

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2015-3**

**REGARDING THE POSITION OF THE BOARD OF DIRECTORS OF THE  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION ON THE COUNTY  
TAX SURCHARGE PROCEEDS COLLECTED BY THE STATE OF HAWAII FOR  
THE HONOLULU RAIL TRANSIT PROJECT**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended; and

WHEREAS, with the enactment of Act 247, Hawaii Session Laws 2005, the Hawaii State Legislature authorized the City and County of Honolulu to levy a surcharge of one-half percent on the state general excise and use taxes by ordinance to fund operating or capital costs of a locally preferred alternative (LPA) for a mass transit project, and expenses in complying with the Americans with Disabilities Act of 1990 with respect to such project; and

WHEREAS, on August 10, 2005, the Honolulu City Council passed Ordinance 05-027 which established the one-half percent surcharge to be collected by the State beginning January 1, 2007; and

WHEREAS, through the approval of Ordinance 07-001, the Honolulu City Council selected a fixed guideway system as the LPA for the Honolulu High-Capacity Transit Corridor Project (now known as the Honolulu Rail Transit Project or HRTP); and

WHEREAS, Ordinance 07-001 requires that the LPA be financed only by general excise and use tax surcharge revenues, interest earned on the revenues, and any federal, state, or private revenues; and

WHEREAS, during the Twenty-Eighth State Legislature (2015-2016), there will be various legislative measures introduced and discussed relating to the county surcharge on state general excise tax; and

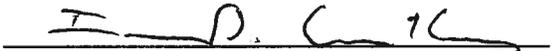
WHEREAS, in order to meet current and future financial needs of the HRTP, assurance of additional county surcharge amounts for building the HRTP will enhance HART's ability to avoid using funds from the Federal Transit Administration's Urbanized Area Formula Program (49 U.S.C. §5307), and without adversely impacting the city and county of Honolulu's fiscal status;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HART as follows:

1. The HART Board of Directors favors and supports legislative measures which seek to increase the amount that will be paid to the City for HART of the county surcharge on state tax revenues to construct the HRTP; and

2. The HART Executive Director and CEO is authorized to submit testimony on pertinent legislation consistent with the overall policies set forth herein; and
3. This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on  
JAN 29 2015.

  
Board Chair

ATTEST:

  
Board Administrator

# Honolulu Authority for Rapid Transportation

## STAFF SUMMARY

<b>TITLE:</b> <b>RESOLUTION NO. 2015-3</b> REGARDING THE POSITION OF THE BOARD OF DIRECTORS OF THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION ON THE COUNTY TAX SURCHARGE PROCEEDS COLLECTED BY THE STATE OF HAWAII FOR THE HONOLULU RAIL TRANSIT PROJECT	<b>STAFF CONTACT:</b> Joyce Oliveira	<b>DATE:</b> January 29, 2015
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Type:	Goal	Focus	Area	Reference Notes
<input checked="" type="checkbox"/> Action/Approval	<input type="checkbox"/> Project Delivery	<input type="checkbox"/> Livability/Land Use		
<input type="checkbox"/> Information	<input type="checkbox"/> Service Delivery	<input type="checkbox"/> Partnerships		
<input type="checkbox"/> Follow-up	<input checked="" type="checkbox"/> Resource Stewardship	<input checked="" type="checkbox"/> Agency Admin.		

**1. Purpose:**  
 Express the Board of Director's position on the amount of the GET County Surcharge Tax paid to the City for the Honolulu Rapid Transit Project (H RTP)

**2. Background/Justification**  
 The State of Hawaii retains ten percent of the gross proceeds of the county surcharge on state general excise and use taxes which is collected to fund the H RTP. The amount retained by the State is greater than the cost to administer the county surcharge, so the Board supports measures that seek to increase the amounts paid to the City for the H RTP.

**3. Procurement Background**  
 N/A

**4. Financial/Budget Impact**  
 Potential to enhance HART's ability to avoid using FTA Urbanized Area Formula Program funds 49 USC §5307.

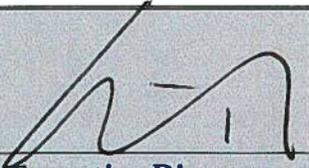
**5. Policy Impact**  
 Part of HART's efforts to establish clarity on the State's assessment, collection and distribution of surcharge amounts.

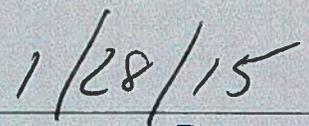
**6. Public Involvement**  
 N/A

**7. Alternatives**  
 N/A

**8. Exhibits**  
 N/A

**Certified and Recommended by:**

  
 \_\_\_\_\_  
**Executive Director and CEO**

  
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**Date**