

ON THE FOLLOWING MEASURE: S.B. NO. 1118, RELATING TO TRANSPORTATION.

BEFORE THE:

SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

DATE: Tuesday, February 4, 2	2025 TIME: 3:00 p.m.
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LOCATION: State Capitol, Room 224

TESTIFIER(S): Anne E. Lopez, Attorney General, or Marjorie A. Lau, Deputy Attorney General

Chair Lee and Members of the Committee:

The Department of the Attorney General (Department) offers the following comments on this bill.

The purpose of the bill is to require any business established after January 1, 2026, that uses, rents, or offers for rent mopeds in the course of their commercial business, to use electric mopeds. The bill includes the Legislature's finding that internal combustion engine mopeds are significant contributors to noise pollution. The bill amends chapter 286, Hawaii Revised Statutes, by adding a new section including the requirement at page 2, lines 9 to 10, that "[b]eginning January 1, 2026, no newly established business shall use, rent, or offer for rent any combustion engine-powered moped."

Despite the finding regarding the noise impact of internal combustion engine mopeds, this law may be subject to challenge as a federally preempted emission standard under the federal Clean Air Act (CAA), because the prohibition is based upon the emission characteristics of a moped engine. Article VII, clause 2, of the United States Constitution, commonly referred to as the Supremacy Clause, establishes that the federal constitution, and federal law generally, take precedence over state laws, including state constitutions.

The federal CAA expressly prohibits states from regulating the control of emissions from motor vehicles. Specifically, section 209(a) of the CAA provides that:

No State or any political subdivision thereof shall adopt or attempt to enforce any standard relating to the control of emissions from new motor vehicles or new motor vehicle engines subject to this part. No State shall require certification, inspection, or any other approval relating to the control of emissions from any new motor vehicle or new motor vehicle engine as condition precedent to the initial retail sale, titling (if any), or registration of such motor vehicle, motor vehicle engine, or equipment.

42 U.S.C. §7543(a).

The CAA defines motor vehicle as "any self-propelled vehicle designed for transporting persons or property on a street or highway." <u>See</u> 42 U.S.C. §7550(2). Under this definition, a moped is considered a motor vehicle.

A state prohibition on the use, rental, or offering for rental of any combustion engine-powered moped could be considered a mandate that only zero-emission electric mopeds be used, rented, or offered for rent. Such a mandate is an emission standard not allowed under the CAA. In <u>American Auto. Mfrs. Ass'n. v. Cahill</u>, the United States Second Circuit Court of Appeals addressed a state's mandate that a specified percentage of cars sold by a manufacturer in any model year be zero-emission vehicles (ZEV). The court in that case found that "the ZEV sales requirement must be considered a standard 'relating to the control of emissions'" and "a requirement that a particular percentage of vehicle sales be ZEVs has no purpose other than to effect a general reduction in emissions". <u>American Auto. Mfrs. Ass'n. v. Cahill</u>, 152 F.3d 196, 200 (2d Cir. 1998); <u>see also Ass'n of Int'l Automobile Mfrs., Inc. v. Comm'r, Mass. Dept.</u> <u>of Environmental Protection</u>, 208 F.3d 1, 7 (1st Cir. 2000) ("the ZEV mandates are standards as that term is used in §§ 209 and 177 of the CAA" and "the very purpose and effect of the ZEV mandates is to effect a quantitative reduction in emissions").

This bill's prohibition beginning January 1, 2026, on the use, rental, or offering for rental of any combustion engine-powered moped by a newly established business could be viewed as a mandate that any moped used, rented, or offered for rent in the State be a zero-emission moped under those circumstances. As such, it would be an emission standard preempted by the CAA.

The Department respectfully asks the Committee to hold the bill due to the preemption concern discussed above. Thank you for the opportunity to testify.



January 28, 2025

SB 1118 Sponsors and Co-Sponsor 415 S Beretania Street Hawaii State Capitol Honolulu, HI 96813

Re: OPPOSITION TO SB 1118

Dear SB 1118 Sponsors and Co-Sponsor:

The Motorcycle Industry Council (MIC)¹ opposes SB 1118, which would prohibit new established businesses from using, renting, or offering for rent any combustion engine-powered moped beginning January 1, 2026.

Moped manufacturers are committed to environmental responsibility and to reducing moped emissions. Many are making significant financial and research investments in new vehicle technologies, including electric options. However, compared to the automobile industry, the moped industry does not have anywhere near the same resources to meet such an aggressive goal. While the 2026 deadline outlined in your legislation is ambitious, it is infeasible for moped manufactures to meet because research and development of new vehicles takes years. The result could mean putting dealers, sales, and service employees in the state out of business while restricting transportation opportunities for businesses, residents, and visitors to Hawaii.

With our nation's highways becoming more and more congested, mopeds move through traffic far easier than cars and if more drivers would replace their mode of transportation with mopeds, it would serve to alleviate congestion. Lack of sufficient parking is also a contributing factor to congestion and overcrowded streets in many urban and tourist areas. Mopeds are easy to park and due to size, can be parked in the area normally taken up by one automobile.

Mopeds not only help by reducing congestion on our roads, improving traffic flow, and reducing congestion in parking lots, but mopeds result in far less wear-and-tear on highway infrastructure when compared to trucks and automobiles. It is for these reasons we believe mopeds should be an encouraged form of transportation and not forced to comply with this unattainable goal.

In Hawaii's often mountainous regions you may also find that commuting on electric mopeds may not be feasible due to shorter battery life, lower power for traversing hills, lower speeds that may not allow for travel on certain roads, and a lack of adequate charging infrastructure. Gas powered

¹ The Motorcycle Industry Council (MIC) is a national, not-for-profit trade association representing several hundred manufacturers, distributors, dealers and retailers of motorcycles, scooters, motorcycle parts, accessories and related goods, and allied trades.

mopeds have longer range and typically faster sustained speeds that are conducive for commuting. Hawaiians should be afforded a choice of the vehicle that best meets their transportation needs.

Thank you very much for your consideration of these comments. Should you have any questions, please do not hesitate to contact me at <u>sschloegel@MIC.org</u> or 703-446-0444 x 3202.

Sincerely,

fot P. Jahloegel

Scott P. Schloegel Senior Vice President, Government Relations

<u>SB-1118</u> Submitted on: 2/3/2025 12:22:15 PM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Manabo Sato	Testifying for Moped Doctors Inc	Oppose	Remotely Via Zoom

Comments:

Aloha Honored Chair, Vice Chair and and Committee members,

My name is Manabo Sato and I am Cofounder and Vice President of Moped Doctors Inc, a local Hawaiii moped sales and repair company for fifteen years.

We at Moped Doctors Inc strongly oppose SB1118 which proposes banning the ability of any new businesses established on or after January 1, 2026 from using gas /internal combustion engine powered mopeds for their operations, rentals or other use. We have a robust gas powered moped rental industry. Tourists from all over the world enjoy the beautiful Hawaii outdoors in their stays here with gas mopeds. New gas powered moped rental companies open up every year (and some close of course). There is a GREAT demand for this industry. Making it illegal to rent gas powered mopeds for new businesses after that date will simply reduce competition, deny new entrepreneus the right to enter this industry in Hawaii , deny the state the many tax dollars on the millions that gas moped rentals bring in every year and cause the existing rental companies to be overwhelmed and provide a substandard gas powered moped rental experience as well as lost business during our never ending tourist season.

Also, food delivery drivers who want to start working as sole proprietors /LLC after that day would be denied the right to have this business and opportunity. Again taking tax dollars away from the state as well as federal levels . Electric alternatives simply cannot fill the gap on the industries I've mentioned without major drawbacks of much longer charging times (hours vs minutes) shorter ranges, expensive and limited repair/service facilities (most moped shops do not work on electric mopeds/scooters nearly to the extent of gas powered ones.

Gas powered moped rental businesses is a thriving subsection and sizeable niche in the Hawaii state tourist vehicle/transport rental industry as are legal document messenger services who might try to launch at this time that rely on gas mopeds.

Denying these and other related businesses simply reduces the options for new entrepreneurs (who are welcome to add to these industries).

Plus gas powered moped rentals are a large subsection of our and other moped shops businesses. We heavily rely on the consistent mass sale of gas powered moped rental fleets which are close to the core of our income on top of individual gas moped retail sales.

This would damage our sales industry when we are already struggling with lesser sales from the current tariff situations and increased operating costs of owning a moped for our consumers (who buy less if prices go up). Fines, towing , theft have all severely impacted our customers because of new moped laws and as our customers are impacted so are we.

We strongly beieve that the oppotunity to start businesses which rely on gas powered mopeds should be LEFT ALONE.

Please don't pass this bill. It will hurt way more then help.

Mahalo,

Manabo Sato

Moped Doctors Inc

Co founder /VP

<u>SB-1118</u> Submitted on: 2/3/2025 1:12:57 PM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathan Bingham	Testifying for Hawaiian Style Rentals & Sales	Oppose	Written Testimony Only

Comments:

Aloha,

I have owned **Hawaiian Style Rentals & Sales** for twenty years. Mopeds are a fun, affordable, easy-to-use, and environmentally friendly form of transportation. **SB1118 would ultimately destroy the moped rental industry.** No one will invest in an electric moped rental business because the range is too short, there is no infrastructure for battery swapping, and battery storage poses safety risks. While existing businesses may remain, we would rather see **growth and acceptance** instead of **restrictions and decline**.

Hawai'i should be **supporting** these unique, locally owned businesses—not eliminating them. Moped rentals are built by small business owners who **live here, raise their families here, create local jobs, and contribute to the local economy**. I strongly oppose this bill.

Mahalo for your time and consideration.

<u>SB-1118</u> Submitted on: 2/3/2025 10:37:56 AM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert Pitman	Individual	Oppose	Written Testimony Only

Comments:

This limits business too much. It is also costly to replace the batteries for these vehicles. The batteries can be more than half the entire price of a moped.

<u>SB-1118</u> Submitted on: 2/3/2025 10:50:42 AM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Robin Thorsen	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because it makes it harder for new businesses to get into the moped business which limits options for people to buy these mopeds. Electric mopeds are significantly more expensive and when work is needed are harder and more costly to fix. Batteries themselves cost a lot and are a pain to get out to the islands due to restrictions for batteries.

Not a good alternative yet and instead we need to focus on making mopeds more affordable to purchase and maintain for people.

<u>SB-1118</u> Submitted on: 2/3/2025 11:20:13 AM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joseph Rogers	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this for numerous reasons, first and foremost it will limit business opportunities. secondly electric mopeds are outrageously expensive and unreliable, the battery life is not good for those who have to commute for work, the fumes emitted by charging new batteries are incredibly toxic and sickening, in the event the battery is in need of replacement, its almost impossible to get new batteries, you would have to buy a brand new electric moped because those batteries are too dangerous to ship by themselves, also the environmental destruction and working conditions to even mine the material is unethical.

<u>SB-1118</u> Submitted on: 2/3/2025 11:32:33 AM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Haught-Aliotti	Individual	Oppose	Written Testimony Only

Comments:

Electric mopeds are generally more expensive and less reliable, with frequent battery and performance problems that make them unsuitable for reliable rentals. They are also more dangerous due to their near-silent operation, making it harder for riders and other vehicles to detect them, increasing the risk of accidents. Additionally, the safety concerns surrounding lithium-ion batteries, which have caused fires in rental incidents, further highlight the risks of electric mopeds. Gas mopeds remain a safer, more dependable, and affordable option for renters.

<u>SB-1118</u> Submitted on: 2/3/2025 12:24:13 PM Testimony for TCA on 2/4/2025 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joseph Richard Somrak	Individual	Oppose	Written Testimony Only

Comments:

This limits business too much. It is also costly to replace the batteries for these vehicles. The batteries can be more than half the entire price of a moped.