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# A BILL FOR AN ACT

RELATING TO ENERGY.

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

1           SECTION 1. The legislature finds that the human-induced  
2 global climate crisis requires thoughtful but bold responses on  
3 multiple fronts to make Hawaii communities resilient to the  
4 impacts of storms, floods, fire, and sea-level rise that  
5 threaten the very survivability of these fragile islands.  
6 Hawaii has historically played a critical leadership role in the  
7 areas of labor, justice, equity, and the environment. In  
8 addition to adopting a statewide carbon neutrality goal, Hawaii  
9 was the first state in the nation to adopt a one hundred per  
10 cent renewable electricity requirement and the first state to  
11 commit to the goals of the 2015 Paris Climate Agreement.  
12 Hawaii's one hundred per cent renewable electricity goal has  
13 been emulated by other states and territories, demonstrating  
14 that Hawaii's actions on climate change can influence broader  
15 actions beyond the islands' shores.

16           The legislature further finds that Hawaii is nearly one  
17 hundred per cent dependent on imported petroleum for its ground



1 transportation needs. Hawaii residents, businesses, and  
2 visitors spent over \$1,700,000,000 on gasoline in 2019 and the  
3 combustion of that fuel released over ten billion pounds of  
4 climate-changing carbon dioxide into the atmosphere. While  
5 carbon pollution from Hawaii's energy sector has decreased over  
6 the past decade, carbon pollution from Hawaii's ground  
7 transportation sector has increased ten per cent. Existing  
8 policy measures have not meaningfully reduced carbon pollution  
9 from Hawaii's ground transportation sector.

10 The legislature believes that electric vehicles play an  
11 integral role in Hawaii's clean energy future. Electric  
12 vehicles are much less expensive to operate per mile than their  
13 gasoline counterparts. By using stored electrical energy,  
14 electric vehicles can take advantage of intermittent solar,  
15 wind, and other clean energy resources. With the continued  
16 growth of an intelligent electrical grid, electric vehicles have  
17 become an essential component to electricity load and clean  
18 energy resource balancing. They also provide clean mobility  
19 solutions for Hawaii residents and visitors.

20 The legislature further finds that, in Hawaii and elsewhere  
21 in the world, the lack of adequate vehicle charging



1 infrastructure has become a major barrier to increasing adoption  
2 of electric vehicles. The International Energy Agency has found  
3 that "the availability of chargers emerged as one of the key  
4 factors for contributing to the market penetration of [electric  
5 vehicles]." Many parking facilities connected to high density,  
6 multi-family dwellings, which are a home to a large share of the  
7 Hawaii population, do not accommodate electric vehicle charging  
8 stations. Exacerbating the adoption barrier is that more than  
9 eighty per cent of electric vehicle owners charge their cars at  
10 home or work.

11 The purpose of this Act is to establish a market-based  
12 electric vehicle infrastructure incentive program consisting of  
13 one-time surcharges on the purchase of high-end gasoline-powered  
14 vehicles for purposes of funding the electric vehicle charging  
15 system rebate program established under sections 269-72 and  
16 269-73, Hawaii Revised Statutes. The program is intended to be  
17 self-financing and not increase expenditures from or reduce  
18 revenues into the general fund.

19 SECTION 2. Chapter 237, Hawaii Revised Statutes, is  
20 amended by adding a new section to be appropriately designated  
21 and to read as follows:



1        "§237-        Electric vehicle infrastructure incentive

2        surcharge. (a) There shall be levied, assessed, and collected  
3        an electric vehicle infrastructure incentive surcharge on all  
4        gross proceeds and gross income attributable to each sale,  
5        taxable under this chapter, of a passenger car or pickup truck  
6        powered solely by gasoline that has a published manufacturer's  
7        suggested retail price of \$50,000 or more.

8        (b) The electric vehicle infrastructure incentive  
9        surcharge shall be equal to one per cent of all gross proceeds  
10       and gross income attributable to transactions described in  
11       subsection (a). All provisions of this chapter shall apply to  
12       the electric vehicle infrastructure incentive surcharge. With  
13       respect to the surcharge, the director of taxation shall have  
14       all the rights and powers provided under this chapter.

15       (c) The director of taxation shall revise the general  
16       excise tax forms to provide for the clear and separate  
17       designation of the imposition and payment of the electric  
18       vehicle infrastructure incentive surcharge.

19       (d) For the purposes of this section:

20       "Electric vehicle" shall have the same meaning as in  
21       section 291-71.



1       "Passenger car" shall have the same meaning as in  
2 section 286-2.

3       "Pickup truck" shall have the same meaning as in  
4 section 291-14(e).

5       "Published manufacturer's suggested retail price" means the  
6 published manufacturer's suggested retail price as set by a  
7 vehicle's manufacturer at the time of sale."

8       SECTION 3. Section 237-31, Hawaii Revised Statutes, is  
9 amended to read as follows:

10       "**§237-31 Remittances.** All remittances of taxes imposed by  
11 this chapter shall be made by money, bank draft, check,  
12 cashier's check, money order, or certificate of deposit to the  
13 office of the department of taxation to which the return was  
14 transmitted. The department shall issue its receipts therefor  
15 to the taxpayer and shall pay the moneys into the state treasury  
16 as a state realization, to be kept and accounted for as provided  
17 by law; provided that:

18       (1) A sum, not to exceed \$5,000,000, from all general  
19 excise tax revenues realized by the State shall be  
20 deposited in the state treasury in each fiscal year to  
21 the credit of the compound interest bond reserve fund;



1 (2) A sum from all general excise tax revenues realized by  
2 the State that is equal to one-half of the total  
3 amount of funds appropriated or transferred out of the  
4 hurricane reserve trust fund under sections 4 and 5 of  
5 Act 62, Session Laws of Hawaii 2011, shall be  
6 deposited into the hurricane reserve trust fund in  
7 fiscal year 2013-2014 and in fiscal year 2014-2015;  
8 provided that the deposit required in each fiscal year  
9 shall be made by October 1 of that fiscal year; ~~and~~

10 (3) All electric vehicle infrastructure incentive  
11 surcharges collected pursuant to section 237- ,  
12 shall be deposited into the public utilities  
13 commission special fund established pursuant to  
14 section 269-33; provided that the first \$500,000  
15 collected shall be deposited into the electric vehicle  
16 charging system subaccount established pursuant to  
17 section 269-33(e); and

18 ~~[(3)]~~ (4) Commencing with fiscal year 2018-2019, a sum from  
19 all general excise tax revenues realized by the State  
20 that represents the difference between the state  
21 public employer's annual required contribution for the



1 separate trust fund established under section 87A-42  
2 and the amount of the state public employer's  
3 contributions into that trust fund shall be deposited  
4 to the credit of the State's annual required  
5 contribution into that trust fund in each fiscal year,  
6 as provided in section 87A-42."

7 SECTION 4. Section 269-33, Hawaii Revised Statutes, is  
8 amended to read as follows:

9 **"§269-33 Public utilities commission special fund.** (a)  
10 There is established in the state treasury a public utilities  
11 commission special fund to be administered by the public  
12 utilities commission. The proceeds of the fund shall be used by  
13 the public utilities commission and the division of consumer  
14 advocacy of the department of commerce and consumer affairs for  
15 all expenses incurred in the administration of chapters 269,  
16 271, 271G, 269E, and 486J, and for costs incurred by the  
17 department of commerce and consumer affairs to fulfill the  
18 department's limited oversight and administrative support  
19 functions; provided that the expenditures of the public  
20 utilities commission shall be in accordance with legislative  
21 appropriations. On a quarterly basis, an amount not exceeding



1 thirty per cent of the proceeds remaining in the fund after the  
2 deduction for central service expenses, pursuant to  
3 section 36-27, shall be allocated by the public utilities  
4 commission to the division of consumer advocacy and deposited in  
5 the compliance resolution fund established pursuant to  
6 section 26-9(o); provided that all moneys allocated by the  
7 public utilities commission from the fund to the division of  
8 consumer advocacy shall be in accordance with legislative  
9 appropriations.

10 (b) All moneys appropriated to, received, and collected by  
11 the public utilities commission that are not otherwise pledged,  
12 obligated, or required by law to be placed in any other special  
13 fund or expended for any other purpose shall be deposited into  
14 the public utilities commission special fund including, but not  
15 limited to, all moneys received and collected by the public  
16 utilities commission pursuant to sections 92-21, 237- ,  
17 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and  
18 607-5.

19 (c) The public utilities commission shall submit an update  
20 as part of its annual report submitted pursuant to section 269-5



1 detailing all funds received and all moneys disbursed out of the  
2 fund.

3 (d) All moneys in excess of \$1,000,000 remaining on  
4 balance in the public utilities commission special fund on  
5 June 30 of each year shall lapse to the credit of the state  
6 general fund.

7 (e) There is established within the public utilities  
8 commission special fund an electric vehicle charging system  
9 subaccount. The public utilities commission shall expend moneys  
10 in the sub-account for the purposes of funding the electric  
11 vehicle charging system rebate program established pursuant to  
12 sections 269-72 and 269-73."

13 SECTION 5. Statutory material to be repealed is bracketed  
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2050;  
16 provided that this Act shall be repealed on June 30, 2030, and  
17 sections 237-31 and 269-33, Hawaii Revised Statutes, shall be  
18 reenacted in the form in which they read on June 30, 2021.



# H.B. NO. 1142 H.D. 1

**Report Title:**

Electric Vehicle Charging System Rebate Program; New Vehicle Sales

**Description:**

Establishes a surcharge on the sale of high-end gasoline-powered vehicles to fund the installation of electric vehicle charging systems. Establishes an electric vehicle charging system subaccount within the public utilities commission special fund. Sunsets 6/30/2030. Effective 7/1/2050. (HD1)

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

2021-1460 HB1142 HD1 HMSO

