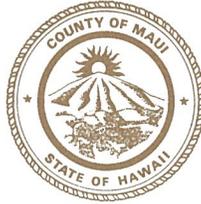


ALAN M. ARAKAWA  
MAYOR



RECEIVED  
2015 NOV -2 4:11 PM  
200 South High Street  
Wailuku, Hawaii 96793-2155  
Telephone (808) 270-7855  
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**OFFICE OF THE MAYOR**

Ke'ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

OFFICE OF THE  
COUNTY CLERK

November 2, 2015

Honorable Michael White, Chair  
and Members of the Maui County Council  
200 South High Street  
Wailuku, Hawaii 96793

Dear Chair White:

**SUBJECT: COUNTY SURCHARGE ON GENERAL EXCISE AND USE TAX**

I am transmitting a proposed bill, "A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE, RELATING TO A COUNTY SURCHARGE ON STATE GENERAL EXCISE AND USE TAX"

The purpose of this bill is to amend Title 3, Maui County Code by establishing a new chapter relating to the establishment of a surcharge on the State of Hawaii General Excise and Use Tax, pursuant to authority granted in Act 240 (2015) Session Laws of Hawaii and to create a special fund.

Act 240 (2015) amends Section 46-16.8, Hawaii Revised Statutes, to authorize counties to adopt an ordinance establishing the surcharge. Section 237-8.6 and 238-2.6 provides that the county may set the surcharge on the state tax at a rate no greater than one-half percent of the taxable items in those sections. The Act also requires a county desiring to establish a surcharge pass an ordinance by June 30, 2016. Additionally proceeds from the surcharge are restricted to:

- (1) Operating or capital costs of public transportation within each county for public transportation 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).

Honorable Michael White, Chair  
and Members of the Maui County Council  
November 2, 2015  
Page 2

Thank you for your attention in this matter. Even though the deadline to pass an ordinance is June 30, 2016, I encourage you to start review of this bill soon. Should you have any questions, please feel free to contact me at ext. 7855.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alan Arakawa', with a long horizontal flourish extending to the right.

ALAN M. ARAKAWA  
Mayor

Attachment

cc: Keith Regan, Managing Director  
Danny Agsalog, Finance Director  
Sandy Baz, Budget Director

ORDINANCE NO. \_\_\_\_\_

BILL NO. **DRAFT** \_\_\_\_\_ (2015)

A BILL FOR AN ORDINANCE AMENDING  
TITLE 3, MAUI COUNTY CODE, RELATING TO COUNTY  
SURCHARGE ON STATE GENERAL EXCISE AND USE TAX

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Title 3, Maui County Code, is amended by adding a new chapter to be appropriately designated and to read as follows:

**“Chapter 3.06**

**COUNTY SURCHARGE ON STATE GENERAL EXCISE AND USE TAX**

**Sections:**

- 3.06.010 Establishment of surcharge**
- 3.06.020 Fund established**
- 3.06.030 Deposits**
- 3.06.040 Use of fund**
- 3.06.050 Period of applicability**

**3.06.010 Establishment of surcharge.** Pursuant to section 3 of Act 240, Session Laws of Hawaii, Regular Session of 2015, codified as section 46-16.8, Hawaii Revised Statutes, there is hereby established a \_\_\_\_\_ general excise and use tax surcharge to be used for the purposes set forth below.

**3.06.020 Fund established.** There is established and created a fund to be known as the “County Surcharge on State General Excise and Use Tax Fund”.

**3.06.030 Deposits.** There shall be deposited into the county surcharge on state general excise and use tax fund all county surcharge on state general excise and use tax moneys collected pursuant to section 3.06.010.

**3.06.040 Use of fund.** All appropriations from the county surcharge on general excise and use tax fund shall be in compliance with section 46-16.8, Hawaii Revised Statutes, as amended.

**3.06.050 Period of applicability.** The surcharge on general excise and use tax shall be levied for the period set forth in section 46-16.8, Hawaii Revised Statutes, as amended.”

SECTION 2. This ordinance shall take effect upon its approval.

APPROVED AS TO FORM AND LEGALITY:

**DRAFT**

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JEFFREY U. UEOKA  
Department of the Corporation Counsel  
County of Maui  
2015-5110