

Michael P. Victorino
Mayor

Sananda K. Baz
Acting Managing Director



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February 11, 2019

The Honorable Roy M. Takumi, Chair
House Committee on Consumer Protection & Commerce

Dear Representative Takumi, and Committee Members:

Re: Hearing of February 13, 2019, Testimony in **SUPPORT OF HB 394**, Relating to Highway Beautification

Thank you for the opportunity to testify in **support** for **HB 394**. This important measure makes the motor vehicle registration fee for U-drive motor vehicles consistent with the fee for all other motor vehicles and makes any county ordinance that increases a motor vehicle registration fee applicable to U-drive vehicles.

The Highway Beautification Fund has long been a highly useful tool for Maui County to conduct operations on highways under our jurisdiction. The vehicle registration fee is particularly important, as the revenues fund highway beautification projects and the disposal of abandoned or derelict vehicles, which is an ongoing issue throughout Maui County.

Currently, there are an estimated 20,000 to 25,000 registered U-drive vehicles in Maui County. Maui County could see an estimated \$180,000 to \$225,000 of additional revenue from certificates of registration if this measure passes.

As visitor counts continue to grow, a larger burden is placed on county resources to maintain highways. U-drive motor vehicles share the roads alongside all other vehicles and should contribute equally to highway beautification.

Mahalo for your consideration of **HB 394**.

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Respectfully yours,

A handwritten signature in black ink, reading "Michael P. Victorino". The signature is written in a cursive style with a large, stylized "M" and "V".

MICHAEL VICTORINO
Maui County Mayor

HB-394

Submitted on: 2/10/2019 2:51:13 PM

Testimony for CPC on 2/13/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Councilmember Yuki Lei Sugimura	Maui County Council	Support	No

Comments:

I strongly support HB 394 which will provide additinal funding support for the beautification of our highways.

Maui County has the most rental cars travelling on our infrastructure and this will help us maintain our roads to keep Maui no ka oi!

Councilmember Yuki Lei Sugimura

Maui County Council

HB-394

Submitted on: 2/12/2019 10:05:12 AM

Testimony for CPC on 2/13/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Goode	County of Maui, Department of Public Works	Support	No

Comments:

Aloha Chair Takumi and Members of the Consumer Protection and Commerce Committee:

The County of Maui Department of Public Works (DPW) SUPPORTS HB394 in that it will allow the Counties to charge U drive (rental cars) the same fee as all other vehicles registered in the County to assist in community beautification activities, namely the removal of abandoned vehicles and the maintenance of street trees.

DPW does street tree maintenance and our funding is limited by the current wording in HRS 286-51 in two areas: the unfair treatment of U drive vehicles, and the arbitrary limit of \$10 per vehicle. We ask the committee to also consider removing the limit of \$10 and allow the counties to set the limit and uses as they see fit. This can be accomplished by removing the existing language in lines 14-19 (first word) in the bill.

Mahalo,

David Goode

Director, DPW

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Applies Beautification Fee to U-Drive Vehicles

BILL NUMBER: HB 394

INTRODUCED BY: HASHIMOTO, DECOITE, ELI, HOLT, ICHIYAMA, KITAGAWA, D. KOBAYASHI, B. KOBAYASHI, MATAYOSHI, NAKAMURA, QUINLAN, TODD, WILDBERGER, YAMASHITA, McKelvey, San Buenaventura

EXECUTIVE SUMMARY: Prohibits the shipment of tobacco products, and the transport of tobacco products ordered or purchased through a remote sale, to anyone other than a licensee. Makes all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee. Amends the taxes on cigarettes and tobacco products. Increases the excise tax for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer. Increases the excise tax on the wholesale price of each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer. Our question is whether tax increases are an effective way to advance the social policy goals contained in this measure.

SYNOPSIS: Amends section 286-51, HRS, to raise the beautification fee for U-drive vehicle registrations from \$1 to \$2, which is the rate generally applicable to vehicles. Deletes the proviso that a county's power to increase the beautification fee by ordinance will not apply to U-drive vehicles, so that the county ordinance may apply to all vehicles.

EFFECTIVE DATE: July 1, 2019.

STAFF COMMENTS: The special reduced beautification fee for U-drive vehicles was enacted by Act 274, SLH 1999, which raised the beautification fee from \$1 to \$2 and gave the counties the power to raise it further, but froze the beautification fee for U-drive vehicles at \$1. This bill reverses the preferential treatment of U-drive vehicles.

Digested 2/10/2019