
A BILL FOR AN ACT

RELATING TO ZERO-EMISSION VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that climate change
2 caused by carbon emissions from burning fossil fuels poses a
3 serious threat to the economic well-being, public health,
4 natural resources, and environment of Hawaii. The potential
5 adverse impacts of climate change include more destructive
6 storms, hotter temperatures, a reduction in the quality and
7 supply of freshwater, a rise in sea levels resulting in the
8 displacement of coastal businesses and residences, damage to
9 marine ecosystems and the natural environment, and an increase
10 in incidents of infectious diseases, asthma, and other human
11 health-related problems.

12 The State has committed to eliminating imported fuels from
13 the electricity and ground transportation sectors, abiding by
14 the Paris Climate Accord's goal to limit the amount of global
15 warming to less than 1.5 degrees Celsius, and achieving net zero
16 carbon emissions for Hawaii by 2045. The legislature finds that
17 meeting the State's clean energy goals and commitments



1 necessitates the rapid transition to zero-emission vehicles that
2 utilize local, renewable energy sources.

3 Zero-emission vehicles, such as electric vehicles, play an
4 integral role in Hawaii's clean energy future. Electric
5 vehicles are much less expensive to power per mile than their
6 gasoline counterparts. By using stored electrical energy,
7 electric vehicles can take advantage of intermittent solar,
8 wind, and other clean energy resources. With the continued
9 growth of an intelligent electricity grid, electric vehicles
10 become an essential component to electricity load and clean
11 energy resource balancing. They also provide clean mobility
12 solutions for Hawaii residents and visitors.

13 The legislature further finds that rental motor vehicles
14 represent the largest passenger vehicle fleets in Hawaii and are
15 responsible for a significant amount of carbon emissions.
16 Transitioning rental motor vehicle fleets to zero-emission
17 vehicles would significantly reduce carbon emissions; increase
18 the number of zero-emission vehicles entering the secondary
19 market, making them more affordable to more Hawaii residents;
20 and demonstrate to all who visit the State that Hawaii is a
21 leader in clean energy and sustainable transportation.



1 The purpose of this Act is to:

2 (1) Establish a rental motor vehicle emissions surcharge
3 tax on rental motor vehicles with internal combustion
4 engines; and

5 (2) Set requirements for rental motor vehicle lessors
6 operating in Hawaii to expedite the incorporation of
7 zero-emission vehicles in their fleets.

8 SECTION 2. Chapter 251, Hawaii Revised Statutes, is
9 amended by adding a new section to be appropriately designated
10 and to read as follows:

11 **"§251- Rental motor vehicle emissions surcharge tax;**
12 **established.** (a) Beginning on January 1, 2022, there is levied
13 and shall be assessed and collected each month a rental motor
14 vehicle emissions surcharge tax of \$1 for each day, or portion
15 of a day, that a rental motor vehicle is rented or leased. The
16 surcharge tax shall be levied upon the lessor.

17 (b) The rental motor vehicle emissions surcharge tax shall
18 not be levied on:

19 (1) Any motor vehicles qualifying as zero-emission
20 vehicles pursuant to section 437D- ; and



1 (2) Rental motor vehicles rented out as car-sharing
2 vehicles pursuant to section 251-2.5.

3 (c) All moneys received from any surcharge taxes assessed
4 pursuant to this section shall be deposited into the energy
5 security special fund established under section 201-12.8."

6 SECTION 3. Chapter 437D, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§437D- Zero-emission vehicles. (a) All lessors of
10 rental motor vehicles in the State shall incorporate zero-
11 emission light duty passenger vehicles into their rental motor
12 vehicle fleets according to the following schedule:

13 (1) No less than ten per cent by July 1, 2025;

14 (2) No less than thirty per cent by July 1, 2028;

15 (3) No less than fifty per cent by July 1, 2030; and

16 (4) One hundred per cent by July 1, 2035.

17 (b) To certify compliance with this section, beginning in
18 2022, each lessor in the State shall report to the director
19 annually by December 1, detailing the make, model, license plate
20 number, and fuel type of each rental motor vehicle in the
21 lessor's fleet.



1 (c) The requirements set forth in this section shall apply
2 only to lessors owning and operating more than two hundred light
3 duty passenger vehicles as rental motor vehicles statewide.

4 (d) For the purposes of this section:

5 "Battery electric vehicle" means a vehicle with four or
6 more wheels that draws propulsion exclusively from a battery
7 that can be recharged from an external source of energy.

8 "Hydrogen fuel cell vehicle" means a vehicle with four or
9 more wheels that draws propulsion from electricity generated by
10 passing hydrogen through a fuel cell.

11 "Light duty passenger vehicle" means a vehicle below eight
12 thousand five hundred pounds gross weight.

13 "Rental motor vehicle" has the same meaning as defined in
14 section 251-1 notwithstanding section 437D-3.

15 "Zero-emission vehicle" means a battery electric vehicle or
16 a hydrogen fuel cell vehicle."

17 SECTION 4. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.



H.B. NO. 1141

1 SECTION 5. This Act shall take effect on July 1, 2021.

2

INTRODUCED BY *Missie E. Lowen*

JAN 26 2021



H.B. NO. 1141

Report Title:

Zero-emission Vehicles; Rental Motor Vehicles; Lessors; Fleet; Surcharge; Department of Commerce and Consumer Affairs

Description:

Requires certain rental motor vehicle lessors to expedite the incorporation of one hundred per cent zero-emission vehicles into the lessor's fleet by 7/1/2035. Requires motor vehicle lessors to certify their compliance to the director of commerce and consumer affairs. Beginning 1/1/2022, establishes a rental motor vehicle emissions surcharge tax on certain rental motor vehicles with internal combustion engines.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

