
A BILL FOR AN ACT

RELATING TO THE COUNTIES.

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

1 SECTION 1. The legislature finds that, in certain areas of
2 the State, private subdivisions struggle to adequately fund road
3 maintenance, due to current constraints on counties that prevent
4 the expenditure of public funds on private roads. In these
5 areas, many private roads that are currently open to and used by
6 the public also serve as important routes for first responders,
7 public transportation, and emergency services. The lack of
8 maintenance on these roads creates a public safety hazard, not
9 only for the residents of these areas, but for everyone who
10 relies on the roads. The repair and maintenance of privately-
11 owned roads that are open to and used by the public would not
12 only decrease wear and tear on private vehicles that use the
13 roads, but would also ensure a continuation of essential public
14 services, such as emergency responses and school buses
15 transporting students to and from school. The legislature finds
16 that allowing certain counties to utilize tax revenues collected
17 by the counties for the repair and maintenance of private roads



1 that are open to and used by the public will improve access and
2 safety for residents and visitors of the State, and serves an
3 important public purpose.

4 Accordingly, the purpose of this Act is to allow certain
5 counties to utilize tax revenues collected on behalf of the
6 counties for the repair and maintenance of private roads that
7 are open to and used by the public.

8 SECTION 2. Section 46-16.8, Hawaii Revised Statutes, is
9 amended by amending subsection (g) to read as follows:

10 "(g) Each county having a population equal to or less than
11 five hundred thousand that adopts a county surcharge on state
12 tax ordinance pursuant to this section shall use the surcharges
13 received from the State for:

14 (1) Operating or capital costs of public transportation
15 within each county for public transportation systems,
16 including:

17 (A) Public roadways or highways[+], including private
18 roadways that are open to and used by the public;

19 (B) Public buses;

20 (C) Trains;

21 (D) Ferries;



1 (E) Pedestrian paths or sidewalks; or
2 (F) Bicycle paths;
3 (2) Expenses in complying with the Americans with
4 Disabilities Act of 1990 with respect to paragraph
5 (1); and
6 (3) Housing infrastructure; provided that a county that
7 uses surcharge revenues for housing infrastructure
8 shall not pass on those housing infrastructure costs
9 to the developer of a housing project; provided
10 further that this paragraph shall apply only if a
11 county amended its surcharge ordinance pursuant to
12 subsection (d) or adopts a county surcharge on state
13 tax ordinance after December 31, 2022;
14 provided that each county having a population equal to or less
15 than five hundred thousand that adopts a county surcharge on
16 state tax ordinance pursuant to this section after December 31,
17 2022, shall use the surcharge revenues received from the State
18 only for the purposes described in paragraph (3)."

19 SECTION 3. Section 243-6, Hawaii Revised Statutes, is
20 amended to read as follows:

1 "**§243-6 Fuel taxes, dispositions.** (a) The ["]city and
2 county of Honolulu fuel tax["] shall be paid by the department
3 of taxation into the state treasury, and shall, by the state
4 director of finance, be paid over to the director of finance of
5 the city and county of Honolulu for deposit into the [~~fund known~~
6 ~~as the "~~]highway fund["] created by section 249-18.

7 (b) The ["]county of Kauai fuel tax["] shall be paid by
8 the department of taxation into the state treasury, and shall,
9 by the state director of finance, be paid over to the director
10 of finance of the county of Kauai for deposit into the [~~fund~~
11 ~~known as the "~~]highway fund["] created by section 249-18.

12 (c) The ["]county of Hawaii fuel tax["] shall be paid by
13 the department of taxation into the state treasury, and shall,
14 by the state director of finance, be paid over to the director
15 of finance of the county of Hawaii for deposit into the [~~fund~~
16 ~~known as the "~~]highway fund["] created by section 249-18.

17 (d) The ["]county of Maui fuel tax["] collected on account
18 of liquid fuel sold or used on the island of Lanai or sold
19 elsewhere for ultimate use on the island of Lanai, shall be paid
20 by the department of taxation into the state treasury, and
21 shall, by the state director of finance, be paid over to the



1 director of finance of the county of Maui for deposit into the
2 [~~fund known as the "~~]highway fund["] created by section 249-18,
3 for expenditure on the island of Lanai. The ["]county of Maui
4 fuel tax["] collected on account of liquid fuel sold or used on
5 the island of Molokai or sold elsewhere for ultimate use on the
6 island of Molokai, shall be paid by the department of taxation
7 into the state treasury, and shall, by the state director of
8 finance, be paid over to the director of finance of the county
9 of Maui for deposit into the [~~fund known as the "~~]highway
10 fund["] created by section 249-18, for expenditure on the island
11 of Molokai. The remainder of the ["]county of Maui fuel tax["]
12 shall be paid by the department of taxation into the state
13 treasury, and shall, by the state director of finance, be paid
14 over to the director of finance of the county of Maui for
15 deposit into the [~~fund known as the "~~]highway fund["] created by
16 section 249-18.

17 (e) Each of the [~~foregoing~~] taxes under subsections (a)
18 through (d) shall be expended for the following purposes, for
19 the island for which the tax revenue is specially indicated, or,
20 if none, for the county for which the tax revenue is indicated:



- 1 (1) For payment of interest on and redemption of any bonds
2 duly issued or sold on or after July 1, 1951, under
3 chapter 47 for the financing or aiding in financing
4 the construction of county highway tunnels, approach
5 roads thereto, and highways. [~~Such payments~~] Payments
6 of interest and principal on the bonds when due, shall
7 be first charges on such moneys so deposited in the
8 fund[-];
- 9 (2) For acquisition, designing, construction,
10 reconstruction, improvement, repair, and maintenance
11 of county main and general thoroughfares, highways,
12 and other streets, including private roadways that are
13 open to and used by the public, street lights, storm
14 drains, and bridges, including costs of new land
15 therefor, when expenditures for [~~the foregoing~~] these
16 purposes cannot be financed under state-federal aid
17 projects[-];
- 18 (3) In the case of the city and county of Honolulu, for
19 payment of the city and county's share in an
20 improvement district initiated by the city and county
21 for an improvement listed in [+]paragraph[+] (2)



1 ~~[above which]~~ that is permitted to be constructed in
2 the city and county~~[-]~~;

3 (4) For the construction of county highway tunnels,
4 overpasses, underpasses, and bridges, where ~~[such]~~ the
5 improvement cannot be made under state-federal aid
6 projects~~[-]~~;

7 (5) For purposes and functions connected with county
8 traffic control and preservation of safety upon the
9 public highways and streets~~[-]~~, including private
10 roadways that are open to and used by the public;

11 (6) For purposes and functions in connection with mass
12 transit~~[-]~~; and

13 (7) For acquisition, design, construction, improvement,
14 repair, and maintenance of bikeways.

15 ~~[(8)]~~ (f) No expenditure under subsection (e) shall be
16 made~~[-]~~ out of the revenues paid into any ~~[such]~~
17 fund~~[-, which]~~ that will jeopardize federal aid for
18 highway construction."

19 SECTION 4. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 5. This Act shall take effect on July 1, 2112.



S.B. NO. 2743
S.D. 1

Report Title:

County Surcharge on State Tax; Fuel Tax; Counties; Repair and Maintenance; Private Roadways

Description:

Authorizes certain counties to use county surcharge on state tax revenues and fuel tax revenues for the repair and maintenance of private roadways that are open to and used by the public. Takes effect 7/1/2112. (SD1)

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