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COUNTY COUNCIL
COUNTY OF MAUI
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WAILUKU, MAUI, HAWAII 96793
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April 4, 2016

MEMO TO: Patrick K. Wong
Corporation Counsel

F R O M: Riki Hokama, Chair 
Budget and Finance Committee

SUBJECT: **FISCAL YEAR ("FY") 2017 BUDGET** (CC-7) (BF-1)

May I request a written opinion relating to the motor vehicle weight tax for electric vehicles, as described below.

Section 249-13, Hawaii Revised Statutes, relating to the determination of vehicle weight tax, provides, in pertinent part:

- “(a) The council shall determine the rate and the minimum tax at which all vehicles and motor vehicles in each respective county shall be taxed as provided by section 249-2. In making the determination, the rate and minimum tax on trucks or noncommercial motor vehicles shall be in accordance with subsection (b). The rate and minimum tax shall be established by ordinance, provided that prior to final action thereon a public hearing shall be held on the proposed rate. Public notice of the time and place of the hearing shall be given at least ten days prior to the hearing in the county. After the public hearing the council may fix the rate and the minimum tax at any amount deemed necessary, but the rate and the minimum shall not be higher than that originally proposed when the notice of public hearing was given. Any rate and minimum tax so established shall be effective as of January 1 of the year following the date of enactment of the ordinance.

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- (b) The rate and minimum tax for a truck or noncommercial motor vehicle shall be the same as provided for a passenger vehicle if:
 - (1) The truck or noncommercial motor vehicle has a net weight of six thousand five hundred pounds or less; and
 - (2) The owner submits proof to the director of finance that the truck or noncommercial motor vehicle is not being operated for compensation or commercial purposes.”

Section 249-2, Hawaii Revised Statutes, relating to the imposition of tax, provides, in pertinent part:

“Except as otherwise provided in sections 249-1 to 249-13, and except in the case of antique motor vehicles which shall be subject to an annual tax of \$10 in lieu of the annual tax otherwise imposed by this section, all vehicles and motor vehicles as defined in section 249-1, shall be subject to an annual tax, computed, except for the minimum tax provided for in section 249-13 according to the net weight of each vehicle at a rate determined as hereinafter provided in section 249-13.”

- 1. May the Council impose a motor vehicle weight tax for electric vehicles that is higher than for non-electric motor vehicles?
- 2. May the Council impose a minimum tax for electric vehicles that is higher than for non-electric motor vehicles?

May I further request you transmit your response no later than **April 11, 2016**, to enable the Committee to comprehensively review the FY 2017 budget. To ensure efficient processing, please duplicate the coding in the subject line above for easy reference.

Should you have any questions, please contact me or the Committee staff (Steve Selee at ext. 7687, Michele Yoshimura at ext. 7663, Shelly Espeleta at ext. 7134, or Yvette Bouthillier at ext. 7758).

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cc: Jeffrey Ueoka, Deputy Corporation Counsel
Budget Director