



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.  
GOVERNOR

MARK B. GLICK  
CHIEF ENERGY OFFICER

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Testimony of  
**MARK B. GLICK, Chief Energy Officer**

before the  
**HOUSE COMMITTEE ON TRANSPORTATION**

Tuesday, March 14, 2023  
10:00 AM  
State Capitol, Conference Room 312 and Videoconference

In SUPPORT of  
**SB 1534, SD2**

## **RELATING TO TRANSPORTATION.**

Chair Todd, Vice Chair Kila, and Members of the Committee, the Hawai'i State Energy Office (HSEO) provides comments in support of SB 1534, SD2, which replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for certain electric vehicles, provides that implementation of this fee takes effect 1/1/2025, and establishes the Hawai'i Highway Safety and Modernization Council.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy. Sustainable funding for Hawai'i's roadway maintenance costs needs to be addressed to ensure a smooth transition as Hawaii decarbonizes ground transportation. HSEO is currently engaging with State agencies and stakeholders to discuss the issues raised from this measure. HSEO regularly collaborates with the Hawai'i Department of Transportation (HDOT) on efforts including the designation of Alternative Fuel Corridors by the Federal Highway Administration and the National Electric Vehicle Infrastructure (NEVI) Hawai'i State Plan to build out infrastructure on those corridors and will continue that collaboration.

HSEO supports the requirement in SB 1534, SD2, Section 2 to extend the mileage-based road use charge to all passenger vehicles and light duty trucks by December 31, 2033. It is an important signal to the market and the adopters of electric vehicles that the intent is to move all vehicles to a sustainable and equitable framework to collect revenues for road maintenance. The mileage-based road use charge should be devised in such a way to transparently incentivize residents to utilize more fuel efficient vehicles and alternative modes of transportation including public transit, electric mobility, bicycling, and walking. Residents can easily understand that reducing the miles they drive results in a lower annual mileage-based road use charge. To support the expedient transition to this revenue collection framework HSEO would respectfully request extending the authority to implement the program for all light duty passenger vehicles and light duty trucks to the HDOT within SB 1534, SD2. The authority would be in addition to the requirement that a plan be developed to fully implement a state mileage-based road use charge program to encompass all passenger vehicles and light duty trucks by December 31, 2033. This provides HDOT the flexibility to move forward as soon as practicable while maintaining the 2033 target.

Thank you for the opportunity to testify.



**TESTIMONY BY:**  
EDWIN H. SNIFFEN  
DIRECTOR  
  
Deputy Directors  
DREANALEE K. KALILI  
TAMMY L. LEE  
ROBIN K. SHISHIDO  
JAMES KUNANE TOKIOKA

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

March 14, 2023  
10:00 A.M.  
State Capitol, Room 312 & Videoconference

**S.B. 1534 SD2**  
**RELATING TO TRANSPORTATION**

House Committee on Transportation

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The Department of Transportation (DOT) **supports this bill with comments** that eliminates the current \$50 annual state vehicle registration surcharge on Electric Vehicles (EVs) and in its place provides a Road Usage Charge (RUC) program for EV owners, and provides an option for EV owners to pay an annual EV registration surcharge instead. This bill also repeals the State Highway Safety Council and establishes a Highway Safety and Modernization Council.

The DOT is committed to a RUC program that is equitable for all users of the system. For this initial per-mile state RUC program starting with EVs on July 1, 2025, the DOT recommends a rate of 0.8 cents per mile with a cap of \$50 per year, and if they desire, in lieu of being in a per-mile RUC program, EV owners would be offered a choice to pay an annual \$50 EV registration surcharge instead. This choice to pay the annual EV registration surcharge will be offered until June 30, 2028.

Therefore the DOT recommends that SECTION 2 be revised to read:

" §249- **State mileage-based road usage charge.** (a)  
Beginning July 1, 2025, in addition to all other fees and taxes  
levied by this chapter, vehicles described in subsection (c)  
shall be subject to a state mileage-based road usage charge. The  
state mileage-based road usage charge shall be calculated by the  
director of finance at the rate of **0.8** cents per mile traveled;  
multiplied by the number of miles traveled; less the estimated  
amount of paid state motor fuel taxes that correspond with the  
number of miles traveled, as shall be determined by departmental  
administrative rulemaking process. The number of miles traveled

shall be calculated as the difference between the vehicle's two most recent odometer readings, as noted on the vehicle's certificate of inspection issued pursuant to section 286-26(e). The state mileage-based road usage charge shall not be less than zero dollars, and the state mileage-based road usage charge shall not be more than \$50 per year. For the first registration renewal of new motor vehicles for which no certificate of inspection is required, the state mileage-based road usage charge assessed shall be ~~\$70~~ **\$50**, and this amount shall be subtracted from the calculation of the state mileage-based road usage charge for that vehicle's second registration renewal.

(b) The state mileage-based road usage charge shall be paid each year following the vehicle's most recent inspection together with all other taxes and fees levied by this chapter on a staggered basis as established by each county as authorized by section 286-51 to ensure that the state mileage-based road usage charge is due and payable at the same time and shall be collected together with the county registration fee. The state mileage-based road usage charge shall be deemed delinquent if not paid with the county registration fee. The respective county shall collect the state mileage-based road usage charge together with the applicable county vehicle weight tax and shall transfer the moneys collected under this section to the state director of finance for deposit into the state highway fund established under section 248-8.

(c) Vehicles subject to the state mileage-based road usage charge described in subsection (a) shall include all electric vehicles registered in the State except for any vehicles that qualify for any of the exemptions in sections 249-4, 249-5.5, 249- 6, and 249-6.5. For the purposes of this section, "electric vehicle" means a vehicle having four or more wheels, a gross vehicle weight rating less than or equal to ten thousand pounds, and the capability to operate legally at a speed of more than thirty-five miles per hour, and that draws propulsion energy

exclusively from a battery that can be recharged from an external source of electricity.

(d) Until June 30, 2028, owners of electric vehicles as defined in subsection (c) may elect to pay a \$50 \$70 registration surcharge in lieu of the state mileage-based road usage charge.

(e) The department of transportation shall develop a long-term mileage-based road usage charge implementation plan that includes findings, recommendations, implementation phase schedules, and proposed legislation for deployment of a state mileage-based road usage charge program to encompass all passenger vehicles and light duty trucks by December 31, 2033. This plan shall also include recommendations on how to ensure compatibility with deployment of mileage-based road usage charge by any county. This plan shall be completed and submitted to the legislature no later than twenty days prior to the convening of the regular session of 2026.

(f) The department of transportation shall develop rules pursuant to chapter 91 for establishing and administering the state mileage-based road usage charge."

**The DOT recommends that SECTIONS 4 & 5 be revised to clarify the definitions of alternative fuel vehicle and electric vehicle:**

" SECTION 4. Section 249-31, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) All vehicles and motor vehicles in the State as defined in section 249-1, including antique motor vehicles, except as otherwise provided in sections 249-4, 249-6, and 249-31.5, shall be subject to a \$46 annual vehicle registration fee; provided that [~~electric vehicles and~~] alternative fuel vehicles shall pay an annual vehicle registration surcharge fee of \$50, which shall be assessed and collected beginning with the first registration renewal for every [~~electric vehicle and~~]

alternative fuel vehicle and shall be deposited into the state highway fund established under section 248-8. The fee shall be paid each year together with all other taxes and fees levied by this chapter on a staggered basis as established by each county as authorized by section 286-51, and the state registration for that county shall likewise be staggered so that the state registration fee is due and payable at the same time and shall be collected together with the county fee. The state registration fee shall be deemed delinquent if not paid with the county registration fee. The respective counties shall collect this fee together with the vehicle registration tax collected for the county and shall transfer the moneys collected under this section to the State.

For the purposes of this subsection, "alternative fuel vehicle" means a vehicle powered by a non-petroleum-based fuel, but excludes an electric vehicle defined in 249-

~~(c).—"Alternative fuel vehicle" does not include an electric, electricity-recharged, or hybrid electric motor vehicle.~~

SECTION 5. Section 286-26, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) Upon application for a certificate of inspection to be issued for a vehicle or moped, an inspection as prescribed by the director under subsection (g) shall be conducted on the vehicle or moped, and if the vehicle or moped is found to be in a safe operating condition, a certificate of inspection shall be issued upon payment of a fee to be determined by the director. The certificate shall state the effective date, the termination date, the name of the issuing insurance carrier, and

the policy number of the motor vehicle insurance identification card for the inspected motor vehicle as specified by section 431:10C-107 or state the information contained in the proof of insurance card as specified by section 431:10G-106. For an electric vehicle, the certificate shall also state the odometer reading of the vehicle on the date that the vehicle was inspected. A sticker, authorized by the director, shall be affixed to the vehicle or moped at the time a certificate of inspection is issued. An inspection sticker which has been lost, stolen, or destroyed shall be replaced without reinspection by the inspection station that issued the original inspection sticker upon presentation of the current certificate of inspection; provided that the current certificate of inspection and inspection sticker shall not have expired at the time the replacement is requested. The director shall adopt rules to determine the fee for replacement of lost, stolen, or destroyed inspection stickers.

As used in this subsection, "electric vehicle" means a vehicle **as defined in 249- (c)** that draws propulsion energy from a battery having at least four kilowatt hours of energy storage capacity that can be recharged from an external source of electricity."

The DOT recommends that funding be provided for this initial RUC undertaking in this Act, and recommends that a new SECTION 9 be added as follows:

" SECTION 9. There is appropriated out of the state highway funds, the sum of \$1,300,000 or so much thereof as may be necessary for fiscal year 2023-2024 to be used with available federal funds, for the initial implementation of the state

mileage-based road user charge established pursuant to section 2 of this Act.

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

To clarify when funding will become available for the DOT to start developing this program, and when this RUC program will be implemented, the DOT recommends existing SECTION 9 be revised SECTION 10, and to read as follows:

"~~SECTION 9~~ **10**. This Act shall take effect on July 1, ~~2050~~ **2023**; provided that sections 2, 4, 5, and 6 of this Act shall take effect on **July** ~~January~~-1, 2025."

The DOT recommends that the policy items outside of RUC be considered as a separate bill to ensure we can focus on the policy issues related to the program we believe will better fit the future of transportation in Hawaii and the equity it will result in. S.B. 1086 SD1, which was heard and passed by the Senate Committee on Judiciary on March 1, 2023, in the 9:30 am agenda addresses the policy considerations added to this bill. The DOT supports S.B. 1086 SD1 and the amendments passed out by the committee.

Thank you for the opportunity to provide testimony.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

HOUSE COMMITTEE ON TRANSPORTATION  
Tuesday, March 14, 2023 — 10:00 a.m.

**Ulupono Initiative supports SB 1534 SD2, Relating to Transportation.**

Dear Chair Todd and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

**Ulupono supports SB 1534 SD2 and offers comments.** This bill replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles, provided that implementation of mileage-based road user fees take effect 1/1/2025; and, establishes the Hawai'i Highway Safety and Modernization Council and repeals the State Highway Safety Council.

Ulupono Initiative recognizes the impact of more fuel-efficient vehicles on future fuel tax revenues and the need to maintain funding for road maintenance and improvements. As the Hawai'i Department of Transportation (HDOT) notes in its road user charge (HiRUC) final report, the average light-duty vehicle in the state currently achieves roughly 22 miles per gallon (MPG). As vehicles increasingly become more efficient, drivers will by default consume less gasoline and hence pay less gas tax. In addition, the State does continue to have a significant backlog of deferred maintenance—more than \$560 million/year.<sup>1</sup> Together, these issues certainly suggest that we must explore new funding mechanisms, and a usage charge seems appropriate.

Therefore, Ulupono Initiative is very supportive of a road user charge (RUC) approach, and supports that further planning is needed for a full implementation across all vehicles.

However, we offer the following comments for consideration:

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<sup>1</sup> <https://ulupono.com/media/ingpfb23/final-report-costs-of-vehicle-economy-in-hawaii-03-9-21.pdf>

- 1) We strongly recommend adding in language in Section 2.e stating that “this plan shall also include recommendations on how to ensure any broad implementation continues to account for and incentivize more fuel-efficient vehicles.”

Simply put, a flat RUC does not account for the energy and climate benefits associated with more efficient vehicles. We remain very concerned about the disincentives built into a flat RUC. While this is revenue neutral for the State (which is very important), the structure provides no incentive to drive more fuel-efficient vehicles (including EVs) and reduce our greenhouse gas emissions, like the current incentive that is inherently embedded with the gas tax.

Counter to the spirit of Hawai‘i’s climate goals, this structure will increase the cost to drive for those who currently have more efficient fuel vehicles. Assuming the proposed annual road user charge of \$70 and the vehicle owner drives approximately 9,000 miles per year<sup>2</sup>, vehicles with a fuel economy of 21 MPG will pay an equivalent \$70 in fuel taxes per year. As a result, an owner of a Toyota 4Runner with a fuel economy of 19 MPG will pay 8% less, whereas an owner of a Toyota Corolla with a fuel economy of 38 MPG will pay 84% more. Although both vehicles have the same road usage, there is a disproportionate financial impact on drivers of more fuel-efficient, lower-emission vehicles. **As seen in the appendices of the HiRUC final report, these increased costs will impact all demographics, including rural drivers and low-income drivers who currently have more fuel-efficient vehicles.**

- 2) Adjust the surcharge for EVs from \$70 to \$50, similar to the amendment made by this committee last month for HB 1110, and consider the associated per-mile charge at 0.6 cents per mile, respectively.

EV owners are currently paying their fair share with the existing annual \$50 registration surcharge. We see no reason to increase these fees at this time.

The \$50 surcharge, or 0.6 cents per mile, equates to the same annual fuel tax paid by a vehicle with a fuel economy of roughly 29 MPG, such as a Nissan Altima or Subaru Outback.<sup>3</sup> In other words, any vehicle with fuel efficiency greater than 29 MPG (such as a Toyota RAV4 with 35 MPG) is currently, on average, contributing less gas tax to support the system than an EV contributes.

**We do not support increasing these fees further such that, beginning in 2025 any vehicle with greater efficiency than 22 MPG is contributing less to the system than an EV.**

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<sup>2</sup> Represents the 2021 state average annual vehicle miles traveled per the Department of Business, Economic Development and Tourism (<https://files.hawaii.gov/dbedt/economic/databook/2021-individual/18/181921.pdf>)

<sup>3</sup> Assuming the vehicle owner drives approximately 9,000 miles per year

Overall, we fully recognize the potential funding issues that HDOT may be facing in the next decade and are very supportive of transitioning to a RUC, if appropriately structured. We believe that any transition should continue to promote more fuel-efficient vehicles, so that we can accelerate the reduction of our GHG emissions while we progress to a carbon-neutral state.

In addition to the possible transition to a road user charge, Hawai'i's transportation system faces climate concerns, cost-of-living pressures, public health crises, and mobility justice. These are incredibly important issues that put the HDOT in a very tough position—thoughtful, evidence-based conversations are necessary to effect progress.

HDOT is facing all these issues and more, and the department should not have to undertake these alone. The State Highway Safety and Modernization Council can help support the department as it strives to balance and meet the many high priorities and community needs across Hawai'i.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

**Big Island Electric Vehicle Association**

hawaiidriveelectric@gmail.com

bigislandev.org



March 13, 2023

**COMMENTS REGARDING SB1534 SD2 - RELATING TO THE ROAD USAGE CHARGE PROGRAM**

Dear Chair Todd, Vice Chair Kila, and Transportation Committee members,

**Big Island EV Association supports the intention of SB1534 SD2, which “Replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles.”**

A road use fee is necessary. As our vehicle fleet transitions away from fossil fuel, it will also be critical to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this. EVs have been subject to an annual \$50 registration surcharge for a few years. This measure replaces the current fee with an option of a yearly **\$70 fee** OR a per-mile fee until 2028.

**Recommended Amendments:**

We ask that the registration fee, the alternative to the mileage-based fee, is **capped at \$50**. This will prevent the change from being perceived as an increased burden for would-be EV owners and contradicting our goal to transition to zero-emission vehicles.

We ask you to adopt the **0.8 cent per-mile fee** that is specified in HB1110 HD2.

We also ask that the date for the complete transition to a road use fee for all passenger vehicles (EVs and non-EVs) be the same - a complete transition after five years will simplify the process for the state and standardize the experience for our residents.

Thank you for this opportunity to offer comments on SB1534 SD2.

Sincerely,

A handwritten signature in black ink, appearing to read 'Noel Morin', with a long horizontal line extending to the right.

Noel Morin - President

**Big Island Electric Vehicle Association** (bigislandev.org), established in 2011, is a grassroots non-profit group dedicated to accelerating the EV adoption Hawaii Island. Our members are EV owners and supporters.



DATE: March 14, 2023  
TIME: 10:00 AM  
PLACE: VIA VIDEOCONFERENCE and Conference Room 312  
BILL: SB 1534, SD2, Relating to Transportation

Aloha Chair Todd, Vice Chair Kila and members of the committee!

On behalf of the Hawai'i Automobile Dealers Association (HADA), we are writing to respectfully **comment** on SB 1534, SD2, relating to transportation. This bill replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for certain electric vehicles. It establishes the Hawaii Highway Safety and Modernization Council and repeals the State Highway Safety Council. It provides that implementation of mileage-based road user fees takes effect 1/1/2025.

HADA supports working collaboratively with policy leaders to ensure that the state's clean energy goals are met. HADA is presently proactively discussing with stakeholders, including state agency leaders, many of the issues addressed in this bill. For example, we have sought to explore the experience of other states and question whether any of them have adopted a road usage charge system? We would look to the Department of Transportation and others to explore whether there are any other options to generate revenue to address the need for road repairs. We ask whether the proposed road usage charge could have a potential negative affect on the rate of EV adoption.

Implementing the road user fees in January 2025 risks costing the state revenue at a time when the majority of vehicles main gas powered. We urge the legislature to consider implementing the fee in a manner that will not undermine funding for road maintenance.

We look forward to working with policy leaders to seek the answers to these and many implementation and logistical questions.

HADA seeks to engage with legislators on issues of importance relevant to motor vehicles, our state's clean energy future, and safety. We thank you for the opportunity to testify.

The Hawai'i Automobile Dealers Association is the voice of more than 60 new car dealerships across the islands, accounting for over 4,000 direct jobs, \$6 billion total sales and more than \$250 million in general excise taxes paid.

Hawaii Electric Vehicle Association

hawaiiev.org  
info@hawaiieva.com



March 13, 2023

**COMMENTS REGARDING SB1534 SD2 - RELATING TO THE ROAD USAGE CHARGE PROGRAM**

Dear Chair Todd, Vice Chair Kila, and Transportation Committee members,

**Hawaii EV Association supports the intention of SB1534 SD2, which “Replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles.”**

A road use fee is necessary. As our vehicle fleet transitions away from fossil fuel, it will also be critical to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this. EVs have been subject to an annual \$50 registration surcharge for a few years. This measure replaces the current fee with an option of a yearly **\$70 fee** OR a per-mile fee until 2028.

**Recommended Amendments:**

We ask that the registration fee, the alternative to the mileage-based fee, be **capped at \$50 rather than \$70**. This will prevent the change from being perceived as an increased burden for would-be EV owners and contradicting our goal to transition to zero-emission vehicles. Any increased burden risks reducing the rate of adoption of EVs, a perverse outcome and contrary to state law and policy.

We ask you to adopt the per-mile fee that is specified in HB1110 HD2 – **0.8 cents per mile**.

We also ask that the date for the complete transition to a road use fee for all passenger vehicles (EVs and non-EVs) be the same - a complete transition after five years will simplify the process for the state and standardize the experience for our residents.

Thank you for this opportunity to offer comments on SB1534 SD2.

Sincerely,

A handwritten signature in black ink, appearing to be the initials "TW" followed by a long, sweeping horizontal stroke.

Tam Hunt  
Board Member and Policy Manager  
Hawaii EV Association

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**Hawaii EV Association** is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit [hawaiiev.org](http://hawaiiev.org).

### Hawaii EV Board

Noel Morin, President  
Nanette Vinton, Secretary, and Treasurer  
Bill Bugbee – Director  
Tam Hunt - Director  
Sonja Kass – Director  
Rob Weltman – Director

### Hawaii EV Clubs

Big Island EV Association  
Kauai EV  
Maui Nui EV  
Tesla Hawaii Club

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: FUEL, MISCELLANEOUS, MOTOR VEHICLE, New Road Usage Charge for Electric Vehicles

BILL NUMBER: SB 1534 SD 2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: Replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles. Establishes the Hawai'i Highway Safety and Modernization Council effective 7/1/2023; provided that implementation of user fees take effect 1/1/2025.

SYNOPSIS: Adds a new section to chapter 249, HRS, to impose a road usage charge (RUC) in the amount of 0.8 cents per mile traveled less the estimated amount of paid state motor fuel taxes. Applies to electric vehicles, defined as a vehicle, with four or more wheels, a gross vehicle weight rating less than or equal to ten thousand pounds, and the capability to operate legally at a speed of more than thirty-five miles per hour, that draws propulsion energy exclusively from a battery that can be recharged from an external source of electricity. The number of miles traveled will be determined by comparing the odometer readings in the vehicle's two most recent annual vehicle inspection (safety check) reports.

RUC realizations are deposited into the state highway fund.

Provides that vehicle owners may elect to pay a \$70 registration surcharge in lieu of the RUC until June 30, 2028.

Amends section 249-31, HRS, to delete the annual registration surcharge of \$50 that now applies to electric vehicles. The surcharge, after amendment, will apply only to alternative fuel vehicles.

EFFECTIVE DATE: July 1, 2025, provided that sections 2, 4, 5 and 6 shall take effect on January 1, 2025.

STAFF COMMENTS: The Senate Committee on Transportation and Culture and the Arts substituted the contents of HB 1110, an Administration bill sponsored by the Department of Transportation and designated TRN-11 (23). It authorizes a program called HiRUC that has been in the works for a few years now.

We observe that the State's policy toward electric and other zero-emission vehicles has not been consistent. In the early 2010's, State policy was to incentivize such vehicles for being environmentally friendlier. Several benefits came with the special plate that accompanied an electric vehicle, including the ability to park at government parking lots (including at the airport!) and street spaces for free, and the ability to jump into carpool lanes even though there is just one person in the car. Sadly, good things don't last forever. The free parking benefit and the

carpool lane benefit expired on June 30, 2020, according to the terms of the 2012 law that spawned them (Act 168, SLH 2012).

The pendulum started swinging the other way this decade. From January 1, 2020, thanks to Act 280, SLH 2019, electric vehicle owners were slapped with a \$50 surcharge on their annual vehicle registration fees.

The reason for the reversal appears to be economic: the Department of Transportation needs money to repair and construct roads, bridges, highways, and byways. Its primary source of money to do that has been the State Highway Fund, which is fed primarily by the fuel tax. As electric vehicles and other alternative fuel vehicles gain acceptance, however, fewer people buy fuel, and the fuel tax has been slowly drying up.

As the Department of Transportation stated in its justification sheet accompanying this bill:

The Department of Transportation recently completed the Hawaii Road Usage Charge Demonstration Project. One recommendation from the Final Report is to adopt a per-mile road usage charge system to provide a fair and sustainable funding mechanism for the State's road infrastructure. With the increasing fuel efficiency of vehicles and the increasing popularity of alternative fuel vehicles, there is a need to establish a means to pay for road maintenance and improvement that would be fair to all users, is sustainable, and supports the State of Hawaii's energy independence goals.

Are electric vehicles and alternative fuel vehicles to be incentivized for their environmental benefits or surcharged because they aren't generating enough fuel tax revenue to pay for their fair share of transportation maintenance? The State and the public could benefit by having leadership and consistent policy relating to electric vehicles and other zero emission vehicles.

Digested: 3/12/2023

**SB-1534-SD-2**

Submitted on: 3/10/2023 1:05:34 PM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this Bill.

**SB-1534-SD-2**

Submitted on: 3/12/2023 8:34:00 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Helen Cox	Individual	Support	Written Testimony Only

Comments:

*Aloha Committee Chairs and Members,*

*Please support SB1534 SD2. As the owner of an EV, I not only recognize the benefits of the car in terms of the environment and overall costs, I also realize my responsibility to transition our transportation to electric vehicles while still supporting the infrastructure necessary for our roads, bridges, etc.*

*A road use fee is necessary. As our vehicle fleet transitions away from fossil fuel, it will be necessary to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this. EVs have been subject to an annual \$50 registration surcharge for a few years. This measure replaces this with an option of a yearly **\$70 fee** OR a per-mile fee until 2028.*

*I ask that the annual fee option be maintained at \$50 to minimize the fee impact on near-term EV adoption.*

*I also ask that the date for the full transition to a road use fee for all passenger vehicles (EVs and non-EVs) be the same - a full transition after five years will simplify the process for the state and standardize the experience for our residents.*

*Please pass SB1534 SD2. Mahalo for your support.*

*Helen Cox*

*Kalaheo Kauai*

**SB-1534-SD-2**

Submitted on: 3/12/2023 8:40:01 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keith Neal	Individual	Support	Written Testimony Only

Comments:

**Support**

I support the annual fee option be maintained at \$50 to minimize the fee impact on near-term EV adoption.

Keith Neal

Waimea

**SB-1534-SD-2**

Submitted on: 3/12/2023 8:56:00 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jerome Kellner	Individual	Support	Written Testimony Only

Comments:

I support SB1534's user fee and urge lawmakers to pass this bill.

**SB-1534-SD-2**

Submitted on: 3/12/2023 9:43:28 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Diane Ware	Individual	Comments	Written Testimony Only

Comments:

*Dear Chair and Committee Members,*

My name is Diane and I live in the Moku o Ka'u and I own an EV.

*A road use fee is necessary. As our vehicle fleet transitions away from fossil fuel, it will be necessary to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this. EVs have been subject to an annual \$50 registration surcharge for a few years. This measure replaces this with an option of a yearly **\$70 fee** OR a per-mile fee until 2028.*

*I ask that the annual fee option be maintained at \$50 to minimize the fee impact on near-term EV adoption.*

*mahalo nui*

*I also ask that the date for the full transition to a road use fee for all passenger vehicles (EVs and non-EVs) be the same - a full transition after five years will simplify the process for the state and standardize the experience for our residents.*

**SB-1534-SD-2**

Submitted on: 3/12/2023 9:59:00 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lorn Douglas	Individual	Support	Written Testimony Only

Comments:

*A road use fee is necessary. As our vehicle fleet transitions away from fossil fuel, it will be necessary to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this. EVs have been subject to an annual \$50 registration surcharge for a few years. This measure replaces this with an option of a yearly **\$70 fee** OR a per-mile fee until 2028.*

*I ask that the annual fee option be maintained at \$50 to minimize the fee impact on near-term EV adoption.*

*I also ask that the date for the full transition to a road use fee for all passenger vehicles (EVs and non-EVs) be the same - a full transition after five years will simplify the process for the state and standardize the experience for our residents.*

**SB-1534-SD-2**

Submitted on: 3/12/2023 10:25:01 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ruth Robison	Individual	Support	Written Testimony Only

Comments:

I urge your support for SB1534 for these reasons:

As our vehicle fleet transitions from fossil fuel, it will be necessary to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this.

EVs have been subject to an annual \$50 registration surcharge for a few years. Offering an option to pay a mileage-based fee OR an annual fee capped at \$50 provides EV owners the flexibility in managing their registration costs. It also allows EV owners to lead the transition to a road use fee in Hawaii.

Maintaining the \$50 annual fee option will avoid the perception that EV ownership is penalized.

The per-mile fee is not specified in SD2. HB1110 HD2, a House bill with similar intentions, pegs the fee at 0.008 cents/mile (\$80 for 10,000 miles). This is a reasonable per-mile fee.

Thank you for the opportunity to submit testimony on this important issue.

**SB-1534-SD-2**

Submitted on: 3/12/2023 11:20:13 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Caroline Azelski	Individual	Oppose	Written Testimony Only

Comments:

In opposition to SD2 if it puts a greater burden on workers in the service industries such as hospitality, healthcare, telecom, retail, food service etc who tend to commute dozens of miles per workday. It may also discourage late-adopters in these fields from going electric. Thank you.

**SB-1534-SD-2**

Submitted on: 3/12/2023 12:32:58 PM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Stephanie Hall Morin	Individual	Comments	Written Testimony Only

Comments:

Aloha,

I support keeping the road use fee for EVs at \$50. The adoption of clean transportation needs to be affordable for the masses. \$20 isn't a lot of money for some, but people living paycheck to paycheck will feel the squeeze.

I also support having the mileage transition happening at the same time as gas-powered vehicles. It's important to avoid creating a misperception that EVs are expensive to use.

Mahalo for your consideration.

**SB-1534-SD-2**

Submitted on: 3/12/2023 1:55:17 PM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Virginia Tincher	Individual	Support	Written Testimony Only

Comments:

Members of the TRN committee, Mahalo for this opportunity to testify.

I am in support of the concept of a road use fee. As our vehicle fleet transitions away from fossil fuel, it will be critical to ensure funding for transportation infrastructure maintenance and upkeep. A road usage fee accomplishes this. EVs have been subject to an annual \$50 registration surcharge for a few years. This measure replaces the fee with an option of a yearly \$70 fee OR a per-mile fee until 2028.

I ask that the annual fee option be maintained at \$50 to minimize the fee impact on near-term EV adoption.

I also ask that the date for the full transition to a road use fee for all passenger vehicles (EVs and non-EVs) be the same - a transition after five years will simplify the process for the state and standardize the experience for our residents.

Mahalo,

Virginia Tincher, Oahu

**SB-1534-SD-2**

Submitted on: 3/13/2023 9:07:15 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Matthew Geyer	Individual	Support	Written Testimony Only

Comments:

If we must pass a fee at this point to sustain the budget for maintaining roads, and the reduction in gas powered vehicles is already having an impact on that budget, this is the preferred method for EVs to pay their share of fees for maintaining roads.



DATE: March 14, 2023

TO: Representative Chris Todd  
Chair, House Committee on Transportation

FROM: Tiffany Yajima/Jena Matila

RE: **S.B. 1534, SD2 – Relating to Transportation**  
**Hearing Date: Tuesday, March 14, 2023 at 10:00 a.m.**  
**Conference Room: 312**

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Dear Chair Todd, Vice Chair Kila and Members of the Committee on Transportation:

On behalf of the Alliance for Automotive Innovation (“Auto Innovators”) we submit this testimony with **comments** on S.B. 1534, SD2, which establishes a state mileage-based user charge and establishes the Hawaii Highway Safety and Modernization Council and repeals the State Highway Safety Council.

We would respectfully request an amendment to the composition of the council to include one member from an organization representing the automobile manufacturing industry.

The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

Automobile manufacturers are transitioning toward an electric future and by 2025 the auto industry will have invested more than \$330 billion to reach the goal of an electrified future. A new generation of ZEVs is coming with 130 models for sale in the U.S. market by 2026, up from over 70 models today. To make the transition to a zero-emission transportation future, automakers support federal and state policies such as investments in charging infrastructure and consumer incentives for EV purchases that grow consumer demand for electric vehicles.

As the state seeks to establish long-term goals to reduce transportation costs and vehicle miles traveled, and improve transportation safety, automobile manufacturers would be interested in serving as a member of the State Highway Safety and Modernization Council. Accordingly, we request an amendment under §286- (b)(2) at Section 3, page 7-8 of the bill to include:

(K) One member from an organization representing the automobile manufacturing industry.

Auto Innovators look forward to the opportunity to work collaboratively with the state to develop reasonable plans and recommendations to improve transportation safety and reduce carbon emissions in the transportation sector. For these reasons we ask the committee to pass this measure with amendments.

Thank you for the opportunity to submit this testimony.

**SB-1534-SD-2**

Submitted on: 3/13/2023 11:16:08 AM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Steve Parsons	Individual	Support	Written Testimony Only

Comments:

Aloha Trusted Hawaii Lawmakers,

We strongly support keeping the annual fee at \$50! I encourage you to do everything you can to accelerate clean and Affordable Transportation. Please, Don't forget what a big impact EVs have on the health of the residents and visitors, Marine and Land Wildlife of Hawaii.

Imua>>>,

Steve Parsons, Hanapepe Kauai, Kauai Climate Action Coalition, Kauai EV member, Tesla Owners Club Kauai Director.

**SB-1534-SD-2**

Submitted on: 3/13/2023 12:12:12 PM

Testimony for TRN on 3/14/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Barbara Best	Individual	Support	Written Testimony Only

Comments:

Mileage based road user fees makes sense: fair