

S.B. NO. 1013

JAN 25 2017

A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. Section 240-1, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "~~§240-1 Electric light and power companies, tax on.~~ Every
4 person operating in the State an electric light or power
5 business as a public utility, whose franchise [~~does not~~
6 ~~provide~~] provides for the payment to the county in which the
7 public utility operates of a tax~~[, or a tax of less than]~~ of two
8 and one-half per cent~~[,]~~ or less, based upon the gross receipts
9 of such person from all electric light or power furnished to
10 consumers during each calendar year, shall file with the
11 director of finance of the county in which the public utility
12 operates, within one month after the expiration of each calendar
13 year, a detailed statement showing all gross receipts from all
14 electric light or power furnished to consumers during the
15 preceding calendar year. Such person shall, at the same time
16 pay one-half of the tax collected to the director of finance,
17 for and on behalf of such county, in addition to any and all
18 other payments required to be made by law, [~~two and one-half per~~

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1 ~~cent of the gross receipts; or, if such person's franchise~~
2 ~~provides for a tax of less than two and one half per cent of the~~
3 ~~gross proceeds, the difference between the tax required under~~
4 ~~such franchise and two and one half per cent of the gross~~
5 ~~receipts, of such person from all electric light or power~~
6 ~~furnished to consumers during the preceding calendar year.] and~~
7 one-half of the tax collected to the department of
8 transportation highways division. Payments of the franchise tax
9 made to the department of transportation highways division shall
10 be deposited into the state highway fund and shall be used for
11 operation and maintenance of the department's highway
12 facilities."

13 SECTION 2. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:



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BY REQUEST

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Report Title:

Department of Transportation; Franchise Utility

Description:

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.

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

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JUSTIFICATION SHEET

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO TRANSPORTATION.

PURPOSE: Allow 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.

MEANS: Amend section 240-1, Hawaii Revised Statutes.

JUSTIFICATION: To meet the economic needs of the State and preserve the unique quality of life of its residents and visitors to these precious islands, the Department of Transportation must provide a safe, efficient, and effective land transportation system for the movement of people and goods. The state land transportation system, however, has not kept pace with our growing economy, land use development patterns, and evolving life styles with its every increasing demand for travel. Programmatic and project needs far exceed the necessary resources available and needed to properly address them. The land transportation system is and will continue to deteriorate as demand for travel continues to increase; costs to manage, construct, and administer the system increase; and opportunities to expand the system come at too high a consequence.

The current flow of revenues for both the Federal Highway Trust Fund and the State Highway Fund from their respective fuel taxes are continuously decreasing as automobiles become more fuel efficient and the demand for fuel progressively decreases. As the average fuel economy of motor vehicles improves in accordance with the Corporate Average Fuel Economy standards and the increase in electric, plug-in hybrid electric vehicles and alternative fuel vehicles, it is clear

that the current gas fuel tax is not sustainable for future highway funding. The fate of the state's ability to provide safe and efficient roadways to the public relies upon its ability to acquire the needed funding for all highway programs and projects. With the funding needs of the State Highway Program severely outweighing the revenues being generated through the state fuel tax, more innovative revenue generating programs need to be studied to support the State Highway Fund revenues.

The increase in revenues will provide safer 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.

Impact on the public: The increase in revenues will enable the Department of Transportation to provide a safe, efficient, and effective state highway system.

Impact on the department and other agencies: 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 also improve the Department of Transportation's ability provide state matching funds for the highways federal-aid program. The availability of state matching funds will allow the State to attract its share for federal funds. The normal federal share for projects on the

interstate system is 90 percent and for other eligible roadways it is 80 percent.

Allow 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 and deposited into the State Highway Fund.

GENERAL FUND: None.

OTHER FUNDS: None.

PBS PROGRAM
DESIGNATION: TRN 595.

OTHER AFFECTED
AGENCIES: Department of Budget and Finance, Department of Taxation, and counties.

EFFECTIVE DATE: Upon approval.