

JAN 25 2023

A BILL FOR AN ACT

RELATING TO THE ELECTRIC BICYCLE AND ELECTRIC MOPED REBATE PROGRAM.

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

PART I

1
2 SECTION 1. Part I of this Act is recommended by the
3 governor for immediate passage in accordance with section 9 of
4 article VII of the Constitution of the State of Hawaii.

5 SECTION 2. Act 306, Session Laws of Hawaii 2022, added a
6 new section to chapter 196, Hawaii Revised Statutes, that
7 created the electric bicycle and electric moped rebate program
8 and appropriated \$2,100,000 in general funds to the highway
9 development special fund electric bicycle and electric moped
10 subaccount to fund the rebate program in fiscal year 2022-2023.

11 However, such moneys were never allotted. Act 306 also
12 authorized the department of transportation to contract with a
13 third-party administrator to operate and manage the rebate
14 program. The purpose of the rebate program is to bring economic
15 relief to individuals by reducing the cost of living and cost of
16 transportation. Act 306, however, did not include an
17 appropriation out of the special fund to fund and implement the

S.B. NO. 1401

1 rebate program. Emergency funding is needed to fulfill the
2 legislative intent of Act 306, Session Laws of Hawaii 2022.

3 The purposes of part I this Act are to make an emergency
4 appropriation to the department of transportation to authorize
5 expenditure of funds for the electric bicycle and electric moped
6 rebate program, to authorize the payment of rebates to
7 individuals, and if necessary, to authorize payment to a third-
8 party administrator to operate and manage the electric bicycle
9 and electric moped rebate program.

10 SECTION 3. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$2,100,000 or so much
12 thereof as may be necessary for fiscal year 2022-2023 to be
13 deposited into the electric bicycle and electric moped special
14 fund established by part II of this Act.

15 The sum appropriated shall be expended by the department of
16 transportation for the purposes of Act 306, Session Laws of
17 Hawaii 2022, and this Act.

18 SECTION 4. There is appropriated out of the electric
19 bicycle and electric moped special fund established by part II
20 of this Act, the sum of \$2,100,000 or so much thereof as may be
21 necessary for fiscal year 2022-2023 for the operations of the
22 electric bicycle and electric moped rebate program including the

S.B. NO. 1401

1 payment of rebates and the costs of the administrator; provided
2 that the department of transportation cannot expend more than
3 ten per cent of the total amount appropriated for the department
4 of transportation's administration of the electric bicycle and
5 electric moped rebate program; provided further that the funds
6 appropriated shall not lapse at the end of the fiscal year for
7 which it was appropriated, but any unencumbered funds remaining
8 shall lapse on June 30, 2024.

9 The sum appropriated shall be expended by the department of
10 transportation for the purposes of Act 306, Session Laws of
11 Hawaii 2022, and this Act.

12 **PART II**

13 SECTION 5. Part II of this Act authorizes a third-
14 party administrator to expend funds in the administration of the
15 electric bicycle and electric moped rebate program and to pay
16 the rebates to the rebate applicants; add a new section to
17 chapter 264, Hawaii Revised Statutes, to establish within the
18 state treasury the electric bicycle and electric moped special
19 fund for the purposes of funding the rebate program established
20 by Act 306, Session Laws of Hawaii 2022; and amend section 264-
21 122(d), Hawaii Revised Statutes, and section 2 of Act 306,
22 Session Laws of Hawaii 2022, to eliminate the highway

S.B. NO. 1401

1 development special fund electric bicycle and electric moped
2 subaccount.

3 SECTION 6. Chapter 264, Hawaii Revised Statutes, is
4 amended by adding to part I a new section to be appropriately
5 designated and to read as follows:

6 "§264- Electric bicycle and electric moped special fund.

7 (a) There is established in the state treasury the electric
8 bicycle and electric moped special fund to be administered by
9 the department of transportation, into which shall be deposited;

10 (1) Appropriations made by the legislature to the fund;

11 and

12 (2) Gifts, grants, and donations to the fund.

13 (b) Moneys in the electric bicycle and electric moped

14 special fund shall be used for the following purposes:

15 (1) Operating expenses of the electric bicycle and

16 electric moped rebate program;

17 (2) Rebates for the electric bicycle and electric moped

18 rebate program; and

19 (3) Costs of a third-party administrator for the operation

20 of the electric bicycle and electric moped rebate

21 program."

S.B. NO. 1401

1 SECTION 7. Section 264-122, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§264-122 Highway development special fund. (a) There is
4 established in the state treasury the highway development
5 special fund to be administered by the department, into which
6 shall be deposited:

- 7 (1) Transfers of county impact fees assessed under part
8 VIII of chapter 46 and this part to pay for state
9 highway improvements;
- 10 (2) Interest from investment of deposits; and
- 11 (3) Legislative and county appropriations.

12 (b) Moneys in the highway development special fund shall
13 be used for the following purposes:

- 14 (1) Capital costs of qualifying proposed state highway
15 improvements;
- 16 (2) Reevaluation of the need, geographic limitations,
17 amount, and use of impact fees;
- 18 (3) Transfers to reimburse other special funds for
19 expenditures which otherwise might have been funded
20 with moneys in the highway development special fund;
- 21 (4) Transfers under sections 36-27 and 36-30;
- 22 (5) Refunds under section 264-125; and

S.B. NO. 1401

1 (6) The department's costs to implement this part,
2 including but not limited to costs to administer the
3 highway development special fund.

4 (c) The department may establish accounts in the highway
5 development special fund as necessary to implement this part and
6 rules adopted by the department.

7 ~~[(d) There is established within the highway development
8 special fund an electric bicycle and electric moped subaccount.
9 The department shall expend moneys in the subaccount for the
10 purposes of funding the electric bicycle and electric moped
11 rebate program established pursuant to section 196—.]"~~

12 SECTION 8. Act 306, Session Laws of Hawaii 2022, is
13 amended by amending section 2 to read as follows:

14 "SECTION 2. Chapter 196, Hawaii Revised Statutes, is
15 amended by adding a new section to part I to be appropriately
16 designated and to read as follows:

17 "§196- **Electric bicycle and electric moped rebate**
18 **program; third-party administrator; special fund.** (a) The
19 department of transportation shall administer a rebate program
20 that incentivizes the purchase of new electric bicycles and new
21 electric mopeds and may contract with a third-party

S.B. NO. 1401

1 administrator pursuant to subsection (i) to operate and manage
2 the rebate program.

3 (b) Each eligible purchase of a new electric bicycle or
4 new electric moped shall receive a rebate of either twenty per
5 cent of the retail cost or \$500, whichever amount is lower;
6 provided that no individual shall receive more than \$500 in
7 total rebates each fiscal year.

8 (c) The department of transportation shall not issue more
9 than \$700,000 in total rebates under this section each fiscal
10 year; provided that the electric bicycle and electric moped
11 [~~subaccount within the highway development~~] special fund
12 pursuant to section 264-122(d) contains sufficient funds to pay
13 the rebates. The department of transportation shall not be
14 liable to pay any refund if sufficient funds are unavailable.
15 The department of transportation shall allow valid claims filed
16 by eligible applicants for whom sufficient funds may not be
17 immediately available to receive a rebate as funds may be
18 available in a subsequent year.

19 (d) The department of transportation shall:

- 20 (1) Prepare any forms that may be necessary for an
21 applicant to claim a rebate pursuant to this section;
22 and

S.B. NO. 1401

1 (2) Require each applicant to furnish reasonable
2 information to ascertain the validity of the claim,
3 including but not limited to the signature of the
4 buyer and individual responsible for the sale on
5 behalf of a retail store at the time of sale, a copy
6 of valid government issued photo identification of the
7 buyer at the time of the sale, receipt of purchase,
8 name and address of the retail store, verification of
9 eligibility, and any other documentation necessary to
10 demonstrate the legitimate purchase of a new electric
11 bicycle or new electric moped.

12 (e) This section shall apply to new:

13 (1) Electric bicycles capable of speeds of no more than
14 twenty-eight miles per hour; and

15 (2) Electric mopeds,
16 purchased at a retail store after July 1, 2022.

17 (f) Applicants shall submit an application to the
18 department of transportation within twelve months of the date of
19 purchase to claim a rebate from the electric bicycle and
20 electric moped rebate program. Failure to apply within twelve
21 months of the date of purchase shall constitute a waiver of the
22 right to claim the rebate.

S.B. NO. 1401

1 (g) Nothing in this section shall alter taxes due on the
2 original purchase. Any rebate received pursuant to this section
3 shall not be considered income for the purposes of state or
4 county taxes.

5 (h) In administering the electric bicycle and electric
6 moped rebate program, the department of transportation shall
7 provide rebates to persons eighteen years or older who:

8 (1) Are eligible for:

9 (A) The Supplemental Nutrition Assistance Program;

10 (B) The free and reduced price lunch program;

11 (C) Section 8 of the United States Housing Act of
12 1937, as amended; or

13 (D) Similar low-income assistance programs identified
14 by the department of transportation;

15 (2) Do not own a registered motor vehicle with four or
16 more wheels, as demonstrated by an affidavit signed by
17 the applicant at the time of sale of the new electric
18 bicycle or electric moped, which may be audited by the
19 department of transportation; or

20 (3) Are enrolled in school, community college, or
21 university.

S.B. NO. 1401

1 (i) The department of transportation may contract with a
2 third-party administrator to operate and manage the electric
3 bicycle and electric moped rebate program. The third-party
4 administrator shall not be deemed to be a "governmental body" as
5 defined in section 103D-104; provided that all moneys
6 transferred to the third-party administrator shall have been
7 appropriated by the legislature or shall be from moneys provided
8 by the federal government or private funding sources. The
9 third-party administrator shall not expend more than ten per
10 cent of the amounts appropriated for the rebate program, or any
11 other reasonable percentage determined by the department of
12 transportation, for administration of the electric bicycle and
13 electric moped rebate program. [u]

14 (j) Should the department of transportation contract with
15 a third-party administrator to administer the electric bicycle
16 and electric moped rebate program, the third-party administrator
17 shall be authorized to pay rebates to each rebate applicant from
18 moneys transferred pursuant to subsection (i) from the electric
19 bicycle and electric moped special fund."

20 SECTION 9. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.

S.B. NO. 1401

1 SECTION 10. This Act shall take effect upon its approval.

2

3

INTRODUCED BY: 

4

BY REQUEST

S.B. NO. 1401

Report Title:

Emergency appropriation; Department of Transportation; Electric Bicycle and Electric Moped Rebate Program; Electric Bicycle and Electric Moped Special Fund.

Description:

Makes an emergency appropriation into and from a newly established special fund to authorize funds for the Department of Transportation Highways Division's Electric Bicycle and Electric Moped Rebate Program. Authorizes the Department of Transportation to pay a third-party administrator to administer and pay the rebates to the applicants.

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

SB. NO. 1401

JUSTIFICATION SHEET

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO THE ELECTRIC BICYCLE AND ELECTRIC MOPED REBATE PROGRAM.

PURPOSE: Establish the Electric Bicycle and Electric Moped Special Fund and eliminate the Highway Development Special Fund Electric Bicycle and Electric Moped subaccount. Make an emergency appropriation of general funds to implement the Electric Bicycle and Electric Moped Rebate Program.

MEANS: Amend section 2 of Act 306, Session Laws of Hawaii 2022, establish within the state treasury the Electric Bicycle and Electric Moped Special Fund and appropriate funds. Add a new section to part I of chapter 264, Hawaii Revised Statutes and amend section 264-122 of chapter 196, Hawaii Revised Statutes, to eliminate the Highway Development Special Fund Electric Bicycle and Electric Moped Subaccount.

JUSTIFICATION: Act 306, Session Laws of Hawaii 2022 appropriated \$2,100,000 out of the general revenues of the State of Hawaii for fiscal year 2022-2023 to be deposited into the electric bicycle and electric moped subaccount of the Highway Development Special Fund. However, such moneys were never allotted. In addition, Act 306 did not authorize expenditure for payment of the rebates or appropriate funds for contracting with the third-party administrator.

To remedy these issues, the purpose of this bill is to make an emergency appropriation into a newly established Electric Bicycle and Electric Moped Special Fund for fiscal year 2022-2023.

Making an emergency appropriation of general funds to authorize funds for the Department of Transportation's Electric Bicycle and

SB. NO. 1401

Electric Moped Rebate Program; appropriating funds to pay for rebates and authorizing the Department of Transportation to pay costs for a third-party administrator for the Electric Bicycle and Electric Moped Rebate Program is necessary to implement the rebate program.

Impact on the public: This bill will allow verified new electric bicycle and electric moped purchases by eligible individuals to receive a rebate of twenty per cent of the retail cost or \$500, whichever amount is lower, as an incentive to purchase electric bicycle and electric mopeds as an alternative form of transportation from gasoline powered vehicles.

Impact on the department and other agencies: This bill will allow the Department of Transportation's Highways Division to implement the new Electric Bicycle and Electric Moped Rebate Program.

GENERAL FUND: \$2,100,000.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: TRN 595.

OTHER AFFECTED
AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: Upon approval.