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# A BILL FOR AN ACT

RELATING TO ZERO EMISSION TRANSPORTATION.

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

1       SECTION 1. The legislature finds that the electric vehicle  
2 charging system rebate program, established pursuant to Act 142,  
3 Session Laws of Hawaii 2019, as amended by Act 75, Session Laws  
4 of Hawaii 2021, provides rebates for the installation of  
5 electric vehicle charging systems in priority locations,  
6 including for multi-unit dwellings, workplaces, and commercial  
7 areas, and in places that serve vehicle fleets. The rebate  
8 program has proven to be very successful, with approximately one  
9 hundred forty new charging systems installed or in the pipeline  
10 that have been facilitated by the availability of these rebates.

11       The legislature further finds that the life-cycle costs of  
12 zero-emission vehicles are lower than internal combustion  
13 vehicles, including maintenance and fueling. According to the  
14 National Travel Household Survey Workshop, while access to  
15 public transit and other forms of mobility are increasing,  
16 households below the poverty level used privately owned vehicles  
17 for almost three-quarters of their trips. Increasing access to



1 zero-emission vehicles allows these families to lower daily and  
2 monthly costs while decreasing exposure to vehicle emissions and  
3 particulate matter and advancing the State's overall energy and  
4 affordability goals.

5 The legislature also finds that the range of zero-emission  
6 vehicles has increased. According to the United States  
7 Department of Energy's Office of Energy Efficiency and Renewable  
8 Energy, for the first time, the median range of all of the  
9 electric vehicles offered for sale or lease in the United States  
10 in 2020 was more than two hundred fifty miles per charge.

11 Charging infrastructure access throughout the State is expected  
12 to increase through the use of federal funds such as the soon to  
13 be released Infrastructure Investment and Jobs Act, and state  
14 funds allocated through Act 75, Session Laws of Hawaii 2021.

15 The legislature additionally finds that it is critically  
16 important to encourage behavior that promotes lower emissions,  
17 reduces congestion, and enhances mobility, while encouraging the  
18 adoption of zero-emission vehicles for private and public use.

19 An important step toward the decarbonization of ground  
20 transportation is to support equal access to new technologies  
21 and services, such as electric vehicles, which decrease the



1 energy intensity of mobility and have the potential to greatly  
2 benefit low- to moderate-income and underserved populations who  
3 would most benefit from the lower maintenance and life-cycle  
4 costs.

5 Therefore, it is desirable to consolidate rebate programs  
6 to reduce administrative costs and confusion on how to access  
7 rebates.

8 The purpose of this Act is to establish a rebate program  
9 within the public utilities commission for the purchase of zero-  
10 emission vehicles and to enable low- and moderate-income  
11 families greater access to zero-emission vehicles by providing a  
12 rebate on the point-of-sale purchase price of zero-emission  
13 vehicles.

14 SECTION 2. Chapter 269, Hawaii Revised Statutes, is  
15 amended by adding a new section to part III to be appropriately  
16 designated and to read as follows:

17 "§269- Low- to moderate-income zero-emission vehicle  
18 rebate program. (a) The public utilities commission, in  
19 consultation with zero-emission vehicle stakeholders and the  
20 state energy office, shall administer a low- to moderate-income  
21 zero-emission vehicle rebate program that incentivizes the



1 purchase of new or used qualifying vehicles and may contract  
2 with a third-party administrator pursuant to section 269-73 to  
3 operate and manage the rebate program.

4 (b) The public utilities commission may specify design  
5 features for the program, including procedures to prioritize  
6 available moneys for specific qualifying vehicles and  
7 limitations on the number of rebates available for each type of  
8 qualifying vehicle.

9 (c) Rebates under the program shall be made from moneys  
10 credited to or deposited in the zero-emission vehicle  
11 subaccount. A rebate may not be made unless there are  
12 sufficient moneys available in the subaccount to make the  
13 rebate.

14 (d) The public utilities commission shall prescribe the  
15 rebate application procedure for purchasers and lessees.

16 (e) The rebate amount for qualifying vehicles under the  
17 low- to moderate-income zero-emission vehicle rebate program  
18 shall be set annually by the program administrator.

19 (f) An applicant may be eligible for a rebate if the  
20 applicant meets one of the following criteria:



1       (1) The applicant is a Hawaii resident who is a member of  
2       a household having an income equal to or less than the  
3       income threshold set by the program administrator; or

4       (2) The applicant is a nonprofit organization registered  
5       as a 501(c)(3) organization, either based in Hawaii or  
6       with a current Hawaii-based affiliate, that provides  
7       health, dental, social, financial, energy  
8       conservation, or other assistive services to low- or  
9       moderate-income households in Hawaii. Nonprofit  
10       organizations shall be limited to five rebates per  
11       entity per calendar year.

12       (g) To be eligible for a rebate, an applicant requesting a  
13       rebate under the program shall:

14       (1) Purchase a qualifying vehicle or lease a qualifying  
15       vehicle for a minimum term of twenty-four months;

16       (2) Provide proof of intent to use the qualifying vehicle  
17       primarily on the public highways of the State, which  
18       may be satisfied by providing proof of registration of  
19       the qualifying vehicle in the State;

20       (3) Submit an application for a rebate to the program  
21       administrator within six months after the date of



1 purchase of the qualifying vehicle or six months after  
2 the date the lease of the qualifying vehicle begins;  
3 and

4 (4) Retain registration of the qualifying vehicle for a  
5 minimum of twenty-four consecutive months after the  
6 date of purchase or the date the lease begins.

7 (h) Rebate recipients may be requested to participate in  
8 ongoing research efforts.

9 (i) The program administrator shall work to ensure timely  
10 payment of rebate program rebates with a goal of paying rebates  
11 within sixty days of receiving a completed application with all  
12 required supporting documentation for a low- to moderate-income  
13 zero-emission vehicle rebate.

14 (j) The program administrator may offer expanded financing  
15 mechanisms for program participants, including a loan or loan-  
16 loss reserve credit enhancement program to increase consumer  
17 access to new or used light-duty zero-emission vehicles.

18 (k) As used in this section:

19 "Light-duty motor vehicle" shall have the same meaning as  
20 in section 26-6.



1 "Light-duty zero-emission vehicle" means a light-duty motor  
2 vehicle that is also a zero-emission vehicle.

3 "Moped" shall have the same meaning as in section 291C-1.

4 "Motor scooter" shall have the same meaning as in section  
5 291C-1.

6 "Motorcycle" shall have the same meaning as in section  
7 291C-1.

8 "Neighborhood electric vehicle" shall have the same meaning  
9 as in section 291C-1.

10 "New" means a qualifying vehicle that:

11 (1) Has not previously been sold to any person except a  
12 distributor, wholesaler, or dealer for resale, except  
13 where the vehicle has not left the dealer's possession  
14 after the sale to a consumer;

15 (2) Has not previously been registered or titled in the  
16 name of a consumer, except where the vehicle has not  
17 left the dealer's possession after the sale to a  
18 consumer; and

19 (3) Has not been driven more than five hundred miles.

20 "Program administrator" means the public utilities  
21 commission or the third-party administrator contracted by the



1 public utilities commission pursuant to section 269-73 to  
2 operate and manage the rebate program.

3 "Qualifying vehicle" means a motor vehicle that:

4 (1) Is a:

5 (A) New or used light-duty zero-emission vehicle;

6 (B) New neighborhood electric vehicle;

7 (C) New zero-emission motorcycle;

8 (D) New zero-emission motor scooter;

9 (E) New zero-emission moped;

10 (2) Has a manufacturer's suggested retail price of less  
11 than the maximum set by the program administrator;

12 (3) Is covered by a manufacturer's express warranty on the  
13 vehicle drive train, including the applicable energy  
14 storage system or battery pack, for at least twenty-  
15 four months from the date of purchase;

16 (4) Is certified by the manufacturer to comply with all  
17 applicable federal safety standards issued by the  
18 National Highway Traffic Safety Administration as of  
19 the date of manufacture; and

20 (5) Is purchased from a vehicle dealer.





1       "Rebate program" means the low- to moderate-income zero-  
2 emission vehicle rebate program established pursuant to this  
3 section.

4       "Vehicle dealer" means a "new motor vehicle dealer" or  
5 "used motor vehicle dealer" as defined in section 437-1.1, or an  
6 appropriate entity as identified by the administrator of the  
7 program.

8       "Zero-emission moped" means a moped that:

9       (1) Has zero evaporative emissions from its fuel system;

10       and

11       (2) Is powered by electricity.

12       "Zero-emission motor scooter" means a motor scooter that:

13       (1) Has zero evaporative emissions from its fuel system;

14       and

15       (2) Is powered by electricity.

16       "Zero-emission motorcycle" means a motorcycle that:

17       (1) Has zero evaporative emissions from its fuel system;

18       and

19       (2) Is powered by electricity.

20       "Zero-emission vehicle" shall have the same meaning as in  
21 section 26-6."



1       SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3       "(a) In addition to any other taxes provided by law,  
4 subject to the exemptions set forth in section 243-7, there is  
5 hereby imposed a state environmental response, energy, and food  
6 security tax on each barrel or fractional part of a barrel of  
7 petroleum product sold by a distributor to any retail dealer or  
8 end user of petroleum product, other than a refiner. The tax  
9 shall be \$1.05 on each barrel or fractional part of a barrel of  
10 petroleum product that is not aviation fuel; provided that of  
11 the tax collected pursuant to this subsection:

12       (1) 5 cents of the tax on each barrel shall be deposited  
13       into the environmental response revolving fund  
14       established under section 128D-2;

15       (2) 4 cents of the tax on each barrel shall be deposited  
16       into the energy security special fund established  
17       under section 201-12.8;

18       (3) 8 cents of the tax on each barrel shall be deposited  
19       into the energy systems development special fund  
20       established under section 304A-2169.1; [~~and~~]



1 (4) 3 cents of the tax on each barrel shall be deposited  
2 into the electric vehicle charging system subaccount  
3 established pursuant to section 269-33(e) [~~+~~]; and

4 (5) 5 cents of the tax on each barrel shall be deposited  
5 into the zero-emission vehicle subaccount established  
6 pursuant to section 269-33(f).

7 The tax imposed by this subsection shall be paid by the  
8 distributor of the petroleum product."

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

11 **"§269-33 Public utilities commission special fund. (a)**

12 There is established in the state treasury a public utilities  
13 commission special fund to be administered by the public  
14 utilities commission. The proceeds of the fund shall be used by  
15 the public utilities commission and the division of consumer  
16 advocacy of the department of commerce and consumer affairs for  
17 all expenses incurred in the administration of chapters 269,  
18 271, 271G, 269E, and 486J, and for costs incurred by the  
19 department of commerce and consumer affairs to fulfill the  
20 department's limited oversight and administrative support  
21 functions; provided that the expenditures of the public



1 utilities commission shall be in accordance with legislative  
2 appropriations. On a quarterly basis, an amount not exceeding  
3 thirty per cent of the proceeds remaining in the fund after the  
4 deduction for central service expenses, pursuant to section 36-  
5 27, shall be allocated by the public utilities commission to the  
6 division of consumer advocacy and deposited in the compliance  
7 resolution fund established pursuant to section 26-9(o);  
8 provided that all moneys allocated by the public utilities  
9 commission from the fund to the division of consumer advocacy  
10 shall be in accordance with legislative appropriations.

11 (b) All moneys appropriated to, received, and collected by  
12 the public utilities commission that are not otherwise pledged,  
13 obligated, or required by law to be placed in any other special  
14 fund or expended for any other purpose shall be deposited into  
15 the public utilities commission special fund, including[7] but  
16 not limited to[7] all moneys received and collected by the  
17 public utilities commission pursuant to sections 92-21, 243-3.5,  
18 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and  
19 607-5.

20 (c) The public utilities commission shall submit an update  
21 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 June  
5 30 of each year shall lapse to the credit of the state general  
6 fund; provided that this ceiling shall not apply to the  
7 ~~[subaccount]~~ subaccounts established in ~~[subsection]~~ subsections  
8 (e) ~~[ ]~~ and (f).

9 (e) There is established within the public utilities  
10 commission special fund an electric vehicle charging system  
11 subaccount. The public utilities commission shall expend moneys  
12 in the subaccount for the purposes of funding the electric  
13 vehicle charging system rebate program established pursuant to  
14 sections 269-72 and 269-73. The funds in this subaccount shall  
15 not be subject to the special fund ceiling in subsection (d).

16 (f) There is established within the public utilities  
17 commission special fund a zero-emission vehicle subaccount. The  
18 public utilities commission shall expend moneys in the  
19 subaccount for the purposes of sections 269- and 269-73. The  
20 funds in this subaccount shall not be subject to the special  
21 fund ceiling in subsection (d)."



SECTION 5. Section 269-73, Hawaii Revised Statutes, is amended to read as follows:

"~~[§]~~**\$269-73**~~[§]~~ **Electric vehicle charging system**~~[÷]~~, low-to moderate-income zero-emission vehicle; rebate ~~[program÷]~~ programs; administrator; establishment. (a) The public utilities commission may contract with a third-party administrator to operate and manage any programs established under ~~[section]~~ sections 269-72~~[÷]~~ and 269-\_\_\_\_. The administrator shall not be deemed to be a "governmental body" as defined in section 103D-104; provided that all moneys transferred to the third-party administrator shall have been appropriated by the legislature or shall be from funds provided by the federal government or private funding sources. The administrator shall not expend more than ten per cent of the amounts appropriated for the rebate program or other reasonable percentage determined by the public utilities commission for administration of the programs established under ~~[section]~~ sections 269-72~~[÷]~~ and 269-\_\_\_\_.

(b) The electric vehicle charging system rebate program administrator shall be subject to regulation by the public utilities commission under any provision applicable to a public



1 utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9,  
2 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report  
3 to the public utilities commission on a regular basis.  
4 Notwithstanding any other provision of law to the contrary, the  
5 electric vehicle charging system rebate program administrator  
6 shall not be an electric public utility or an electric public  
7 utility affiliate.

8 (c) The low- to moderate-income zero-emission vehicle  
9 rebate program administrator shall be subject to regulation by  
10 the public utilities commission under any provision applicable  
11 to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5,  
12 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall  
13 report to the public utilities commission on a regular basis.  
14 Notwithstanding any other provision of law to the contrary, the  
15 low- to moderate-income zero-emission vehicle rebate program  
16 administrator shall not be an electric public utility or an  
17 electric public utility affiliate."

18 SECTION 6. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20 SECTION 7. This Act shall take effect on July 1, 2100.

21



# H.B. NO. 2090 H.D. 1

**Report Title:**

Zero-emission Vehicle Rebate Program; Public Utilities  
Commission

**Description:**

Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. Effective 7/1/2100. (HD1)

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

