
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that the single greatest
2 factor of the increasing cost of living in Hawaii is the rising
3 cost of transportation. Due to increasingly expensive fossil
4 fuels and a lack of cheaper transit options, Hawaii residents
5 already pay among the highest cost to commute in the country.
6 In January 2022, the United States Bureau of Labor Statistics
7 reported that auto-related costs were an astonishing twenty-
8 three per cent higher in December 2021, than a year earlier,
9 accelerating a trend of increasing transit costs contributing to
10 Hawaii's rising cost of living.

11 The legislature further finds that climate change caused by
12 carbon emissions from burning fossil fuels poses a serious
13 threat to the economic well-being, public health, natural
14 resources, and environment of Hawaii. The State has committed
15 to eliminating fossil fuels from the electricity and ground
16 transportation sectors, abiding by the Paris Climate Accord's
17 goal to limit the amount of global warming to less than 1.5



1 degrees Celsius and achieving negative carbon emissions for
2 Hawaii by 2045. The legislature finds that meeting the State's
3 clean energy goals and commitments necessitates the rapid
4 transition to electric vehicles that utilize local, renewable
5 energy sources.

6 The legislature further finds that electric bicycles are
7 significantly more cost effective and better for the environment
8 than gas powered motor vehicles and can effectively get many
9 Hawaii residents to locations as conveniently as gas powered
10 motor vehicles.

11 The purpose of this Act is to encourage the purchase and
12 use of electric motor vehicles and bicycles to reduce the cost
13 of living and cost of transportation by creating subsidies for
14 those looking to purchase electric motor vehicles and bicycles.

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

18 "§196- Electric vehicle, electric bicycle, moped, and
19 motorcycle rebate program; third-party administrator; special
20 fund. (a) The department of transportation shall administer a
21 rebate program that incentivizes the purchase of electric



1 vehicles, electric bicycles, mopeds, and motorcycles and may
2 contract with a third-party administrator pursuant to subsection
3 (i) to operate and manage the rebate program.

4 (b) Subject to subsection (c), rebates shall be
5 distributed as follows:

6 (1) Each eligible purchase of an electric vehicle shall
7 receive up to \$ _____ ; and

8 (2) Each eligible purchase of an electric bicycle, moped,
9 or motorcycle shall receive up to \$ _____ ;

10 provided that no individual shall receive more than \$ _____
11 in total rebates each fiscal year.

12 (c) The department of transportation shall not issue more
13 than \$ _____ in total rebates under this section each fiscal
14 year; provided that fifty per cent of the amount issued shall be
15 to rebate electric vehicle purchases and fifty per cent of the
16 amount issued shall be to rebate electric bicycle, electric
17 moped, or electric motorcycle purchases; provided that the
18 electric vehicles, electric bicycle, and motorcycle special fund
19 contains sufficient moneys to pay the rebates. The department
20 of transportation shall not be liable to pay any refund if
21 sufficient funds are unavailable.



- 1 (d) The department of transportation shall:
- 2 (1) Prepare any forms that may be necessary for an
3 applicant to claim a rebate pursuant to this section;
4 and
- 5 (2) Require each applicant to furnish reasonable
6 information to ascertain the validity of the claim,
7 including but not limited to documentation necessary
8 to demonstrate the purchase of an electric vehicle or
9 electric bicycle, moped, or motorcycle.
- 10 (e) This section shall apply to electric vehicles and
11 electric bicycles, mopeds, or motorcycles purchased after
12 July 1, 2022.
- 13 (f) Applicants shall submit applications to the department
14 of transportation within twelve months of the date of purchase
15 to claim a rebate from the electric vehicle charging system
16 rebate program. Failure to apply within twelve months of the
17 date of purchase shall constitute a waiver of the right to claim
18 the rebate.
- 19 (g) Nothing in this section shall alter taxes due on the
20 original purchase. Any rebate received pursuant to this section



1 shall not be considered income for the purposes of state or
2 county taxes.

3 (h) In administering the electric vehicle and electric
4 bicycle rebate program, the department of transportation shall
5 give priority to low-income individuals.

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

18 (j) There is established within the state treasury an
19 electric vehicle, electric bicycle, moped, and motorcycle rebate
20 special fund, which shall consist of:



- 1 (1) The portion of the environmental response, energy, and
2 food security tax specified under section 243-3.5;
3 (2) Moneys appropriated to the fund by the legislature;
4 and
5 (3) All interest attributable to investment of money
6 deposited in the fund.

7 Moneys from the special fund may be expended by the department
8 of transportation for the electric vehicle, electric bicycle,
9 moped, and motorcycle rebate program."

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

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



- 1 (1) 5 cents of the tax on each barrel shall be deposited
2 into the environmental response revolving fund
3 established under section 128D-2;
- 4 (2) 4 cents of the tax on each barrel shall be deposited
5 into the energy security special fund established
6 under section 201-12.8;
- 7 (3) 8 cents of the tax on each barrel shall be deposited
8 into the energy systems development special fund
9 established under section 304A-2169.1; ~~and~~
- 10 ~~+~~ (4) ~~+~~ 3 cents of the tax on each barrel shall be deposited
11 into the electric vehicle charging system subaccount
12 established pursuant to section 269-33(e) ~~+~~; and
- 13 (5) cents of the tax on each barrel shall be
14 deposited into the electric vehicle, electric bicycle,
15 moped, and motorcycle rebate special fund established
16 pursuant to 196- .

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

19 SECTION 4. There is appropriated out of the funds received
20 by the State from the Infrastructure Investment and Jobs Act,
21 Public Law 117-58, also known as the Bipartisan Infrastructure



Report Title:

Electric Vehicle, Electric Bicycle, Moped, and Motorcycle Rebate Program; Special Fund; Barrel Tax; Appropriation

Description:

Establishes the Electric Vehicle, Electric Bicycle, Moped, and Motorcycle Rebate Program and special fund to encourage the purchase and use of electric motor vehicles, bicycles, mopeds, and motorcycles. Allocates a portion of the barrel tax for the rebate program. Makes an appropriation. Effective 1/1/2050.
(SD1)

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