



## RESOLUTION

---

URGING THE LEGISLATURE OF THE STATE OF HAWAII TO SHELVE HOUSE BILL 1271 AND SENATE BILLS 1426 SD 1, 1186 SD1, AND 606.

WHEREAS, if enacted into law, House Bill 1271 and Senate Bills 1426 SD1, 1186 SD1, and 606 (hereafter collectively referred to as "the Bills") will have a major impact on city finances and services; and

WHEREAS, House Bill 1271 temporarily transfers 50% of the public utility tax revenues allocable to the counties to the State general fund; and

WHEREAS, Senate Bill 1426 SD1:

- (1) Authorizes the State to borrow \$200 million from the revenues already generated by the county surcharge on State general excise and use taxes, and designed to fund the city's rail transit project;
- (2) Repays the amount borrowed through the issuance of \$300 million in general obligation bonds; and
- (3) Extends the time period during which the surcharge is imposed by two years;

and

WHEREAS, Senate Bill 1186 SD1, caps the portion of the Transit Accommodations Taxes annually allocable to the counties at \$90 million for a four-year period from July 1, 2011 to July 1, 2015; and

WHEREAS, Senate Bill 606 transfers the responsibility of maintaining State highways in an as yet unspecified county or counties to that county or counties for a period of six years, from January 1, 2012 to December 31, 2017; and

WHEREAS, any of these measures individually will have a major impact on city services, and any combination of these measures will have a catastrophic impact on city finances; and

WHEREAS, the city's operating and capital budgets for the upcoming fiscal year are being prepared based on the expected level of funding generated from the various funding sources that will be drastically reduced by the Bills; and



---

## RESOLUTION

---

WHEREAS, the City and County of Honolulu and the other counties of the State provide basic, day-to-day services that the residents of and visitors to the State rely upon, such as police and fire protection, and these basic services could be drastically curtailed as a result of the financial impact of the Bills; and

WHEREAS, Senate Bill 1426 SD1, could jeopardize federal funding for the city's rail project by sending a message to the U.S. Congress and the U.S. Federal Transit Administration that the funding source for the project is not reliable and therefore cannot be counted on to fund the city's share of the cost of the project; and

WHEREAS, if Senate Bill 606 transfers the maintenance of state highways on Oahu to the City and County of Honolulu, there is no guarantee that the current or future State Legislatures will provide adequate funding for that function thereby risking the violation of the Hawaii Constitution's Article VIII, Section 5 which requires state funding of any state mandated transfer of state programs to the counties; and

WHEREAS, the capping of the counties' share of the State Transit Accommodations Tax at \$90 million per year for four years does not take into account any inflation factor; and

WHEREAS, the Bills collectively or individually represent an irresponsible attempt to transfer the State's financial problems to the counties; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that it urges the State Legislature to shelve House Bill 1271 and Senate Bills 1426 SD1, 1186 SD1, and 606; and



RESOLUTION

BE IT FINALLY RESOLVED that this Resolution be transmitted to the Speaker of the House and all members of the House of Representatives of the Hawaii State Legislature and the Senate President and all members of the Senate of the Hawaii State Legislature.

INTRODUCED BY:

*Melani Gabbard Camacho*

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DATE OF INTRODUCTION:

FEB 22 2011  
Honolulu, Hawaii

Councilmembers