THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.C.R. NO. 155

MAR 16 2026

SENATE CONCURRENT RESOLUTION

REQUESTING THE CITY AND COUNTY OF HONOLULU'S DEPARTMENT OF BUDGET AND FISCAL SERVICES, IN CONSULTATION WITH THE DEPARTMENT OF CUSTOMER SERVICES, TO STUDY THE FISCAL AND POLICY IMPACT OF THE ACTIVE-DUTY MILITARY VEHICLE WEIGHT TAX EXEMPTION.

WHEREAS, under federal law, including the Servicemembers Civil Relief Act (50 U.S.C. § 4001), nonresident active-duty military personnel stationed in Hawaii are exempt from certain state and local personal property taxes, including motor vehicle weight taxes; and

WHEREAS, Hawaii law further provides vehicle weight tax exemptions for certain active-duty military personnel and members of the National Guard and Reserves under HRS § 249-6.5; and

WHEREAS, according to the City and County of Honolulu's Department of Customer Services, in early 2025, there were 54,764 active-duty service members stationed at a military installation on Oahu who are residents of another state, or spouses who claim the same legal residence of a member of the U.S. Armed Forces on active duty on Oahu, who were exempted from payment of County of Honolulu and Hawaii motor vehicle weight taxes, and certain other fees, for vehicles registered in their name; and

WHEREAS, their exemptions specifically apply to the Honolulu County vehicle weight tax, state weight tax, state registration fee, highway beautification fee, and if applicable, the electric vehicle/hybrid/alternative fuel vehicle fee; and

WHEREAS, as road maintenance and infrastructure costs continue to rise, there is increasing pressure on state and county revenue sources; and

WHEREAS, the vehicle weight tax, representing the largest component of fees and taxes related to vehicle registration, is a significant source of revenue for county transportation infrastructure, road maintenance, and related public services; and

WHEREAS, the number of active-duty military personnel stationed on Oahu is substantial relative to the island's total population; and

WHEREAS, equity in tax policy requires periodic review to ensure fair distribution of the costs of public infrastructure among all users of state and county roads; and

WHEREAS, the fiscal impact of the military vehicle weight tax exemption on the City and County of Honolulu has not recently been comprehensively analyzed in a publicly available report; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2026, the House of Representatives concurring, the City and County of Honolulu is requested to conduct a study examining the fiscal and policy impacts of the active-duty military vehicle weight tax exemption; and

BE IT FURTHER RESOLVED the study is requested to include, but not be limited to:

1. The number of active-duty military members and the associated vehicles for which they claim exemptions within the City and County of Honolulu;

2. The estimated annual amount of county vehicle weight tax revenue and state vehicle weight tax revenue foregone as a result of the exemption over the past five fiscal years;

3. A projection of anticipated revenue impacts over the next five fiscal years;

4. Administrative costs associated with implementing and verifying eligibility for the exemption;

5. An assessment of the proportion of total registered vehicles represented by exempted military vehicles; and

6. Identification of any federal legal constraints affecting the County's authority in this area; and

BE IT FURTHER RESOLVED the City and County of Honolulu is requested to transmit a report of its findings and any recommendations to the Legislature no later than twenty days prior to the Regular Session of 2027; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to certified copies of this Resolution be transmitted to the Mayor of the City and County of Honolulu and the Director of Budget and Fiscal Services of the City and County of Honolulu.

OFFERED BY: ______________________