

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHELU A KĀLĀ
CITY AND COUNTY OF HONOLULU

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April 8, 2026

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice-Chair
and Members of the Senate Committee on Ways and Means
State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Dela Cruz, Vice-Chair Moriwaki, and Committee Members:

SUBJECT: Testimony in Opposition on House Bill 2022, HD1, SD1
Relating to Motor Vehicle Registration
Hearing: April 9, 2026 at 10:55 a.m., Conference Room 211 and
via Videoconference

The Department of Budget and Fiscal Services, City and County of Honolulu ("City"), respectfully **opposes** House Bill ("HB") 2022, HD1, SD1 Relating to Motor Vehicle Registration. This bill requires counties' annual registration fees and vehicle weight taxes not to exceed the State's annual motor registration fee and vehicle weight tax. It also requires counties to expend at least 30 percent of revenues from these fees on roadway repair and maintenance and to submit an annual report to the legislature.

The current weight tax rates were enacted by Ordinance 17-24 and have been in effect since January 1, 2019. If the City's rates cannot exceed the State's, the City must reduce the vehicle weight tax by about 70-75%. In FY 2025, motor vehicle weight tax revenue was \$192.6 million. Reducing the rate to the State's level would cut revenue by \$135 million, a huge loss for the City. The weight tax funds the Highway Fund. Few other taxes generate this much revenue. The fuel tax is the next largest revenue source, but it brings in only about \$41 million per year. Replacing the \$135 million loss would require tripling the fuel tax rate, which is not possible. This will lead to reductions in public services funded by the vehicle weight tax and registration fees.

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The Highway Fund supports several important functions. It funds the Road Maintenance and Public Building and Maintenance (“PBEM”) Division within the Department of Facility Maintenance, which is responsible for city street lighting repair and maintenance. Additionally, Highway Funds in the City’s operating budget cover the City’s share of debt service for Capital Improvement Program (“CIP”) projects funded with Highway Improvement (“HI”) Bonds. For FY 26, \$137.7 million was appropriated for this debt service. Most CIP projects are bond-funded, and all HI-funded projects comply with state law criteria for Highway Fund use. These projects mainly involve road construction or essential infrastructure such as traffic signals, engineering devices, street lighting, curb ramps, guardrails, street and bridge rehabilitation, emergency access roads, and road drainage systems. Furthermore, Highway Funds provide operational funding for highway and transportation-related functions in the Honolulu Police Department, Department of Transportation Services, Department of Design and Construction, and related employee fringe benefits and payroll taxes.

Filing an annual report would add an administrative burden and increase staff workload. The use of Highway Funds is consistent with state law and city ordinances regarding Highway Fund monies.

For the reasons stated above, the City respectfully **opposes** HB 2022, HD1, SD1.

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact the Department of Budget and Fiscal Services at (808) 768-3900 or bfsmail@honolulu.gov.

Sincerely,


for Andrew T. Kawano
Director

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Set County Annual Vehicle Registration Fee and Weight Tax Same as State

BILL NUMBER: HB 2022 SD 1

INTRODUCED BY: EIG/TRS

EXECUTIVE SUMMARY: Specifies that the county annual vehicle registration fee shall not exceed the state annual motor vehicle registration fee for counties with a population of five hundred thousand or more. Specifies that counties with a population of five hundred thousand or more are required to spend a certain portion of the collected revenues from county motor vehicle registration fees and weight tax on roadway repair and maintenance. Specifies that the county annual vehicle weight tax shall not exceed the state annual vehicle weight tax for counties with a population of five hundred thousand or more. Requires annual reports to the Legislature. Effective 7/1/3000. (SD1)

SYNOPSIS: Amends section 249-31, HRS, to force the county annual registration fee to be equal to the state annual motor vehicle registration fee notwithstanding any county ordinance to the contrary. Applies to counties with a population of five hundred thousand or more.

Requires each county with a population of five hundred thousand or more to expend no less than 30% of the respective revenues collected from county registration fees for roadway repair and maintenance, and requires an annual report to the legislature.

Amends section 249-33, HRS, to force the county annual vehicle weight tax to be equal to the state annual motor vehicle registration fee notwithstanding any county ordinance to the contrary. Applies to counties with a population of five hundred thousand or more.

Requires each county with a population of five hundred thousand or more to expend no less than 30% of the respective revenues collected from county vehicle weight taxes for roadway repair and maintenance, and requires an annual report to the legislature.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: This measure supplants the county's traditional authority to set by ordinance the annual motor vehicle registration fee and weight tax.

County vehicle taxes (except for bicycle fees) typically go into the county highway fund (section 249-18, HRS) and are used for road maintenance.

The bill as amended appears to apply only to the City & County of Honolulu. We question what Honolulu has done to merit what appears to be punitive measures in this bill.

Digested: 4/8/2026

HB-2022-SD-1

Submitted on: 4/8/2026 1:25:01 PM

Testimony for WAM on 4/9/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Marsha Hee	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support the specific measures of HB2022.

Please vote to pass it.

Respectfully,

Marsha Hee

Life-long resident of Hawaii from Honolulu, Kauai & Hawaii Islands

HB-2022-SD-1

Submitted on: 4/8/2026 1:27:45 PM

Testimony for WAM on 4/9/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Greg Crawford	Individual	Support	Written Testimony Only

Comments:

If you are representing your constituents then you will do everything to make this bill pass. The cost of vehicle registration fees on Oahu is outrageous. Please support this bill.

Mahalo

HB-2022-SD-1

Submitted on: 4/8/2026 3:37:48 PM

Testimony for WAM on 4/9/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Jonathan Huynh	Individual	Oppose	Written Testimony Only

Comments:

I am a resident of Nanakuli. I am writing to express my strong opposition to HB 2022 SD1.

I understand bill's goal: car registration is expensive, and working families need relief. But this bill doesn't solve the affordability crisis; it just shifts the burden. By capping the county weight tax at the state's lower rate, the bill effectively subsidizes heavy commercial vehicles at the expense of residents like me.

The bill caps county weight taxes at the state rate (1.75¢ per lb) and imposes a \$300 flat cap for vehicles over 10,000 lbs. Currently, Honolulu charges 7¢ to 7.5¢ per lb with no cap. This means a 26,000 lb commercial truck will see their annual county weight tax drop from roughly \$1,950 to just \$300—an 85% tax cut.

Meanwhile, my older sedan saves maybe \$150. That isn't equity; it's a regressive cost shift that forces everyday drivers to subsidize the trucks and drivers of large vehicles that tear up our roads. Heavy vehicles cause exponentially more wear and tear on our roads. By capping their taxes, this bill forces sedan drivers and non-drivers to subsidize the commercial trucking industry and owners of heavy luxury SUVs. That is not equity; that is a regressive cost shift.

This creates a \$135 million hole in the county's highway fund. In West Oahu, we already deal with dangerous roads and worse infrastructure. If we lose that funding, the county could defer maintenance, making Farrington Highway deadlier.

We just passed a mileage-based charge for EVs to ensure drivers pay for road usage. It makes no sense to now let the heaviest, most damaging vehicles off the hook. We need a consistent system where those who do the most damage pay the most to fix it.

I share Representative Kila's desire to make Hawaii more affordable. But HB 2022 SD1 subsidizes heavy industry and drivers of large, heavy vehicles over working families and threatens the funding for the infrastructure we need to survive.

If we want to help low-income drivers, we should target tax credits or exemptions based on income. I urge you to oppose this bill.

Mahalo for the opportunity to testify.

LATE

HB-2022-SD-1

Submitted on: 4/8/2026 5:16:36 PM

Testimony for WAM on 4/9/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Disa Hauge	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and members of the committe,

As a lifetime resident of the Wai'anae coast, I ask for your support of HB 2022. Registration costs are a burden on our community members who largely drive to town for work, through extensive traffic if I may add. As contributors to our State's economy, It's critical that we have some ceiling on their costs and accountability for those dollars.

Thank you.

LATE

HB-2022-SD-1

Submitted on: 4/8/2026 5:55:21 PM

Testimony for WAM on 4/9/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristofer Sniffen	Individual	Support	Written Testimony Only

Comments:

I support HB2022.

LATE

HB-2022-SD-1

Submitted on: 4/8/2026 6:17:02 PM

Testimony for WAM on 4/9/2026 10:55:00 AM

Submitted By	Organization	Testifier Position	Testify
austin salcedo	Individual	Support	Written Testimony Only

Comments:

IN STRONG SUPPORT OF HB2022, IMPERATIVE FOR TRANSPARENCY AND ACCOUNTABILITY BY GOVERNMENT OFFICIALS.

HAWAII COST OF LIVING ON OAHU IS EXTREMELY HIGH, ESPECIALLY FOR KUPUNA'S LIVING ON FIX IMCOME WHICH DO NOT INCREASE AS PRICE COST RISE'S

HB-2022-SD-1

Submitted on: 4/8/2026 7:18:37 PM

Testimony for WAM on 4/9/2026 10:55:00 AM



Submitted By	Organization	Testifier Position	Testify
TERI SAVAIINAEA	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz and Members of the Committee,

I support HB2022 HD1 SD1.

The cost of vehicle registration has become a real burden on working families across our communities. For many of us, especially on the Leeward Coast and other areas with limited public transportation, a vehicle is not optional—it is essential to get to work, school, and daily responsibilities.

This measure brings needed balance by placing reasonable limits on county weight taxes while still allowing counties to generate revenue. More importantly, it adds accountability by ensuring that a portion of these funds is directed toward road repair and maintenance. If residents are paying these fees, they should see improvements in the roads they use every day.

While I understand concerns about county authority, there must also be fairness, consistency, and transparency for the people who are paying these costs. This bill moves us in the right direction.

I respectfully urge your support.

Mahalo for the opportunity to testify.

Teri Kia Savaiinaea

Wai'anae resident