SB 1013

RELATING TO TRANSPORTATION.

Allows the State Department of Transportation Highways Division to collect an equitable compensation from franchise utility companies for the use of the state right of way.

Testimony by:

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IN REPLY REFER TO:

STATE OF HAWAII DEPARTMENT OF TRANSPORTATION 869 PUNCHBOWL STREET HONOLULU, HAWAII 96813-5097

February 10, 2017 1: 15 PM State Capitol, Room 225

S.B. 1013 RELATING TO TAXATION

Senate Committee on Transportation and Energy

The Department of Transportation (DOT) strongly **supports** S.B. 1013. This bill will provide additional funding resources needed to accomplish its primary mission and sustainability goals by allowing the DOT to collect an equitable compensation from the franchise utility companies for the use of the state right of way.

The bill proposes that one-half of the two and one-half per cent franchise tax collected be deposited into the State Highway Fund to be used for operation and maintenance of highway facilities.

The increase in revenues for the State Highway Fund will improve the Department's ability to construct, operate and maintain the State Highway System. This would enable the Department to increase the highways capital improvement project and special maintenance programs. The failure of the State to properly maintain the State Highway System may result in sanctions being imposed by the Federal Highway Administration including the loss of federal funds.

The increase in revenues will allow DOT to provide more infrastructure enhancements for all users including pedestrians, bicyclists, transit users and motorists and would positively impact the department's ability to qualify state matching funds for the highways federal-aid program. The normal federal share for projects on the interstate system is 90 per cent and for other eligible roadways it is 80 per cent.

Thank you for the opportunity to provide testimony.

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<u>SB1013</u>

Submitted on: 2/7/2017 Testimony for TRE on Feb 10, 2017 13:15PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

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