

STAND. COM. REP. NO. 1104 -24

Honolulu, Hawaii

MAR 14 , 2024

RE: S.B. No. 3183
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 3183, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ROAD USAGE CHARGE PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a county mileage-based road usage charge that includes electric and non-electric vehicles;
- (2) Permit electric vehicle owners to pay either a county registration surcharge or the mileage-based county road usage charge until June 30, 2028;
- (3) Establish a process for the counties to adopt a per-mile rate by resolution; and
- (4) Clarify the use of monies collected under the state and county road usage charges.

Your Committee received testimony in support of this measure from the Department of Transportation; Hawai'i State Energy Office; one member of the Kaua'i County Council; one member of the Honolulu City Council; one member of the County Council of Maui; Department

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of Transportation Services of the City and County of Honolulu; Oahu Metropolitan Planning Organization; Ulupono Initiative; and one individual. Your Committee received testimony in opposition to this measure from the Kauai Climate ACTION Coalition. Your Committee received comments on this measure from the Tax Foundation of Hawaii and Hawaii Electric Vehicle Association.

Your Committee finds that in the face of declining fuel tax revenue, the State and counties must find an alternative means to fund necessary road maintenance and infrastructure. Your Committee further finds that Act 222, Session Laws of Hawaii 2023, authorized the adoption of a statewide mileage-based road usage charge to be levied on electric vehicles. Your Committee believes that authorizing the counties to establish a similar mileage-based road usage charge at the county level will ensure the counties are able to provide a fair and sustainable means to fund the maintenance and repair of county roads and bridges.

Your Committee has amended this measure by:

- (1) Clarifying that only electric vehicles will be subject to the county mileage-based road usage charge;
- (2) Requiring the counties to automatically charge the owner of an electric vehicle a \$50 registration surcharge in lieu of the county mileage-based road usage charge if the owner of the electric vehicle has opted to pay the \$50 registration surcharge in lieu of the state mileage-based road usage charge;
- (3) Deleting the definition of "motor vehicles" and reverting to existing statutory language defining "motor vehicles" for the purposes of motor vehicle insurance;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Consumer Protection & Commerce, should it choose to deliberate on this measure, to consider an appropriate mechanism to provide



funding to the counties to establish and implement a county mileage-based road usage charge.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3183, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3183, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



CHRIS TODD, Chair



