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DEPARTMENT OF TRANSPORTATION SERVICES
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August 12, 2026

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaiʻi 96813

Dear Chair Wates and Councilmembers:

SUBJECT: Testimony in Opposition to Bill 47 (2026) - Relating to the Vehicle Weight Tax

The Department of Transportation Services (DTS) respectfully opposes Bill 47 (2026).

We understand and appreciate the intent of the bill to provide financial relief to Honolulu vehicle owners. However, Bill 47 would permanently reduce one of the City's principal transportation revenue sources by an estimated $30 million annually, without identifying a sustainable replacement source of funding.

The vehicle weight tax is an important component of Honolulu's long-standing approach to transportation funding, under which motorists and other users of the transportation system help pay for its operation, maintenance, and improvement. Highway Fund revenues support much more than roadway resurfacing. They help pay for street and bridge maintenance, traffic signals, street lighting, drainage, transportation safety, traffic enforcement, public transit, and the local matching funds necessary to leverage federal transportation grants.

We recognize that Honolulu's vehicle weight tax is higher than those of the Neighbor Island counties. However, comparing the weight tax alone does not reflect important differences in transportation responsibilities and costs. Maintaining streets, bridges, traffic signals, drainage systems, sidewalks, and other transportation infrastructure in a heavily developed and congested urban environment is more complex and costly than maintaining predominantly rural roadway networks.

There is also an important difference in the division of roadway responsibility between the State and counties. State highways represent approximately 14 percent of public roadway mileage on Oʻahu, compared with roughly 23 to 26 percent on Hawaiʻi, Maui, and Kauaʻi counties. Moreover, many of the principal regional arterial highways on the Neighbor Islands are State-maintained facilities. Consequently, Honolulu County bears responsibility for a substantially greater share of its overall roadway network than the Neighbor Island counties.

Honolulu also has the lowest county gasoline tax in Hawai'i. Honolulu's county gas tax is 16.5 cents per gallon, compared with 17 cents on Kaua'i, 23 cents on Hawai'i Island, and 24 cents on Maui. Transportation taxes should therefore be considered as a system, together with the transportation responsibilities they support, rather than by comparing a single tax in isolation.

Reducing the vehicle weight tax does not reduce the cost of maintaining streets, repairing bridges, operating traffic signals, maintaining street lighting, or supporting public transportation. Highway Fund revenues must also be used to meet legally required debt service obligations for transportation improvements financed through bonds in prior years. Without replacement revenue, those costs ultimately must be addressed through some combination of deferred maintenance, delayed capital improvements, increased borrowing, reduced transportation services, or greater reliance on other City revenues and taxes.

The Department supports efforts to make living in Honolulu more affordable. At the same time, we believe that permanent tax reductions should be considered together with the services they fund and the revenues that would replace them. The question before the Council is not simply whether tax relief is desirable, but whether a permanent $30 million annual reduction in transportation revenue can be sustained without adversely affecting the transportation system our residents depend upon.

For these reasons, the Department respectfully requests that the Council not advance Bill 47 (2026), or alternatively defer further action until a sustainable replacement funding source has been identified.

Thank you for the opportunity to provide testimony on this bill. Please contact me at (808) 768-8303 with any questions you may have.

Very truly yours,

J. Roger Morton
Director

APPROVED:

Krishna F. Jayaram, Managing Director Designate
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