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Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

April 15, 2025

Ms. Marcy Martin, Director
Department of Finance
County of Maui
Wailuku, Hawaii 96793

Dear Ms. Martin:

SUBJECT: **FISCAL YEAR 2026 BUDGET** (BFED-1) (FN-11)

May I please request that you provide the following information:

1. Regarding the State of Hawai'i's mileage-based road usage charge (RUC) program for electric vehicles, which is scheduled to take effect on July 1, 2025:
 - a. Is the Department currently tracking House Bill 1161, which would authorize counties to impose a local mileage-based road usage charge to fund county road infrastructure?
 - b. Has the Department reviewed the specifics of this new charge and its implementation framework?
 - c. What impact will House Bill 1161 have on the County's Highway Improvement Fee established in Section 3.25.025, Maui County Code? Would the County still be authorized to impose this fee? Explain.
 - d. If the Department plans to implement, what Maui County Code changes will be required, if any?
 - e. What are the projected financial or operational impacts on the County, particularly concerning revenue streams and administrative processes?

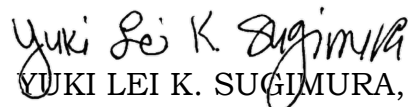
Ms. Marcy Martin
April 15, 2025
Page 2

- f. Can the Department provide preliminary estimates or analyses quantifying the potential effects of the RUC on the County's budget and resources?
2. The actual expenditures and budgeted amounts for FY 2025 through December 31, 2024, by program and by account type (Categories A, B, and C).

May I further request that you transmit your response to bfed.committee@mauicounty.us by **April 16, 2025**. To ensure efficient processing, please duplicate the coding in the subject line above for easy reference.

Thank you for your attention to this request. Should you have any questions, please contact me or the Committee staff (Kirsten Szabo at ext. 7662, James Krueger at ext. 7761, Jarret Pascual at ext. 7141, Clarissa MacDonald at ext. 7135, or Pauline Martins at ext. 8039).

Sincerely,



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

bfed:2026bgt:250411afn01:kes

cc: Mayor Richard T. Bissen, Jr.
Budget Director
Deputy Director of Finance

BFED Committee

From: BFED Committee
Sent: Tuesday, April 15, 2025 9:24 AM
To: Marcy Martin
Cc: BFED Committee; 'Michelle Santos'; 'Zeke Kalua'; Lesley Milner;
kristina.cabbat@co.maui.hi.us; tiare.p.horner@co.maui.hi.us; Janina E. Agapay; Maria
Zielinski; Stacey.M.Vinoray@co.maui.hi.us
Subject: FISCAL YEAR 2026 BUDGET (BFED-1) (FN-11); reply by 4/16/25
Attachments: (FN-11) Correspondence to Finance 04-15-2025.pdf

RICHARD T. BISSEN, JR.
Mayor


MARCY MARTIN
Director

MARIA E. ZIELINSKI
Deputy Director




DEPARTMENT OF FINANCE
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
PHONE: (808) 270-7722
www.MauiCounty.gov

April 16, 2025

Ms. Lesley Milner 
Budget Director, County of Maui
200 South High Street
Wailuku, Hawaii 96793

Honorable Richard T. Bissen, Jr.
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

 4-16-25
Mayor Date

For Transmittal to:

Honorable Yuki Lei K. Sugimura, Chair
and Members of the Budget, Finance, and Economic Development Committee
200 South High Street
Wailuku, Hawaii 96793

Dear Chair Sugimura and Members:

SUBJECT: FISCAL YEAR 2026 BUDGET (BFED-1) (FN-11)

This transmission is in response your letters dated April 12, 2025 and April 15, 2025, requesting the following information:

1. Regarding the State of Hawai'i's mileage-based road usage charge (RUC) program for electric vehicles, which is scheduled to take effect on July 1, 2025:
 - a. Is the Department currently tracking House Bill 1161, which would authorize counties to impose a local mileage-based road usage charge to fund county road infrastructure?

Response: The Department continues to monitor the progress of this bill. We are actively participating with the State DOT's Implementation Working Group. Beginning July 1, 2025, the State DOT will be implementing the State of Hawaii's Road Usage Charge (HiRUC).

HB1161, HD2, SD1 - Beginning 7/1/2028, authorizes a county to impose a mileage-based road usage charge on electric vehicles. Provides and requires a county to establish the rate of the road usage charge. We anticipate approval and we look forward to working with the appropriate County Council Committee on implementing the County HiRUC program. We anticipate that an implementation committee and its appropriate County participants will need to be identified and formed.

- b. Has the Department reviewed the specifics of this new charge and its implementation framework?

Response: The DMVL Administrators are actively participating and working with the State DOT's Implementation Working Group. Beginning July 1, 2025, the DOT will be implementing the State of Hawaii's Road Usage Charge (HiRUC). The County's program will be similar in its implementation framework. Implementation will require County cashiering programming and upgrades by our cashiering vendor. The programming changes will likely require additional funding.

- c. If the Department plans to implement, what Maui County Code changes will be required, if any?

Response: County RUC implementation will become effective 7/1/2028. We anticipate that an implementation committee and its appropriate County participants will need to be identified and formed.

- d. What are the projected financial or operational impacts on the County, particularly concerning revenue streams and administrative processes?

Response: Please refer to response C above.

- e. Can the Department provide preliminary estimates or analyses quantifying the potential effects of the RUC on the County's budget and resources?

Response: Not at this time. We anticipate that an implementation committee and its appropriate County participants will need to be identified and formed.

2. The actual expenditures and budgeted amounts for FY 2025 through December 31, 2024, by program and by account type (Categories A, B, and C).

Response: Please refer to the attachment. Please note that, in accordance with governmental accounting, expenditures are not reflected on an accrual basis. Consequently, estimating FY2025 expenditures by "doubling" expenditures as of December 31, 2024 would not be representative of true annualized costs in most cases.

Should you have any questions, please feel free to contact me or Deputy Director Maria Zielinski at extension 7722.

Sincerely,



MARCY MARTIN
Director of Finance

Attachments

Department of Finance		
	FY25 Budget	FY25 Expenditures as of 12/31/24*
Admin Program Salaries	1,439,782	694,236
Admin Program Operations	519,238	68,114
Admin Program Equipment	42,774	560
Totals Admin Program	2,001,794	762,910
Treasury Program Salaries	1,025,044	427,588
Treasury Program Operations	943,225	199,647
Treasury Program Equipment	3,600	1,786
Totals Treasury Program	1,971,869	629,021
Accounts Salaries	1,567,926	710,665
Accounts Operations	209,315	55,213
Accounts Equipment	3,200	-
Totals Accounts Program	1,780,441	765,878
Purchasing Program Salaries	431,256	212,096
Purchasing Program Operations	80,110	27,455
Purchasing Program Equipment	3,600	846
Total Purchasing Program	514,966	240,397
Motor Vehicle & Licensing Program Salaries	3,073,268	1,393,347
Motor Vehicle & Licensing Program Operations	1,940,832	614,196
Motor Vehicle & Licensing Program Equipment	50,000	-
Totals Motor Vehicle & Licensing Program	5,064,100	2,007,543
Real Property Assessment Program Salaries	2,593,546	1,125,806
Real Property Assessment Program Operations	754,880	129,657
Real Property Assessment Program Equipment	106,000	67,313
Totals Real Property Assessment Program	3,454,426	1,322,776
*Does not include encumbrances		

BFED Committee

From: Janina E. Agapay <Janina.E.Agapay@co.maui.hi.us>
Sent: Wednesday, April 16, 2025 4:24 PM
To: BFED Committee
Cc: Lesley J. Milner; Marcy L. Martin; Maria E. Zielinski; Stacey M. Vinoray
Subject: (BFED-1)(FN-11)
Attachments: (BFED-1)(FN-11).pdf

Hello,

Please see attached correspondence (BFED-1)(FN-11).

Thank you,

Janina Agapay

County of Maui | Budget Office

Phone: (808) 270-7836

Email: Janina.E.Agapay@co.maui.hi.us