

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

HAWAII COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Hawaii counties do not receive state funding for county road and bridge projects. The State of Hawaii Department of Transportation uses state revenues for the construction and maintenance of state highways and bridges.

From Federal Funds:

- The State of Hawaii Department of Transportation distributes federal funds from the Federal Highway Administration to counties.

From County Funds:

- All counties impose fuel taxes which go into the respective county's highway funds to be used towards road and bridge projects.
- All counties impose motor vehicle weight taxes based on the type and weight of each vehicle, which go directly towards county highway funds.
- County highway departments use revenues from the Public Utility Franchise Tax, which is charged against the gross operating income of electric and gas companies. The tax is imposed at a uniform rate of 2.5 percent statewide and is distributed directly to county highway funds.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Counties face competition with other counties for limited federal transportation funding. There is also uncertainty about the level of federal transportation funding.
- The federal and state governments are unwilling to deal with the problem of decreasing revenue to the highway fund, which results in greater reliance on the general fund and contributes to counties' problem of uncertainty of transportation funding.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- Counties are pursuing more third party arrangements with the private sector, for example, public-private partnerships for toll roads.

Share of County Owned Road Miles Out of Public Roads Statewide	74%
Share of County Owned Bridges Out of Public Bridges Statewide	33%
Share of Structurally Deficient Bridges Out of County Owned Bridges	20%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	Counties may not impose local sales taxes directly—instead they may impose a surcharge of up to 0.5% from state general excise or use taxes.
Levy a Local Gas Tax	X	Revenues from the local gas tax must be placed in a county highway fund.
Charge a Motor Vehicle License or Registration Fee	X	Counties may levy an annual tax based on motor vehicle weight. It must deposit revenues into a county highway fund.
Form Special Districts for Transportation		

- Counties are creating more incentives to increase mass transit ridership to reduce the burden on roadways.
- Counties are completing more road projects “in-house” rather than using outside contractors to stretch public dollars. This saves the county money and time by avoiding putting projects to a bid and using private contractors.

BREAKDOWN OF MAUI COUNTY TRANSPORTATION FUNDING¹

County Share	58%
State Share	-
Federal Share	42%

¹ This is an estimate based on information from the Office of Council Member Riki Hokoma, Maui County

BREAKDOWN OF KAUAI COUNTY TRANSPORTATION FUNDING¹

County Share	70%
State Share	-
Federal Share	30%

¹ This is an estimate based on information from Kauai County