
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 bicycles and electric mopeds to reduce the cost
13 of living and cost of transportation by creating subsidies for
14 those looking to purchase electric bicycles and electric mopeds.

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

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



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

4 (b) Each eligible purchase of an electric bicycle or
5 electric moped shall receive up to \$ _____ ; provided that no
6 individual shall receive more than \$ _____ in total rebates
7 each fiscal year.

8 (c) The department of transportation shall not issue more
9 than \$ _____ in total rebates under this section each fiscal
10 year; provided that the electric bicycle and electric moped
11 rebate special fund contains sufficient moneys to pay the
12 rebates. The department of transportation shall not be liable
13 to pay any refund if sufficient moneys are unavailable.

14 (d) The department of transportation shall:

15 (1) Prepare any forms that may be necessary for an
16 applicant to claim a rebate pursuant to this section;
17 and

18 (2) Require each applicant to furnish reasonable
19 information to ascertain the validity of the claim,
20 including but not limited to documentation necessary



1 to demonstrate the purchase of an electric bicycle or
2 electric moped.

3 (e) This section shall apply to electric bicycles and
4 electric mopeds purchased after July 1, 2022.

5 (f) Applicants shall submit applications to the department
6 of transportation within twelve months of the date of purchase
7 to claim a rebate from the electric bicycle and electric moped
8 rebate program. Failure to apply within twelve months of the
9 date of purchase shall constitute a waiver of the right to claim
10 the rebate.

11 (g) Nothing in this section shall alter taxes due on the
12 original purchase. Any rebate received pursuant to this section
13 shall not be considered income for the purposes of state or
14 county taxes.

15 (h) In administering the electric bicycle and electric
16 moped rebate program, the department of transportation shall
17 give priority to low-income individuals.

18 (i) The department of transportation may contract with a
19 third-party administrator to operate and manage the electric
20 bicycle and electric moped rebate program. The administrator
21 shall not be deemed to be a "governmental body" as defined in



1 section 103D-104; provided that all moneys transferred to the
2 third-party administrator shall have been appropriated by the
3 legislature or shall be from moneys provided by the federal
4 government or private funding sources. The administrator shall
5 not expend more than ten per cent of the amounts appropriated
6 for the rebate program, or any other reasonable percentage
7 determined by the department of transportation, for
8 administration of the electric bicycle and electric moped rebate
9 program.

10 (j) There is established within the state treasury an
11 electric bicycle and electric moped rebate special fund, which
12 shall consist of:

13 (1) The portion of the environmental response, energy, and
14 food security tax specified under section 243-3.5;

15 (2) Moneys appropriated to the fund by the legislature;
16 and

17 (3) All interest attributable to investment of money
18 deposited in the fund.

19 Moneys from the special fund may be expended by the department
20 of transportation for the electric bicycle and electric moped
21 rebate program."



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 electric bicycle and electric moped rebate special
4 fund established pursuant to section [~~269-33(e)~~]
5 196-_____.

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

8 SECTION 4. There is appropriated out of the funds received
9 by the State from the Infrastructure Investment and Jobs Act,
10 Public Law 117-58, also known as the Bipartisan Infrastructure
11 Law, the sum of \$ _____ or so much thereof as may be
12 necessary for fiscal year 2022-2023 for the electric bicycle and
13 electric moped rebate program.

14 The sum appropriated shall be expended by the department of
15 transportation for the purposes of this Act.

16 SECTION 5. There is appropriated out of the funds received
17 by the State from the Infrastructure Investment and Jobs Act,
18 Public Law 117-58, also known as the Bipartisan Infrastructure
19 Law, the sum of \$ _____ or so much thereof as may be
20 necessary for fiscal year 2022-2023 to be deposited into the
21 electric vehicle charging system subaccount of the public



1 utilities commission special fund established pursuant to
2 section 269-33, Hawaii Revised Statutes.

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on January 1, 2050;
6 provided that section 3 shall be repealed on December 31, 2027,
7 and section 243-3.5(a), Hawaii Revised Statutes, shall be
8 reenacted in the form in which it read on the day prior to the
9 effective date of this Act.



Report Title:

Electric Bicycle and Electric Moped Rebate Program; Special Fund; Barrel Tax; Appropriations

Description:

Establishes the Electric Bicycle and Electric Moped Rebate Program and special fund to encourage the purchase and use of electric bicycles and electric mopeds. Allocates a portion of the barrel tax for the rebate program. Appropriates moneys. Effective 1/1/2050. (SD2)

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