

ACT 136

H.B. NO. 3697

A Bill for an Act Relating to Private Source Revenues.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 46-16.7, Hawaii Revised Statutes, is amended by amending subsections (c) and (d) to read as follows:

“(c) The general excise and use tax surcharges received from the State by each county shall be used as follows:

- (1) The city and county of Honolulu shall use the surcharges to develop a fixed rail rapid transit system. All private source revenues generated or pledged to develop a fixed rail rapid transit system that are received prior to the operation of the system shall be used as county matching funds for moneys requested from the transit capital development fund, pursuant to chapter 51D, before surcharges may be used. The director of finance shall determine whether or not private sources are adequate to meet county matching requirements. The director of finance shall submit a report of the findings to the legislature. Upon legislative acceptance of the findings, within sixty days of the first regular legislative session convened following the submittal of the findings, no additional moneys may be expended from the transit fund; provided that:
 - (A) Such limitation on the expenditure of moneys from the transit fund shall not occur prior to December 31, 1992; and
 - (B) Private source revenues received prior to the operation of the system or received in each year that the surcharge is in effect shall be committed to the funding of the capital costs of the fixed rail rapid transit system prior to any determination regarding the duration of the surcharge.
- (2) All surcharges collected but not used for the purpose of developing a fixed rail rapid transit system shall be deposited into the state treasury to be returned to the taxpayers in the form of an income tax

credit, the amount of the credit to be determined by law.

- (3) The general excise and use tax surcharge shall be repealed upon the determination by the director of finance that all authorized capital costs of the fixed rail rapid transit system or county projects under paragraph (4) have been collected and distributed pursuant to chapter 248.
- (4) The counties of Hawaii, Kauai, and Maui shall use the surcharges for public transportation systems, including mass transportation, sewage, or water development, and parks, including park operation, maintenance, infrastructure, or purchase.

(d) As used in this section:

“Capital costs” means nonrecurring costs required to construct a transit facility or system, including debt service, costs of land acquisition and development, acquiring of rights-of-way, planning, design, and construction, including equipping and furnishing the facility or system.

“Private source revenue” means all funds, concessions, development rights, or those assets of value contractually agreed upon with the county from sources other than state, county, or federal governments as a result of, or for the purposes of, developing mass transportation.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 1992.

(Approved June 3, 1992.)