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DEPARTMENT OF CUSTOMER SERVICES
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CITY AND COUNTY OF HONOLULU

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September 22, 2025

The Honorable Val A. Okimoto, Chair
and Members
Committee on Budget
Honolulu City Council
530 S. King Street, Room 202
Honolulu, Hawaiʻi 96813

SUBJECT: Bill 62 (2024), CD1, Relating to Motor Vehicle Registration

Dear Chair Okimoto and Committee Members:

During the August 19, 2025 Committee on Budget hearing regarding Bill 62(24), Committee Members requested the Department of Customer Services (CSD) provide additional data to estimate the potential loss of revenue if the proposed exemption for veterans aged 65 and older is adopted. Councilmember Kiaʻāina also expressed an interest in expanding the proposed exemption to all individuals aged 65 and older.

In response, on August 19, CSD consulted with the Department of Information Technology (DIT) to determine if it may be possible for DIT to extract the following data from Hawaiʻi driver license and motor vehicle registration records to provide to Council:

1. For Oʻahu only, the total number of veterans aged 65 and older who have a Hawaiʻi driver's license.

   RESPONSE: 13,849

   This would result in a potential loss of revenue of $276,980 (13,849 x $20) per year.

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2. For O'ahu only, the total number of Hawai'i driver's licenses for all individuals (veterans and non-veterans) aged: (a) 65 and older; (b) 70 and older; and (c) 75 and older.

   RESPONSE: (a) 158,788; (b) 107,646; (c) 63,515

   This would result in a potential loss of revenue of (a) $3,175,760 (158,788 x $20) per year; (b) $2,152,920 (107,646 x $20) per year; or (c) $1,270,300 (63,515 x $20) per year.

3. For O'ahu only, the total number of vehicles registered to all individuals (veterans and non-veterans) aged: (a) 65 and older; (b) 70 and older; and (c) 75 and older.

   RESPONSE: No data available. See further explanation below.

4. For O'ahu only, the total number of military exemptions granted for individuals aged: (a) 65 and older; (b) 70 and older; and (c) 75 and older.

   RESPONSE: No data available. See further explanation below.

CSD and DIT are unable to provide responses for items 3 and 4 because there is no birthdate information provided in a motor vehicle registration record. It is not feasible to cross-reference driver's license data with motor vehicle registration records at this time because each data set exists in separate IT systems.

During the August 19, 2025 Committee on Budget hearing regarding Bill 62(24), Committee Members also requested CSD provide information regarding existing exemptions from motor vehicle registration fees applicable to active-duty service members.

Pursuant to Section 249-6.5, Hawai'i Revised Statutes, members of the National Guard, military reserves, and other active-duty military personnel assigned to a unit in the State, and who are in good standing, are exempt from the vehicle weight tax for one noncommercial motor vehicle.

As of December 18, 2024, there were 54,606 active-duty service members stationed at a military installation on O'ahu who are residents of another state, or spouses who claim the same legal residence of a member of the U.S. Armed Forces on active duty on O'ahu, who were exempted from payment of County of Honolulu and Hawai'i motor vehicle weight taxes, and certain other fees, for vehicles registered in their name. Specifically, county weight tax, state weight tax, state registration fee,

highway beautification fee, and if applicable, the electric vehicle/hybrid/alternative fuel vehicle fee, were all waived.

We also appreciate the opportunity to express our concerns regarding potential impacts on our operations, including necessary administrative and technical adjustments. CSD will be required to update its administrative procedures and pertinent information technology systems. CSD will be required to work with DIT to implement all necessary information technology requirements. CSD will also be required to conduct training for our staff and update and/or create new communications and forms relating to the proposed exemption. CSD will require a reasonable and adequate amount of time to coordinate with DIT to properly implement the proposed exemption. We have significant concerns with the proposed exemption taking effect upon its approval, and respectfully request that Section 4 of the bill be amended to provide the ordinance will take effect 180 days after approval.

Should you have any questions regarding the above, please contact me at (808) 768-3392 or khashiro@honolulu.gov.

Sincerely,

Digitally signed by Hashiro, Kimberly
Date: 2025.09.22 15:04:48 -10'00'

Kimberly M. Hashiro
Director

APPROVED:

Michael D. Formby, Managing Director
Office of the Managing Director