
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that traffic congestion
2 is a serious problem that negatively impacts the quality of life
3 for residents throughout the State. As Hawaii grows, traffic-
4 related congestion on the State's roadways continues to
5 increase, forcing people to spend more time sitting in vehicles
6 and less time being productive at work or with families and
7 friends. Recent public opinion polls have found that traffic
8 congestion is regularly one of the top concerns of Hawaii
9 residents.

10 One way that traffic congestion can be addressed is through
11 capital improvements that increase the capacity of existing
12 state roadways or strategically build new roadways. These types
13 of projects have the potential to increase the quality of life
14 for many future generations of Hawaii residents.

15 The legislature further finds that creating new sources of
16 revenue for the state highway fund will give the department of
17 transportation the additional flexibility to redirect other



1 funding sources towards important repair and maintenance
2 projects, including much-needed repairs for roadways in the Oahu
3 urban core.

4 The purpose of this Act is to increase revenues into the
5 state highway fund by:

6 (1) Increasing the rental motor vehicle customer facility
7 charge from \$4.50 to \$9.00;

8 (2) Providing a tax deduction to qualified taxpayers to
9 offset the financial impact of the increased charge;
10 and

11 (3) Depositing the additional revenues obtained from the
12 charge increase into the state highway fund; provided
13 that these revenues shall be used for projects to
14 increase the capacity of existing roadways or create
15 new roadways.

16 SECTION 2. Chapter 235, Hawaii Revised Statutes, is
17 amended by adding a new section to part I to be appropriately
18 designated and to read as follows:

19 "§235- Rental motor vehicle customer facility charge;
20 tax deduction. (a) Subject to subsection (b), there shall be
21 allowed as a deduction from gross income the amount, not to



1 exceed \$ _____, for amounts paid during the taxable year by
2 a taxpayer for rental motor vehicle customer facility charge
3 pursuant to section 261-7(h).

4 (b) The deduction under this section shall not be
5 available to the following:

6 (1) A taxpayer filing a single return or a married person
7 filing separately with a federal adjusted gross income
8 of \$ _____ or more;

9 (2) A taxpayer filing as a head of household with a
10 federal adjusted gross income of \$ _____ or more;
11 or

12 (3) A taxpayer filing a joint return or as a surviving
13 spouse with a federal adjusted gross income of
14 \$ _____ or more.

15 (c) The director of taxation shall prepare any forms
16 necessary to claim a tax deduction under this section, may
17 require proof of the claim for the tax deduction, and may adopt
18 rules pursuant to chapter 91 to effectuate this section."

19 SECTION 3. Section 248-9, Hawaii Revised Statutes, is
20 amended to read as follows:



- 1 **"§248-9 State highway fund.** (a) Moneys in the state
2 highway fund may be expended for the following purposes:
- 3 (1) To pay the costs of operation, maintenance, and repair
4 of the state highway system, including without
5 limitation, the cost of equipment and general
6 administrative overhead;
- 7 (2) To pay the costs of acquisition (including real
8 property and interests therein), planning, designing,
9 construction, and reconstruction of the state highway
10 system and bikeways, including, without limitation,
11 the cost of equipment and general administrative
12 overhead;
- 13 (3) To reimburse the general fund for interest on and
14 principal of general obligation bonds issued to
15 finance highway projects where the bonds are
16 designated to be reimbursable out of the state highway
17 fund; and
- 18 (4) To pay the costs of construction, maintenance, and
19 repair of county roads; provided that none of the
20 funds expended on a county road or program shall be
21 federal funds when [~~such~~] the expenditure would cause



1 a violation of federal law or a federal grant
2 agreement.

3 (b) At any time, the director of transportation may
4 transfer from the state highway fund all or any portion of
5 available moneys determined by the director of transportation to
6 exceed one hundred thirty-five per cent of the requirements for
7 the ensuing twelve months for the state highway fund as
8 permitted by and in accordance with section 37-53. For purposes
9 of the determination, the director of transportation shall take
10 into consideration:

11 (1) The amount of federal funds and bond funds on deposit
12 in, and budgeted to be expended from, the state
13 highway fund during the period;

14 (2) Amounts on deposit in the state highway fund that are
15 encumbered or otherwise obligated;

16 (3) Budgeted amounts payable from the state highway fund
17 during the period;

18 (4) Revenues anticipated to be received by and
19 expenditures to be made from the state highway fund
20 during the period based on existing agreements and
21 other information for the ensuing twelve months; and



1 (5) Any other factors as the director of transportation
2 shall deem appropriate.

3 (c) Notwithstanding subsections (a) and (b), projects to
4 be funded using state highway fund revenues generated from the
5 rental motor vehicle customer facility charge and deposited into
6 the state highway fund pursuant to section 261-7(h)(2) shall be
7 expended for the following projects that would increase the
8 capacity of existing roadways or create new roadways:

9 (1) In the county of Hawaii:

10 (A) The expansion of highway 130, from Keaau and
11 Pahoa;

12 (B) The Kawaihae road bypass, from Kamuela View
13 Estates to Mamalahoa and from Waimea to Kawaihae;

14 (C) The Daniel K. Inouye highway extension, from
15 Queen Kaahumanu highway to Mamalahoa highway; and

16 (D) The Keaau to Pahoa road improvements;

17 (2) In the city and county of Honolulu:

18 (A) The widening of Kahekili highway, from Haiku and
19 Ahuimanu;

20 (B) The widening of the H-1 freeway, from the Waiawa
21 interchange to the Halawa interchange; and



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- 1 (C) The Makakilo drive extension, from the end of the
2 existing Makakilo drive to the Kualakai parkway
3 interchange;
- 4 (3) In the county of Kauai:
- 5 (A) The Kapaa bypass road;
- 6 (B) The Kuhio highway short-term improvements, from
7 Kuamoo road to the temporary bypass road;
- 8 (C) The Kuhio highway improvements, from Hanamaulu
9 and Kapaa and from the vicinity of Kapule highway
10 to the Kapaa stream bridge; and
- 11 (D) The northerly leg of the west bypass, from
12 Maluhia road to Koloa road;
- 13 (4) In the county of Maui:
- 14 (A) The Paia relief route, from Spreckelsville to
15 Baldwin and from Baldwin to Hookipa park;
- 16 (B) The Lahaina bypass, from the Lahaina bypass to
17 the Kaanapali connector;
- 18 (C) The Lahaina bypass, Honoapiilani highway
19 realignment, from Hokiokio place to the relocated
20 southern terminus and from the Keawe street
21 extension to the future Kaanapali connector;



- 1 (D) The Kihei to Upcountry highway project, from
- 2 Haliimaile road and Haleakala highway to Kaonoulu
- 3 street and Piilani highway;
- 4 (E) The Honoapiilani highway realignment and
- 5 widening, from Launiupoko to Maalaea and from the
- 6 Kaanapali connector to the vicinity of Honokowai;
- 7 and
- 8 (F) The Kaahumanu avenue widening, from Waiale road
- 9 to Hana highway; and
- 10 (5) Any other project that would increase the capacity of
- 11 existing roadways or create new roadways;
- 12 provided that upon completion of these projects, the revenues
- 13 from the rental motor vehicle customer facility charge may be
- 14 used for any other purpose authorized pursuant to this section."

15 SECTION 4. Section 261-5.6, Hawaii Revised Statutes, is

16 amended by amending subsection (a) to read as follows:

17 "(a) There is established in the state treasury the rental

18 motor vehicle customer facility charge special fund to be

19 administered by the director, into which shall be deposited [all

20 ~~proceeds from the rental motor vehicle customer facility~~



1 ~~charge.]~~ one-half of the proceeds from the rental motor vehicle
2 customer facility charge, as provided in section 261-7(h)(1)."

3 SECTION 5. Section 261-7, Hawaii Revised Statutes, is
4 amended by amending subsection (h) to read as follows:

5 "(h) Notwithstanding any laws to the contrary, the
6 department may establish, levy, assess, and collect rental motor
7 vehicle customer facility charges without regard to chapter 91,
8 which shall be paid to the department periodically as determined
9 by the department [~~and shall be used to pay for, or finance on a~~
10 ~~long term basis or other term basis where appropriate, the~~
11 ~~design, planning, construction, and other uses of the rental~~
12 ~~motor vehicle customer facility charges as set forth by the~~
13 ~~rental motor vehicle customer facility charge special fund in~~
14 ~~section 261-5.6].~~

15 The rental motor vehicle customer facility charges shall be
16 levied, assessed, and collected from all rental motor vehicle
17 customers who benefit from the use of any type of rental motor
18 vehicle facility or service provided by the department at a
19 state airport.

20 Beginning [~~September 1, 2010,~~] September 1, 2017, the
21 department shall levy, assess, and collect a rental motor



1 vehicle customer facility charge of [~~\$4.50~~] \$9.00 per day, or
2 any portion of a day that a rental motor vehicle is rented or
3 leased, by a rental motor vehicle concession where customers
4 pick up and return rental vehicles to a facility at a state
5 airport as determined by the director.

6 All rental motor vehicle customer facility charges shall be
7 collected by lessors as defined in section 437D-3 and who
8 operate a rental motor vehicle concession awarded by the
9 department at a state airport; provided that customers of
10 lessors, as defined in section 437D-3, who do not operate a
11 rental motor vehicle concession at a state airport but whose
12 customers benefit from the use of a rental motor vehicle
13 facility or service at a state airport paid for by rental motor
14 vehicle customer facility charges, shall collect from rental
15 motor vehicle customers, rental motor vehicle customer facility
16 charges in an amount determined by the department in its sole
17 discretion that represents a fair share of the cost and ongoing
18 expenses relating to customer use of the facility or service
19 notwithstanding any law to the contrary and without regard to
20 the requirements of chapter 91. All rental motor vehicle
21 customer facility charges collected by the lessor shall be paid



1 to the department [-]; provided that of the revenues collected
2 pursuant to this subsection:

3 (1) One-half shall be deposited into the rental motor
4 vehicle customer facility charge special fund
5 established by section 261-5.6; and

6 (2) One-half shall be deposited into the state highway
7 fund established under section 248-8 for expenditure
8 in accordance with the purposes described in section
9 248-9(c).

10 Notwithstanding any law to the contrary, the department may
11 negotiate and contract the management, maintenance, and
12 operations of the facility and related services with one or more
13 airport concessions or their designee that share in the use of a
14 rental motor vehicle customer facility at a state airport."

15 SECTION 6. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 7. This Act shall take effect on July 1, 2017.

18

INTRODUCED BY: 

JAN 20 2017



H.B. NO. 401

Report Title:

Highways; Traffic Congestion; State Highway Fund; Rental Motor Vehicle Customer Facility Charge; Tax Deduction

Description:

Increases the rental motor vehicle customer facility charge from \$4.50 to \$9.00. Requires that \$4.50 of the charge be deposited into the rental motor vehicle customer facility charge special fund, and that the remaining \$4.50 of the charge be deposited into the state highway fund for the purpose of funding projects to increase the capacity of certain existing roadways or the construction of certain new roadways. Authorizes certain individuals to deduct the charge on their state taxes.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

