results>.

³ See <http://www.itep.org/whopays/states/hawaii.php>.

March 4, 2015

The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: S.B. 19, S.D.1, Relating to Taxation

HEARING: Wednesday, March 4, 2015 at 9:00 a.m.

Aloha Chair Tokuda, Vice-Chair Kouchi and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,400 members. HAR **strongly opposes Section 3** of S.B. 19 which, **in part, allows the other counties to adopt a county surcharge on the General Excise Tax (GET) to an unspecified date.**

HAR believes that, in the current economic environment, businesses and residents are particularly sensitive to additional financial burdens, and economic conditions continue to pose daunting challenges into the foreseeable future. An additional county surcharge increase in the GET will be especially burdensome for low-income families, who have the least ability to afford a new tax that would apply so broadly to a family's basic needs such as food, medicine, and clothing. Increasing the tax burden will do nothing to stimulate the economy and restore our economic vitality.

While the GET rate may seem low relative to the sales tax rate assessed in other states and municipalities, studies have shown that, with the pyramiding effect, the effective rate is considerably higher. A 0.5% increase, equivalent to a 12.5% increase in the tax rate, raises the stated rate to 4.5% (county surcharge from 4.0% to 4.5%), but increases the effective rate even more drastically. Consumers can ill afford this tax increase at this time. **The GET in Hawaii is applied to 160 of 168 goods and services, the most of any state in the nation.** Our citizens cannot afford a 12.5% increase in their general excise tax burden, when they are struggling today to afford other necessities.

HAR also notes that studies reveal that Hawaii's population is aging and, in fact, we rank 12th among all states in the percentage of population ages 65 and over. We all know that the demographic shift towards an older population will accelerate in the years to come. Our senior citizens have worked hard all their lives and now rely on their pension incomes to survive the ever increasing cost of living in Hawaii. These seniors cannot afford to have their fixed pension incomes reduced by a tax on those incomes.

While raising the GET is the most effective means of increasing revenues for the other Counties, we first should look towards reducing the expenses before we look to raise the revenues to match the expenses. We just cannot continue to place the burden of rising costs on already overtaxed citizens.

Mahalo for the opportunity to testify in strong opposition to this measure.

28th Legislature, 2015

Senate Ways And
Means Committee

Room
211

3/04/2015
9:00 AM

SB 19 – Extending the Rail Excise Tax

From: Robert Rodman (phone 949-2497)

TESTIMONY:

The fiscal problems with the Honolulu Rail Project give the Legislature an opportunity to do some *'horse trading'* with the City to improve the future operational income of the Project. It **MUST** be able sustain itself by its ticket income and that will require it to scoop up large sums from ticket sales to thousands of tourists each day as well as the regular theBUS customer base.

Without the Guideway going into Waikiki and on up to the UH as is presently planned, the project will not be fiscally able to sustain itself. Honolulu's Fare paying riders on "the BUS" only pay a third at most of the City's "theBUS" costs now. Adding the \$60 million a year as projected by the City to run and maintain this new Rail System demands that Waikiki's Tourist customers be brought aboard from operational day one.

Therefore, the legislature should tell the City – through the details and requirements of this Bill – that it will extend the Excise Tax **ONLY** if:

- the City AGREES TO BUILD the entire 28 miles of the Guideway (from Kapolei to UH via Stations at Kapolei, West UH, Pearl Ridge Mall, Arizona Memorial, Pearl Harbor /Hickam, Airport, Downtown, Ala Moana Center/ Convention Center, Waikiki Hilton Hawaiian Village, International Marketplace, UH) extending the planned 20 mile Guideway a further 8 miles, into areas where the vast majority of Rail's new day fare paying customers would board, i.e. Kapolei, Waikiki and then over the Ala Wai Canal before ending at the UH via University Avenue.
- Frequent "Express Trains" are included in the schedule and can take passengers from the Kapolei Park and Ride to the UH in under 30 minutes from the day the system opens.

Honolulu can easily build these 8 more miles of Guideway within the budget by not building any of the planned "10 minor" stations and by building only the 11 "MAJOR" STATIONS to open. More stations could be built later as customer demand develops.

Note - China just announced that a new 'Light Rail' train is being constructed to transport passengers back and forth from Beijing's new 78 million person per year International Airport located 40 miles from the city. It will be in operation in two (2) years. Travel time will be 24 minutes from station to station. Contrasting this Beijing 'Light Rail' Project's travel time vs. Honolulu's Rail Project's projections of taking 55 minutes to travel half as far, it is apparent to all but the deniers, that Honolulu is being taken to the cleaners financially for an 18th Century slow-poke train that is taking 10 years to build.

I am a resident of Ewa Beach and urge the Senate to pass SB19, the extension of the GE Rail Tax.

The rail transit project is critical to our island's future. Right now whenever we want to go somewhere, we have to plan everything around the traffic on our highways and freeways. It is getting to be a smaller window every year. Traffic gridlock is a way of life on our island. Neighborhoods are so choked with cars that it's becoming impossible to park your car when you get home after work or get an ambulance in to take care of you when you have an emergency. Why in the world would we want more of the same for our future. I want something better for our families and for our businesses. It is not going to get better without changing to a different way to get us to our destinations.

The rail transit project offers us a way to plan future development so that it takes advantage of rail hubs or stations to provide transportation rather than adding more cars to already crowded neighborhoods. It offers a way to preserve and protect our island from the onslaught of more and more cars and constantly worsening traffic. And it benefits everyone, not just the people who live in areas serviced by the rail transit system. By taking traffic off our highways, the people who still use their cars to commute from other neighborhoods will find the drive much easier. Trucks that supply our businesses will find it much easier to deliver their goods.

No one on our island seems to like change but sometimes change brings real improvement to our lives. If the rail's contracts for new stations are coming in higher than they originally estimated, think about the reason for it. It's not that our rail management team is incompetent, it is because our economy is doing well for a change, after years of declining land and home prices and salary cuts or layoffs. With economic growth comes higher prices and that will affect the cost of the rail contracts. But, let's be honest, our economic growth isn't a bad thing! Don't abandon the most important improvement for our island since building roads from Honolulu to Kaneohe, or constructing the reef runways. Stick with it and support the rail transit system. We will all benefit and you will feel the satisfaction of knowing that you did something really important to our future.

With respect, -Bruce Bonbright

SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|--------------|--------------------|--------------------|
| Michael Golojuch Jr | Individual | Support | Yes |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

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With respect, -Bruce Bonbright

TO: Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair
COMMITTEE ON WAYS AND MEANS

HEARING: Wednesday March 4, 2015
9 AM
Conference Room 211

FROM: Derek Hoffmann

RE: SB 19 - RELATING TO TAXATION

Thank you for the opportunity to testify. My name is Derek Hoffmann and I strongly oppose SB 19.

I wish to express my concern as a lifelong resident of this state and the on going saga that is the Rail. I feel that the Mayor, Hart and some city council members were and still are being dishonest in representing facts and the true costs for this Rail project.

I kept hearing "On time and On budget" and it turned out those were all LIES or maybe they did not know the true cost of Rail or that the tax increase was never to be temporary or once they started no one would want to stop it? I say stop the Rail and stop taxing the residents into poverty.

This has been a very dishonest way to push rail forward and with another Huge price increase first from 3.2 billion all the way to UH, then almost double to 5.2 million and now only to the shopping mall and now over 6 billion + with no one knowing the final cost of this project ?

Its unacceptable and absurd no one buys anything with out knowing the final cost. Please be responsible with the taxpayer's monies and oppose bill SB 19.

Mahalo for this opportunity to testify and I Strongly Oppose SB 19.

I am a member of the citizen group, TimeOut! Honolulu and am **most strongly opposed** to any change to the Honolulu rail project GET amount or expiration date until the City and HART have provided the State Legislature with sufficient and reliable data that allows you to make an informed decision based on a fair cost benefit analysis of what is best for the **citizens**, not for the developers, unions or banks.

As you are fully aware, the GET is an extremely regressive tax, placing the heaviest burden on our fellow citizens with the lowest incomes. Increases should never be considered or approved without extensive due diligence on The Legislature's part.

Therefore, I respectfully ask that you seek accountability and transparency from the City and HART on the following;

1. An annual audit of all rail moneys spent from 2007 through 2014.
2. Contractor bids on the remaining 10 miles of the project so the overall cost of the project is clearer.
3. A rigorous, objective assesement and clear statement of the project's impact on traffic congestion, including the unfortunate Ho'opili development that will add so much congestion while destroying our best agriculture land that is much needed for sustainability.
4. A rigorous, objective assessment of the impact rail will have on our fine bus system, with thousands of bus riders daily transferring to rail, its budget pinched and routes cancelled.
5. A rigorous, objective assessment of the rail ridership projections, including the number of new residents needed in the TOD areas to meet the rail ridership projections.
6. A rigourous, objective analysis of less expensive but very viable alternatives, such as bus rapid transit on managed lanes, Pearl Harbor bridge/tunnel, etc

Please, do not be stampeded into making the situation worse by accepting the thin and manipulative claims of impending bankruptcy by the City and HART. Experience tells us their projections are at best unreliable, and at worst they are purposefully evasive, incomplete, overly optimistic and possibly outright lies.

Defer action on these bills, take a TimeOut! for the next year and complete the proper reviews, giving the City and HART and most importantly we, the citizens, time to make their cases and to consider responsible alternatives.

Sincerely,

Mark A. Torreano
Waikiki

TESTIMONY to: Senate Committee on Ways and Means

S. B. 19 SD1 Relating to Taxation

Wednesday, March 4, 2015

9:00 AM -- State Capitol Conference Room 211

Submitted in **OPPOSITION** by: Mary Smart, Mililani, HI 96789

Chair Jill Tokuda, Vice-Chair Ronald Kouchi and Committee Members:

1. I most strongly **OPPOSE** S.B. 19 SD1. Those in charge of the Rail system have proven to be irresponsible. A [report](#) put together by the Project Management Oversight Contractor calls the project "alarming" and "not sufficient". The tax should not be extended and do not divert any funds to transit oriented development (TOD).
2. The Rail promoters made many statements and promises which are not true. The budget is out of control. Many individuals who voted in favor of the Rail made their decision based on the false information. We deserve a chance to vote again. Put the Rail on the next ballot on whether it should be stopped or whether we should continue pouring funds into the black hole which will not be sustainable once it is completed.
3. TOD is a blight on Hawaii's skyline. Hawaii's "sense of place" is being lost. Hawaii will have the look and feel of any other urban city. Many people in the TOD zones have no idea how their home property will be affected and that they may be displaced. The increased densities, the closeness to the road, the commercial enterprises on the ground level of residential condos are very displeasing to people who love the architecture and ambiance of our island. The unique beauty of Hawaii is being destroyed -- at great cost to residents. Usually the congestion producing design of "complete streets" accompany the TOD concept. Most people are unaware that traffic is intentionally being slowed (traffic calming/bike lanes/landscaped medians/etc) in TOD neighborhoods. That is why the outrage has not been forthcoming up to this point. (The complete streets project around Aiea High School is an example of the intentional slowing of traffic -- it is horrific.) As the population ages TOD becomes more and more difficult for residents. Disabled and ill people should not be traveling on mass transit, riding a bike, or walking in highly congested areas. Autos have been made heavier, with seat belts, air bags etc for our safety (and that of our families) and now we are expected to ride unprotected on a bicycle. That makes no sense and it is dangerous.
- 4 The Rail system is a disaster. It is time to cut our losses not extend taxes. You should not make decisions based on sunk cost. That is a poor acquisition strategy. Let us vote on the Rail system now that we have more information on its true cost and its true impact. Regarding the people I know, everyone who was against it is still against it. Many who voted for Rail are now adamant that it must be stopped.

5. The selling point of TOD is that the State/County gets to collect increased taxes on the same square footage/footprint. There should be no need to tax residents more. Use the added income from the increased taxpayer density and apply it to the rail/TOD neighborhoods. Do not extend the tax or redistribute the current tax to TOD.

6. Do not pass S.B. 19 SD1 although I highly agree with the need to audit HART and all financial transactions associated with the Rails system. Too much waste has occurred. It is either incompetence or something more unseemly but management must be held accountable for the waste of such large sums of money.

March 2, 2015

SB19, SD1

Aloha Char Tokuda and members of the committee.

My name is John Brizdle and I am strongly opposed to this bill.

Before your committee considers this enormous tax increase, you should take time to perform your due diligence on the rail project.

Please take a timeout and demand accountability and transparency from the city on the following topics before considering any further taxes. The city has never answered these questions to anyone and therefore, your members do not have this information.

- 1- Let's see an annual audit of all rail moneys spent thus far starting in 2007 through 2014.
- 2- Let's see contractor bids on the remaining 10 miles of the project so we know the price of the project in 2015 dollars.
- 3- Let's see a clear statement of facts about the project's projected impact on the current level of traffic congestion.
- 4- Let's see a clear statement of exactly how the city will force thousands of bus riders daily to transfer to rail. Let's be clear on the number of new residents needed in the TOD areas to meet the current projected rail ridership.
- 5- Let's see a clear-headed analysis of less expensive viable alternatives, such as bus rapid transit on managed lanes.

Thank you very much,

John Brizdle

THE SENATE
THE TWENTY-EIGHTH LEGISLATURE
REGULAR SESSION OF 2015

COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair

NOTICE OF HEARING

DATE: Wednesday, March 04, 2015
TIME: 9:00 AM
PLACE: Conference Room 211
State Capitol
415 South Beretania Street

A G E N D A

SB 19, SD1

RELATING TO TAXATION.

TRA/PSM,
WAM

Submitted in **OPPOSITION** by: Fern Mossman, HI 96734 HD 50

I agree with the following article. Please stop this boondoggle.

After eight years, the rail project is failing.

With only two miles and no stations constructed, and having chosen one of the most remote and least reliable train manufacturers - Ansaldo, we are now told that the remaining available funds are insufficient to finish the rail project.

The city wants taxpayers to come up with the additional billions that would be required to finish rail. The only question is whether to extend the excise tax surcharge, which is already costing a typical family \$800 per year, or raise property taxes.

In light of the above, Council members and Legislators need to take a timeout and take a hard look at where we are and how we got here.

Accordingly, we are asking our elected representatives to demand accountability and transparency on the following topics before considering any further taxes or loans.

1. Let's see an annual audit of all rail moneys spent thus far starting in 2007 through 2014.
2. Let's see contractor bids on the remaining 10 miles of the project so we know the price of the project in 2015 dollars.
3. Let's see a clear statement of facts about the project's projected impact on the current level of traffic congestion.
4. Let's see a clear statement of exactly how the city will force thousands of bus riders daily to transfer to rail. Let's be clear on the number of new residents needed in the TOD areas to meet the current projected rail ridership.
5. Let's see a clear-headed analysis of less expensive viable alternatives, such as bus rapid transit on managed lanes.



Please vote NO on SB 19

Dear Committee Members: Thank you for this opportunity to communicate strong OPPOSITION to SB19. The rail is a CITY issue. If we can't pay for it now we can't have it. I really question how much it will help Oahu commuters. I don't think a lot of people will use it and my assumption that there would be only 1 on and 1 off may be incorrect, if there are numerous stops it will not cut down commute time. There will be added cost for maintenance of the rail, structure, access pathways on/off and parking lots. I don't think the ridership is justifying the costs that are increasing at an out of control rate. Taxing the people for this is not financially responsible.

Aloha, Roxanne Jim
Senate District 25
House District 17

SB19 Testimony

When the rail was proposed it was sold to the public as being self funding via the tax that was to sunset and create no debt when the project was completed in 2022. By extending the tax this means that we were not told the truth and that the planning was not complete. Many people argued that the numbers at the front end of the project were too low but again we were assured that the numbers were good and valid. Based on that, the project should not be given more money. The original statute was written very narrowly so that only if Oahu wanted the tax could it be sought after via the Honolulu City Council. Mayor Caldwell needs to handle the project with the funds that we were originally told would be needed and not change the rules of the game with only a small segment of the project completed. So, NO to extending the tax for the project.

For the section that would scale back the part of the administrative fee that the state collects, that would be appropriate providing that the money would be turned over directly for the current project and not held for any other projects.

Aloha!

I write in opposition to SB19 CD1. Please do not commit taxpayers and future taxpayers to paying for the rail project that is over budget by almost a billion dollars, even at this very early stage. The final cost of this project is unknown. Would you put a down payment on a car or a house without know what the final cost was? If the rail tax is extended, it won't be enough. Then the tax rate will need to be raised, but that still won't be enough. Then property taxes will need to be raised.

The city and state are facing a mountain of unfunded liabilities already. Please don't add "rail" to this problem.

Mahalo

John Pritchett

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: vsc@hawaiiantel.net
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Sunday, March 01, 2015 11:35:42 AM

SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|-----------------------|-----------------------|
| Victoria Cannon | Individual | Oppose | No |

Comments:

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To: [WAM Testimony](#)
Cc: drjlam@aol.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Sunday, March 01, 2015 11:52:15 AM

SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| jerry lam | Individual | Comments Only | No |

Comments: i strongly oppose the extension of the surcharge for rail. it is a horrendous misuse of our state's money. we have more important things to fund and we will never know how much the rail will cost to maintain. the public cannot understand why the leaders don't represent them. please vote NO to SB 19! thank you jerry lam.

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Cc: culvyhouse@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Sunday, March 01, 2015 2:04:31 PM

SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| MJ Culvyhouse | Individual | Comments Only | No |

Comments: We have thrown away enough money already. Our City will be bankrupt if the rail is not stopped, and our citizens hard-earned money is needed for existing problems with infrastructure. Stop This Insane Fiscal Fiasco - STIFF the rail.

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Cc: jnscott62@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Sunday, March 01, 2015 3:07:58 PM

SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jackie Scott | Individual | Oppose | No |

Comments: The people have had enough. If the rail can't be built and maintained on what you already have, stop the bleeding now. PLEASE!

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Sunday, March 01, 2015 8:44:20 PM

SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Joseph Carbone | Individual | Oppose | No |

Comments: Enough with the taxes already! Why throw good money after bad for this misconception? It will cater to few, cost way too much to maintain without raising taxes in the future, and will do little next to nothing to alleviate traffic congestion. Who can say how much this will actually cost the taxpayer? My guess, according to past ventures of the same ilk in other places, at least 2 1/2 times more than originally forecast. Stop it now and don't waste any more taxpayers money.

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SB19

Submitted on: 3/1/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Pearl Hill | Individual | Oppose | No |

Comments:

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Cc: arbeit@hawaiiantel.net
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 9:25:08 AM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Wendy Arbeit | Individual | Oppose | No |

Comments: I strongly oppose making transit tax permanent. Our regressive taxes are already too high. Do not burden us with more. The call for even more taxes to fund the misbegotten rail project will never end, and the finished product will do little to ameliorate traffic in one corridor and do nothing for the rest of the island. Take that money and apply it to BRT and the whole island will benefit without additional taxes.

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Cc: mikeg@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 9:32:35 AM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-------------------|--------------|--------------------|--------------------|
| Michael Gallagher | Individual | Comments Only | No |

Comments: Enough Taxes already. Our legislature is killing us and the Rail is not going to benefit the whole community when we need so much more done elsewhere. More Importantly, this new tax is just going to be pilfered just like all our 'earmarked' taxes.

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Cc: joelflach@yahoo.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 10:22:09 AM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Joel Flach | Individual | Oppose | No |

Comments: I strongly oppose SB19 and extending the rail tax. Rail seems to have increased costs and problems that will only grow. However, if it has to be funded I think it should be funded by an increase in gas taxes. Many states are turning to gas tax increases for revenue in light of the drop in gas prices.
(<http://www.npr.org/2015/02/10/383789378/failing-bridges-taking-a-toll-some-states-move-to-raise-gas-tax>). People who are contributing to the traffic problems (ie drivers) should bear the brunt of the cost for traffic "solutions". Increased gas prices also encourage people to reduce consumption and bike, walk, car pool, take the bus, or ride a train instead. Low gas prices decrease use of mass transit
(<http://www.wsj.com/articles/transit-agencies-brace-for-low-gas-prices-to-siphon-away-riders-1422470065>). It's not fair that people already part of the solution (bikers, walkers, bus riders, etc.) should have to pay more for food and other necessities through an increased GET.

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Cc: info.mustard.seed.faith@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 10:49:34 AM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Jim Anderson | Individual | Oppose | No |

Comments: Dear Hawaii State Legislators: I was born and raised in this beautiful state. I strongly oppose the building of this mass rail transit. It is going to cost us tax payers way too much and the sad part is that it is not going to solve our traffic problems. This is not Tokyo where they have over 13 million people in that small area - and nearly everyone takes rail/bus/train. Oahu has a population less than 1 million and most people still want to take their cars. We will not have the ridership nor can we afford this. Please stop this rail project now. It is going to be a 20 year nightmare which is not going to resolve our traffic problem. Thank you! Respectfully, Jim Anderson

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Cc: fccadizpal@aol.com
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 12:40:50 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| fred | Individual | Oppose | No |

Comments:

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 12:56:37 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Joanne Amberg | Individual | Oppose | No |

Comments: Please do not saddle the tax payers with the wrong approach (rail) to our traffic problems. There are other solutions that will not require the constant bail outs from tax payers, and that will be more useful for our island transportation needs. Fixed rail is NOT the solution.

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Cc: rfl208@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 1:11:35 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|-----------------|--------------------|--------------------|
| Randy Leong | TimeOutHonolulu | Oppose | No |

Comments: I strongly oppose SB19 and any extension of the Rail Tax. A house of cards has been built with each card imposing massive debt or taxes on the residents of Honolulu. Giving HART and the City an extension of the Rail Tax would be like handing them an unlimited number of cards which they can add to the already shaky house of cards anytime they need more money. I'm sure you, the members of this committee, would not want your name associated with the crashing of the house of cards. By handing HART and the City these unlimited number of cards, which they'll surely use as the cost overruns for Rail continue to mount, will certainly put you and your good name at risk. Don't do it.

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Cc: patmeyers@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 1:20:18 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| PAT Meyers | Individual | Oppose | No |

Comments: PLEASE KILL HART NOW!!!

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 1:27:02 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: Deception No 2: HART Deception: HART Grabauskas said: The FFGA agreement included a promise that the city would construct a 20-mile elevated rail line with 21 stations. Anything short of that, he said, and the FTA would look to Hawaii for a refund. It could also jeopardize future federal "We'd literally be tearing down the stuff that we built now at a tremendous cost." Grabauskas is deceiving the public. The city can salvage the rail guide way by converting to 3-lane non-toll freeway from Kapolei to downtown Hotel/King/Beretania to transport 20,000 commuters per hour (7 times more commuters than rail) for under \$2.0 Billion, collected by the 0.5% GET. The reversible freeway will eliminate the H-1 gridlock well beyond year 2035. The rail cars are not needed. No rails, no train and cars, no power plant, no rail maintenance yard, no land acquisition for park and ride, no \$110 million annual O&M. To further reduce the Reversible Freeway cost, the 3 mile guide way fronting the Airport can be eliminated because there is no traffic gridlock on the airport viaduct at any time.

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 1:29:59 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: Deception No 2: HART Deception: HART Grabauskas said: The FFGA agreement included a promise that the city would construct a 20-mile elevated rail line with 21 stations. Anything short of that, he said, and the FTA would look to Hawaii for a refund. It could also jeopardize future federal "We'd literally be tearing down the stuff that we built now at a tremendous cost." Grabauskas is deceiving the public. The city can salvage the rail guide way by converting to 3-lane non-toll freeway from Kapolei to downtown Hotel/King/Beretania to transport 20,000 commuters per hour (7 times more commuters than rail) for under \$2.0 Billion, collected by the 0.5% GET. The reversible freeway will eliminate the H-1 gridlock well beyond year 2035. The rail cars are not needed. No rails, no train and cars, no power plant, no rail maintenance yard, no land acquisition for park and ride, no \$110 million annual O&M. To further reduce the Reversible Freeway cost, the 3 mile guide way fronting the Airport can be eliminated because there is no traffic gridlock on the airport viaduct at any time.

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SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: Mayor Caldwell's DECEPTION regarding total Honolulu rail project cost: The original total rail cost stated during the Hannemann administration was at \$3.2 Billion from Kapolei to UH Manoa and Waikiki. This low total cost was publicized widely to gain public support for rail. The price was revised upward to \$5.3 Billion and then to \$6 Billion which was publicized by the city. Mr. Kwan HART chairman boasted that "no bonds are needed and the rail was fully funded. Now, Mayor Caldwell says he has no intention of telling the legislators or the public what the final cost of rail will be ("Ultimate price tag for rail likely to remain a mystery," Star-Advertiser, Feb. 22). One reason why the Mayor does not want to publicize the rail cost is that it could be very high (could rise from \$6 Billion to \$20 Billion- See cost projection for Oahu rail by LaVonda Atkinson, a program cost control analyst for 20 years (last 8 minutes of video). <https://www.youtube.com/watch?v=OsC-EPJLNF8&feature=youtu.be>). The legislature and Governor will likely NOT approve extension of the 0.5% GET surcharge.

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
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SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| Eloise M. Yano | Individual | Oppose | No |

Comments: STRONG OPPOSITION

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SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: HART should seek remaining bids now Why is the city waiting until the end of the year to put out bids to complete rail? The engineering studies have been completed, although these taxpayer-funded studies have not been made available to the public. Building elevated heavy rail in a congested city and mostly on landfill and with buried utilities is fundamentally more complicated than putting columns on empty farmland. The Honolulu Authority for Rapid Transportation was so wrong in estimating the cost of the stations — by 63 percent to 74 percent when the bids came in. Did the engineering studies already reveal that the \$1.3 billion budgeted is frighteningly inadequate? Is that why HART wants to delay finding out the total cost as long as possible? Why aren't they anxious to find out the actual cost of the remainder? If they're off by "only" 63 percent, that's "only" \$819 million to add to the \$910 million over budget. But what if they're off by 200 percent? Even 400 percent more is not unimaginable without actual bids.

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SB19

Submitted on: 3/2/2015

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| Mike Garcia | Individual | Oppose | No |

Comments:

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 2:12:39 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Patricia Carroll | Individual | Oppose | No |

Comments: Costs involved in this rail project must be controlled. Do not allocate any additional funds for the project. If it can't be completed with the money it now has, then stop it before it is totally out of control.

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SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: The mayor and governor should take a TIMEOUT. HART must reveal the total rail cost before the 0.5% GET is extended by the state or bonds are issued by the city council. The rail cost could rise from \$6 Billion to \$15 to \$20 billion or \$1 Billion per mile. See cost projection for Oahu rail by LaVonda Atkinson, a program cost control analyst for 20 years (last 8 minutes of video).

<https://www.youtube.com/watch?v=OsC-EPJLNF8&feature=youtu.be> Until the governor and city council decide to Continue or to Scrap rail, some elements of the rail construction should be delayed. Otherwise, Grabauski will say that it was foolish to build structures that could be torn down if the decision is made to scrap rail because of high cost (\$15 to \$20 Billion) of rail. Delay construction of the rail track, rail stations, no train and car purchases, power plant, rail maintenance yard, and land acquisition.

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 2:39:04 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Paul Perretta | Individual | Oppose | No |

Comments: I oppose SB19 for the following reasons : 1. The Rail project was poorly planned and mismanaged and is an incredibly ugly blight on our Aina. 2. The Rail Project is a frightening \$1 Billion over budget at 1/20 th it's planned length. 3. Local families should NOT be penalized by higher taxes as a result of the gross mistakes and mismanagement made by the City Administration and HART. It would be far cheaper to stop it now than in the future and save the City, State and Local families the escalating and frightening Fiscal predictions of some \$8-\$10 Billion !

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Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 3:17:15 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: - Deception by Formby, Caldwell and HART regarding total Honolulu rail project cost: - The original total rail cost stated during the Hannemann administration was at \$3.2 Billion from Kapolei to UH Manoa and Waikiki. This low total cost was publicized widely to gain public support for rail. The price was revised upward to \$5.3 Billion and then to \$6 Billion which was publicized by the city. Mr. Kwan HART chairman boasted that "no bonds are needed and the rail was fully funded - Now, Formby and Mayor Caldwell say they have no intention of telling the legislators or the public what the final cost of rail will be. The major reason why the Mayor and Formby do not want to publicize the rail cost is that the cost could be so high that the legislature and Governor will not approve extension of the 0.5% GET surcharge. - For example, a two mile San Francisco rail project cost \$2.0 Billion or \$1.0 Billion per mile. The Honolulu rail cost could rise up to \$1 Billion per mile or \$20 Billion for 20 miles to Ala Moana Center. See cost projection for Oahu rail by LaVonda Atkinson, a program cost control analyst for 20 years (last 8 minutes of video).
<https://www.youtube.com/watch?v=OsC-EPJLNF8&feature=youtu.be>.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: lgard@hawaiiantel.net
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 3:18:37 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Lila Gardner | Individual | Comments Only | No |

Comments: SB 19 --- I strongly oppose any extension of the GET tax to support the rail-- what you need to do is require a public audit of where all this money has been spent to whom and for what this far and stop this project which will bankrupt our state and not resolve the transportation issue it purports to resolve. Do not pass this bill!!!!Lila Gardner, Makiki

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Cc: ramelbb001@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 3:27:36 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Ben Ramelb | Individual | Oppose | No |

Comments: HART refuses to reveal the total cost for Oahu's 20 mile rail. There is no accounting for the \$1.5 Billion collected for the HART rail via the 0.5% GET. A reputable Program Cost Control Analyst, Lavonda Atkinson, confirmed that the cost for a two mile rail under construction in San Francisco is \$2 Billion or \$1 Billion per mile. Because there is no cost accounting for the 20 mile Oahu rail, cost for Oahu's rail could rise from \$6 Billion to \$15 to \$20 Billion. Ms. Atkinson details the illegal accounting methods by rail officials on the SF rail and makes a financial forecast for Oahu rail (last eight minutes of video) in this link: <https://www.youtube.com/watch?v=OsC-EPJLNf8&feature=youtu.be> Until a decision is made by our elected leaders to fully fund the rail, possibly up to \$20 Billion, by raising taxes or otherwise, it is recommended that certain elements of the rail system be delayed to save taxpayer money. It may be decided to convert the rail system to another form of transit, such as a Reversible non-toll 3-lane freeway from Kalaeloa to downtown Hotel/King/Beretania Streets. It is recommended that HART delay: 1) Construction of all rail stations 2) Construction of a three-mile segment along the Airport viaduct 3) Land acquisition of properties for park and ride 4) Rail car purchases 5) Electric Power plant for train 6) Construction of rail yard (could be converted to bus yard) 7) Construction and land acquisition of all rail facilities for segment from Aloha Stadium to Airport Viaduct at Keehi Lagoon. 8) Construction of rail segment between King/Hotel/Beretania and Ala Moana Center.

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Cc: MSMatson@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 3:56:23 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|-----------------------|-----------------------|
| Michelle Matson | Individual | Oppose | No |

Comments: STOP THE BLEEDING !!!!! BURY THIS BILL !

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To: [WAM Testimony](#)
Cc: tomor@hotmail.com
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 3:58:08 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| tom moore | Individual | Oppose | No |

Comments:

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To: [WAM Testimony](#)
Cc: ed@mca-hawaii.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Monday, March 02, 2015 5:01:38 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Ed Clapperton | Individual | Oppose | No |

Comments: Authorizing an extension of the rail transit tax would be like giving a blank check to Bernie Madoff. This project is already way out of control and needs more -- not fewer -- financial checks and balances. It's time to demand an audit of past expenditures and an accurate projection of future expenses. That's the bare minimum that any prudent investor would demand before committing their own money. I hope you demand the same for the taxpayers'.

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Cc: pahinuik001@hawaii.rr.com
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 7:35:48 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|-----------------------|-----------------------|
| Kathleen M Pahinui | Individual | Oppose | No |

Comments:

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From: ndavlantes@aol.com
To: [WAM Testimony](#)
Cc: [Sen. Jill Tokuda](#)
Subject: Testimony in opposition to SB19
Date: Monday, March 02, 2015 8:27:17 PM

Ways and Means Committee
03-04-15
9:00AM in conference room 211

Dear Committee Members:

Months ago, Mr. Grabauskas made a presentation to our Hawaiian Civic Club in which he admitted that when he took the job with HART here in Hawaii he didn't have a clue as to the Pandora's box of protests, lawsuits, and problems that had surfaced about the proposed rail system.

I thought that anyone about to accept such a responsible position would have at least done his homework. That lack of preparation and doing the necessary homework has been a hallmark of HART throughout this misbegotten process, which could be called a comedy of errors reminiscent of the Keystone Cops if only it was funny.

Now the citizens who are footing the bill for this are being asked to continue the county surcharge for a minimum of 25 years (perhaps forever) because the project is in such trouble.

I don't know how the legislature, in good conscience, could act to reward this incompetence by enabling this fiasco to continue, particularly when HART and the mayor refuse to disclose any information that would give us any indication of the final price tag for this boondoggle.

Those who saw this coming did their best to warn the rest of us. It's not too late to acknowledge the accuracy of their prophesy. Please don't extend this tax.

Nancy Davlantes
Kaneohe
ndavlantes@aol.com

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mmtorreano@gmail.com
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 10:33:20 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|-----------------|-----------------------|-----------------------|
| Mark Torreano | Timeut Honolulu | Oppose | Yes |

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: morrisbcm@hawaiiantel.net
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 10:36:14 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|-----------------------|-----------------------|
| Melvin Morris | Individual | Oppose | No |

Comments:

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To: [WAM Testimony](#)
Cc: aloha.susan@hawaiiantel.net
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 10:45:13 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| susan cummings | Individual | Oppose | No |

Comments:

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Cc: aloha.susan@hawaiiantel.net
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Monday, March 02, 2015 10:45:41 PM

SB19

Submitted on: 3/2/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|-----------------------|-----------------------|
| susan cummings | Individual | Oppose | No |

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: michelematsuo@yahoo.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 3:39:57 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| michele matsuo | Individual | Oppose | Yes |

Comments: dear Madam Chair and Members of the Committee, Thank you for this opportunity to testify ! I am strongly opposed to SB19, SD1 ! There has been no accounting of the GET surcharge funds. The City's figures change frequently seemingly depending on the gullibility of the audience. The City has refused to disclose even projections for the project's total cost. Next year, we will have more info perhaps. But, if you have to make a decision today, then I implore you to decline to extend the surcharge. Each person is estimated by the Tax Foundation to pay \$200 per year in rail surcharge. This bill would impose another \$25,000 in rail taxes for a family of 5. This bill also seeks to contribute half of the State's skim to TOD. There are already around 50,000 homes approved on the West side. Ho'opili , if approved, will add nearly 12,000 more homes. Rather the fuel TOD, the people of the West side need to scale back TOD. There is another reason not to advance a measure to contribute TOD funds. We in the community have heard reports that the TOD associated with the rail project is wreaking havoc with cultural properties allegedly in contravention to federal law. So far, it appears that the money used has all been Federal, but if State monies get co-mingled, we are worried that liability could attach to the State as well. Aloha Michele Matsuo

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To: [WAM Testimony](#)
Cc: nihipalim001@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 4:08:54 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Michele Nihipali | Individual | Oppose | No |

Comments: The rail was supposed to be completely funded with the "one time" tax increase. You must stop taxing the people of Hawaii to death to pay for this. Vehicle registration has increased, there is still a tax on food and medicine. Enough already.

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To: [WAM Testimony](#)
Cc: steve@scotthawaii.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 8:13:25 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Steve Scott | Individual | Oppose | No |

Comments: Without the city and HART opening up their books on what has been spent so far and what future costs will be for the completion of the rail project, not to mention the costs to operate the rail once completed along with reasonable ridership estimates, the extension of the rail tax increase past 2022 is not justified. As a taxpayer, I can't see that the city should be given a blank check with our tax dollars. If you were a bank, would you loan a customer money without knowing all the facts on how it was to be spent?

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Cc: surfzone@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 8:57:58 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Betty L. Bodlak | Individual | Comments Only | No |

Comments: I ABSOLUTELY DO NOT support for this bill. The residents should not have to bail out the poor planning that has led to these absurd over-runs.

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To: [WAM Testimony](#)
Cc: gerryC88@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 9:08:23 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|-----------------------|-----------------------|
| Gerald Chang | Individual | Oppose | No |

Comments: I STRONGLY OPPOSE extending the 0.5% Rail GET surcharge. It should end in 2022.

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To: [WAM Testimony](#)
Cc: coreen.williams@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 9:09:13 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Coreen Williams | Individual | Oppose | No |

Comments: I absolutely DO NOT support an increase in the general excise tax to fund a terribly planned rail project. Residents of the North Shore do not benefit from the Rail and the Mayor is asking for us to continue to help pay for it. We have our own traffic issues to deal with. Per the Mayor, he said that the North Shore traffic problem is not his to deal with but the State's job. If that is his approach then North Shore residents should not be compelled (forced) to pay toward the excise tax that funds the rail. I would prefer that we tear down the rail and close that project. The citizens keep throwing money at this project and the money just disappears. The project is way over budget already. Where is the accountability? The Rail project has been given EVERY opportunity to succeed and has done nothing with it. I also do not agree with a rise in property taxes as the Mayor suggests will happen if the excise tax is not approved. This project should not have moved forward to begin with. It is poorly planned and not at all fiscally responsible. If I were this much overdrawn at a bank, the Feds would have jailed me already and asked for restitution. Please apply the same logic to the Mayor's office and make them accountable.

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Cc: davidthompsonhawaii@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 11:11:04 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| David Thompson | Individual | Oppose | No |

Comments: I am strongly opposed to extending the rail tax. Rail has predictably turned into an excessive financial drain and any additional funding will not guarantee it's success. Rail has been poorly managed and the financial hole just gets deeper.

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Cc: robert.retherford@hawaiiantel.net
Subject: *Submitted testimony for SB19 on Mar 4, 2015 09:00AM*
Date: Tuesday, March 03, 2015 11:15:17 AM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|------------------|--------------|--------------------|--------------------|
| Ursua Retherford | Individual | Oppose | No |

Comments:

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Cc: seachip@yahoo.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 12:25:13 PM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Chip Hartman | Individual | Oppose | No |

Comments: I do NOT support this. In my opinion the rail is about jobs and development , not about transportation. This 1/2% should be applied to our bus system. Now I feel better....OPPOSE IT!!!

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Cc: macpro3000@yahoo.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 12:26:30 PM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------|--------------|--------------------|--------------------|
| Melvin Ah Ching | Individual | Oppose | No |

Comments: TESTIMONY IN OPPOSITION TO SB 19 SD1 Dear WAM Committee Members: I am one of the many thousands of people in Hawaii who are opposed to the rail project and the continuation, or extension of time to the surcharge on the General Excise Tax as enacted in Act 247 that was passed in 2005. The GE tax surcharge should not be increased. The rail project needs to be stopped and all funding be cut. That not being possible at this time, SB 19 SD1 should not be passed and Act 247 remain as is unless it can be totally repealed. Vote "no" or defer SB 19 SD1 indefinitely. Aloha, MEL

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To: [WAM Testimony](#)
Cc: lindalegrande2243@gmail.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 1:17:42 PM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|----------------|--------------|--------------------|--------------------|
| Linda Legrande | Individual | Oppose | No |

Comments: THIS IS ABSOLUTELY ABSURD !! We need to get to the bottom of this debauche and get accountability. Continuing to fund it is not how we can do that. The money that has already been spent on the rail project will pale in comparison to the billions over budget we will be when all is said and done if it is EVER done ! Need I remind you we haven't yet built one of the 21 stations and land acquisition is questionable. Please act responsibly and can this crazy idea. Thank you Linda Legrande

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To: [WAM Testimony](#)
Cc: inhocsig@lava.net
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 10:40:29 AM
Attachments: [Oppose SB 19 SD1.pages.zip](#)

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Kent Duffy | Individual | Comments Only | No |

Comments: I am resending this testimony because it didn't seem to go through just a minute ago. Thanks.

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TO: Members of the Committee on Finance

FROM: Natalie Iwasa
Honolulu, HI 96825
808-395-3233

HEARING: 9 a.m. Wednesday, March 4, 2015

SUBJECT: SB 19, SD1, County Surcharge Extension - **OPPOSED**

Aloha Chair and Committee Members,

Thank you for allowing me the opportunity to provide testimony on SB 19, SD1, which would extend the county general excise surcharge tax for 25 years, divert part of the 10% state fee to transit oriented development, require an audit and makes other changes to the original bill. I oppose this measure.

The general excise tax and related **surcharge is regressive and hits low-income residents the hardest**. That means that a higher percentage of their already very-limited money goes to the tax. Many residents are struggling to get by paycheck to paycheck, and an extension of this tax will continue to make it hard for people to make ends meet.

Mayor Caldwell has stated several times that he supports this tax because 33% of it is paid for by visitors. It's important to note he is using **an eight-year-old study that applies only to the statewide GET**. In order to determine how much visitors contribute toward the GET and its related surcharge on Oahu, we should be looking at visitor expenditures on Oahu.

According to the 2013 data book for Hawaii, visitor expenditures on Oahu have been about 50% from 2007 - 2013. It stands to reason then, that the amount **visitors have contributed** to the surcharge is about 50% of the statewide number, or **about 16% - 17%**.

In addition, we were told over and over again that the surcharge would be temporary, that it would sunset at the end of 2022.

I would support an audit of HART, but not in exchange for extending the surcharge.

I urge you to vote "**NO.**"

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: cuebelein@yahoo.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 3:59:54 PM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------------|--------------|--------------------|--------------------|
| Christina Uebelein | Individual | Oppose | No |

Comments: I am strongly opposed to this measure and strongly opposed to the entire rail project. I am not persuaded that the rail will improve living or working conditions for any O'ahu residents. It is an expensive, pointless exercise in appeasing certain political interests.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: joannelittle@hawaii.rr.com
Subject: Submitted testimony for SB19 on Mar 4, 2015 09:00AM
Date: Tuesday, March 03, 2015 4:01:23 PM

SB19

Submitted on: 3/3/2015

Testimony for WAM on Mar 4, 2015 09:00AM in Conference Room 211

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|--------------------|--------------------|
| Joanne Little | Individual | Oppose | No |

Comments: I am strongly opposed to this bill and the the continuance of the rail project. The costs are astronomic and the ridership will be low due to the fact that the system will not in any way assist the major traffic problems on Oahu. It must be stopped.

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Katherine T. Kupukaa
Mililani Town, HI 96789

COMMITTEE ON WAYS AND MEANS

Senator Jill N. Tokuda, Chair
Senator Ronald D. Kouchi, Vice Chair

DATE: Wednesday, March 4, 2015

TIME: 9:00 AM

PLACE: Conference Rm. 211
State Capitol
415 South Beretania Street

Re: Oppose SB 19 Relating to Taxation I oppose SB 19 the purpose of this Act is to make permanent the county surcharge on state tax. This is a regressive tax and will greatly impact individuals especially those who are on fixed income and the poor. Furthermore, to fund the biggest public works project in Hawaii that will do absolutely nothing to reduce traffic congestion and is wrong. This project is a big fraud. One day you will have to admit this deception to the citizens of the City and County of Honolulu so why not do it now.

You would have to be blind that you do not see that traffic goes in one direction. In the morning traffic is east bound on the freeway and in the afternoon it is westbound. So in the morning the train going westbound would be empty. In the afternoon the train going eastbound would be empty.

What's the solution? I believe one of the solutions would be the completion of the PM zipper lane. Another solution is building reversible lanes.

In closing, I urge you to not pass this bill and put our State in greater economic constraint. Thank you for allowing me the opportunity to voice my concern.