

Honolulu Authority for Rapid Transportation

RESOLUTION NO. 2015-5

**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 county surcharge to be collected by the State beginning January 1, 2007 and expiring on December 31, 2022; 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 H RTP); 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 have been various legislative measures introduced and discussed relating to the county surcharge on state general excise and use taxes; and

WHEREAS, two legislative measures, namely Senate Bill (SB) 19 and House Bill (HB) 134, as introduced would make the one-half percent county surcharge permanent; and

WHEREAS, following hearings in the Senate Transportation Committee and Public Safety, Intergovernmental and Military Affairs Committee, as well as the Senate Ways and Means Committee, an amended SB19 that would extend the county surcharge for five (5) years through December 31, 2027 passed the full Senate and has been transmitted to the House of Representatives for action; and

WHEREAS, following a recommendation of the House Finance Committee, an amended HB134 that would terminate the existing county surcharge on January 1, 2016 and authorize a new county surcharge, beginning January 1, 2017 for a period

to be specified in the final bill, at a reduced rate of .25%, passed the full House of Representatives and was transmitted to the Senate for action; and

WHEREAS, following a joint hearing on the amended HB134 the Senate Transportation and Public Safety, Intergovernmental and Military Affairs Committees voted to recommend further amendments to the bill to extend the existing county surcharge at the current rate through December 31, 2027, subject to up to two ten-year extensions at the current country surcharge rate of one-half percent for the purpose of funding two extensions of the LPA if approved by concurrent resolutions of the House of Representatives and Senate; and

WHEREAS, the Mayor of the City and County of Honolulu has submitted testimony to the State Legislature in support of extending the county surcharge and has advocated a twenty-five (25) year extension of the existing county surcharge beyond 2022; and

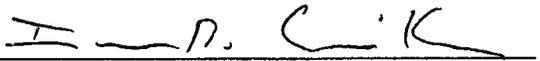
WHEREAS, the Chair of the Honolulu City Council has submitted testimony to the State Legislature in support of extending the county surcharge as it represents the most viable and equitable means to address the projected project deficit of the H RTP;

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

1. The HART Board of Directors favors and supports legislative and City Council measures which would allow for the county surcharge on State general excise and use taxes to be extended for twenty-five (25) years, as such an extension will enable HART to eliminate the projected H RTP deficit and to start immediate plans for extensions to the University of Hawaii at Manoa and downtown Kapolei, as components of the LPA.
2. This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on

APR 2 2015.


Board Chair

ATTEST:


Board Administrator