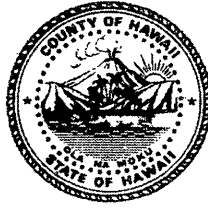


From the office of -  
Council Member  
District 3 - Hilo and Puna



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2018 JUN -6 PM 5:17  
COUNTY CLERK  
COUNTY OF HAWAII

TO: Valerie T. Poindexter, Chair  
and Members of the Hawai'i County Council

FROM: Sue Lee Loy, Council Member

DATE: June 6, 2018

SUBJECT: Proposed Amendment to Bill No. 159; An Ordinance Amending Chapter 2 of the Hawai'i County Code 1983 (2016 Edition, as Amended) by Adding a New Article Relating to Transportation Surcharge and Creating the General Excise Tax Fund.

Please see below proposed amendments to Bill No. 159, to amend Section 2 by amending the repeal date. The proposed change inserts a repeal date of December 31, 2020, unless otherwise extended by ordinance, provided that such General Excise and Use Tax surcharge shall not extend beyond December 31, 2030.

The proposed amendment is illustrated below in Ramseyer format with respect to the contents of Bill No. 159. Material to be deleted is bracketed and stricken; material to be added is underscored. Due to the limited scope of this amendment, a draft copy of Bill No. 159, Draft 2, is intentionally omitted.

**SECTION 2** of Bill No. 159 is amended to read as follows:

“**SECTION 2.** Chapter 2 of the Hawai'i County Code 1983 (2016 Edition) is amended by adding a new article to read as follows:

Article \_\_

Article \_ . Transportation Surcharge.

Section \_\_-1. Establishment of Surcharge.

Pursuant to Act 011, Session Laws of Hawai'i 2018, codified as Section 46-16.8 Hawai'i Revised Statutes, as amended, it is hereby established a one-quarter percent (0.25%) general excise and use tax surcharge to be used for purposes of funding the operating or capital costs of public transportation within the County of Hawai'i. The excise and use tax surcharge shall be levied beginning January 1, 2019.

Section \_\_-2. General Excise Tax Fund.

Pursuant to Article X, Section 10-12, Hawai'i County Charter 2016, the Director of Finance is authorized to create a special fund to be known as the “General Excise Tax Fund.” All monies received from the state derived from the

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imposition of the surcharge established under this article shall be deposited into the General Excise Tax Fund.

Section \_\_-3. Use of Funds.

(a) Pursuant to Sections 46-16.8 and 248-2.6, Hawai'i Revised Statutes, moneys received from the state derived from the imposition of the surcharge established under this article will be a general fund realization. Moneys received from the surcharge shall be expended for:

(1) Operating or capital costs of public transportation within the county for public systems, including public roadways or highways, public buses, trains, ferries, pedestrian paths or sidewalks or bicycle paths, and

(2) Expenses in complying with the Americans with Disabilities Act of 1990 with respect to paragraph (1).

(b) "Capital costs" in this section means nonrecurring costs required to construct a transit facility or system, including debt service, costs of land acquisition and development, acquiring rights-of-way, planning, design and construction, and including equipping and furnishing the facility or system.

(c) Any balance remaining in the General Excise Tax Fund at the end of any fiscal year shall not lapse, but shall remain in the fund accumulating from year to year. The moneys in this fund shall not be used for any purpose except those listed in this section, or as allowed by any amendments to Sections 46-16.8 and 248-2.6, Hawai'i Revised Statutes.

Section \_\_ 4. Termination of Surcharge.

[Pursuant to Act 011, Session Laws of Hawai'i 2018, codified as Section 46-16.8 Hawai'i Revised Statutes, as amended, this article will be repealed on December 31, 2030.] Unless otherwise extended by ordinance, this article will be repealed on December 31, 2020; provided that this General Excise and Use Tax surcharge shall not extend beyond December 31, 2030, pursuant to Act 011, Session Laws of Hawai'i, codified as Section 46-16.8 of Hawai'i Revised Statutes, as amended."

SL/ps