



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026**

ON THE FOLLOWING MEASURE:
S.B. NO. 2558, RELATING TO TRANSPORTATION.

BEFORE THE:
SENATE COMMITTEE ON TRANSPORTATION

DATE: Thursday, February 5, 2026 **TIME:** 3:01 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Jose A. Vega, Deputy Attorney General

Chair Inouye and Members of the Committee:

The Department of Attorney General provides the following comments.

The purpose of this bill is to establish a new annual vehicle registration surcharge on vehicles with a hood height greater than forty inches by amending sections 249-31 and 291C-4, Hawaii Revised Statutes (HRS). The surcharge would be \$20 for each inch above forty inches, and would not apply to buses, ambulances, or vehicles classified by the Federal Highway Administration as Class 5 or higher. Revenues from this surcharge would be deposited into the Safe Routes to School Program Special Fund.

Section 3 of the bill, beginning on page 4, line 14, amends section 291C-4 relating to the Safe Routes to School Program Special Fund. The wording used in this section does not appear to include the amendments to section 291C-4, as amended by Acts 112, 171, and 212, Session Laws of Hawaii 2025. Specifically, the following provisions may have been omitted or are presented in a form inconsistent with recent amendments:

1. Act 112, §4: "Moneys collected from state reserved parking space enforcement fines pursuant to sections 291-57 and 291-72."
2. Act 171, §3: "Fines collected for street parking restrictions pursuant to section 291C- ."
3. Act 212 §5: "The surcharge collected pursuant to section 249- ."

The current version of section 291C-4, HRS, from the www.capitol.hawaii.gov/hrscurrent/ website as of February 4, 2026, reads as follows:

§291C-4 Safe routes to school program special fund; establishment. There shall be established in the state treasury the safe routes to school program special fund, into which shall be deposited:

- (1) Assessments collected for speeding in a school zone, pursuant to section 291C-104;
- (2) Safe routes to school program surcharges collected in accordance with sections 291-16 and 291C-5;
- (3) Moneys collected from state reserved parking space enforcement fines pursuant to sections 291-57 and 291-72;
- [(4)] The surcharge collected pursuant to section 249-37; and
- [(5)] Fines collected for street parking restrictions pursuant to section 291C-116.

These amendments should be used as a base for the proposed amendments to section 291C-4. Thank you for the opportunity to provide these comments.

DEPARTMENT OF CUSTOMER SERVICES
KA 'OIHANA LAWELawe KUPA
CITY AND COUNTY OF HONOLULU

ADMINISTRATION

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February 4, 2026

The Honorable Lorraine R. Inouye, Chair
The Honorable Brandon J.C. Elefante, Vice Chair
and Members of the Senate Committee on Transportation
State Capitol, Conference Room 229
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Inouye, Vice Chair Elefante, and Members of the Senate Committee on Transportation:

SUBJECT: S.B. No. 2558 - Relating To Transportation
HEARING: Thursday, February 5, 2026, 3:01 p.m.

The City and County of Honolulu, Department of Customer Services (CSD) respectfully offers **comments** to S.B. No. 2558 for your committee's consideration. Pursuant to Section 6-402 of the Revised Charter of the City and County of Honolulu, CSD Division of Motor Vehicles (DMV) administers the motor vehicle registration program for the island of O'ahu. While CSD appreciates the intent of the proposed legislation, we have concerns regarding its application and its legal implications.

S.B. No. 2558 establishes an annual vehicle registration surcharge for vehicles having a hood height greater than 40 inches for deposit into the safe routes to school program special fund. While CSD DMV supports the intent of the proposed legislation and efforts to enhance road safety, we provide the following comments regarding anticipated operational impacts for your consideration.

In the City and County of Honolulu, vehicle inspection is administered under CSD DMV oversight and performed by private inspection stations. Implementation of this measure would require standardized hood-height measurement criteria, appropriate measuring tools, and training for private inspection companies to ensure consistent application. City staff would also require training to oversee compliance and address disputes.

Testimony for S.B. No. 2558

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These responsibilities represent an expansion of current inspection functions and would require additional time and resources, including funding, to implement effectively. CSD respectfully notes that adequate planning, training, and resourcing, at an unknown cost, would be necessary to support successful implementation of this legislation.

Thank you for this opportunity to provide **comments** on S.B. No. 2558. CSD respectfully requests that the administrative, enforcement, and resource impacts on the motor vehicle registration and driver licensing system be carefully considered as this measure is considered.

Thank you for this opportunity to provide testimony on S.B. No. 2558.

Sincerely,

for Kimberly M. Hashiro
Director

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Surcharge on Tall Vehicles for Safe Routes to School Program Special Fund

BILL NUMBER: SB 2558

INTRODUCED BY: MORIWAKI, CHANG, RHOADS, San Buenaventura

EXECUTIVE SUMMARY: Establishes an annual vehicle registration surcharge for vehicles having a hood height greater than 40 inches for deposit into the safe routes to school program special fund.

SYNOPSIS: Amends section 249-31, HRS, to impose a registration fee surcharge of \$20 for each inch that the vehicle's hood height exceeds forty inches; except for buses, ambulances, or vehicles categorized by the Federal Highway Administration as class 5 or greater.

Redirects the vehicle registration fee surcharge for electric vehicles to the state highway fund (section 248-8, HRS).

Provides that the vehicle registration fee surcharge for tall vehicles is deposited in the safe routes to school program special fund (section 291C-4, HRS).

Makes a conforming amendment.

EFFECTIVE DATE: July 1, 2026.

STAFF COMMENTS: This measure seems to be a tax hike primarily directed at trucking. It is easy to see how the additional tax will become part of the costs necessary to move retail goods from dock to store, or from store to consumer.

Our tax system has been roundly criticized for being unfair to those on the lower end of the income spectrum. In particular, a 2024 study from the Institute on Taxation and Economic Policy (ITEP) (<https://sfo2.digitaloceanspaces.com/itep/ITEP-Who-Pays-7th-edition.pdf>) asserts that the lowest 20% of our population pays 14.1% of its income in state and local taxes, while the top 1% pays 10.1%.

The ITEP study shows us that the problem is that we have very broad excise taxes, which fund basically half of our state government. Excise taxes apply without regard to the payer's ability to pay the tax. The lower your income, the greater the portion of your income must be spent to buy essentials like food, water, and power. Those who have more money spend as well, but they don't need to spend as much in proportion to what they make. Our excise taxes are imposed on spending, so naturally they will fall more heavily on the poor as a proportion of their incomes.

Re: SB 2558

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This proposed fee would also apply without regard to the purchaser's ability to pay the tax, and would add to the regressive nature of the tax system we now have.

Digested: 2/3/2026



Testimony of the Oahu Metropolitan Planning Organization

Committee on Transportation

February 5, 2026 at 3:01 PM
Conference Room 229

SB2558 Relating to Transportation

Dear Chair Inouye, Vice Chair Elefante, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports SB2558**, which establishes an annual vehicle registration surcharge for vehicles having a hood height greater than 40 inches for deposit into the Safe Routes to School Program special fund.

This bill is consistent with several goals of the Oahu Regional Transportation Plan including support for increasing road safety and reducing serious injuries and traffic deaths to zero. Creating a vehicle registration surcharge for pickup trucks, SUVs, and vans with hood heights greater than 40 inches not only helps fund projects that bolster safe routes to school projects, but it can also further protect vulnerable road users.

Researchers with the [Insurance Institute for Highway Safety](#) studied data for nearly 18,000 pedestrian crashes and found that vehicles with a hood height greater than 40 inches are 45% more likely to cause fatalities than shorter vehicles with a hood height of 30 inches or less. Researchers found that the shape of a vehicle's front end also plays a significant role in pedestrian fatalities: among medium-height vehicles with hood heights between 30 and 40 inches, those with a blunt front profile were 26% more likely to kill a person walking than those with a sloped design.

Safety expert and author of *Right of Way: Race, Class, and the Silent Epidemic of Pedestrian Deaths in America*, Angie Schmitt, who was a guest speaker at OahuMPO's Transportation Forum in January, highlighted the risk of large hood heights in her presentation. She shared that the front ends of some of the best-selling cars in the United States (full-size pickups, which we also see here in Hawaii) are as high as 55 inches. She

explained that this produces huge forward blind zones that are especially dangerous to children, who are some of our most vulnerable users. They are smaller and less visible to drivers, have less developed hazard perception skills, and may act unpredictably in traffic situations.

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP), which encourages and promotes a safe and efficient transportation system to serve the mobility needs of people and freight (including walkways, bicycles, and transit), fosters economic growth and development, and takes into consideration resiliency needs, while minimizing fuel consumption and air pollution (23 CFR 450.300)

Thank you for the opportunity to provide testimony on this measure.