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# A BILL FOR AN ACT

RELATING TO ZERO-EMISSION VEHICLES.

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

1           SECTION 1. The legislature finds that climate change  
2 caused by carbon emissions from burning fossil fuels poses a  
3 serious threat to the economic well-being, public health,  
4 natural resources, and environment of Hawaii. The potential  
5 adverse impacts of climate change include more destructive  
6 storms, hotter temperatures, a reduction in the quality and  
7 supply of freshwater, a rise in sea levels resulting in the  
8 displacement of coastal businesses and residences, damage to  
9 marine ecosystems and the natural environment, and an increase  
10 in incidents of infectious diseases, asthma, and other human  
11 health-related problems.

12           The State has committed to eliminating imported fuels from  
13 the electricity and ground transportation sectors, abiding by  
14 the Paris Climate Accord's goal to limit the amount of global  
15 warming to less than 1.5 degrees Celsius, and achieving net zero  
16 carbon emissions for Hawaii by 2045. The legislature further  
17 finds that meeting the State's clean energy goals and



1 commitments necessitates the rapid transition to zero-emission  
2 vehicles that utilize local, renewable energy sources.

3 Zero-emission vehicles, such as electric vehicles, play an  
4 integral role in Hawaii's clean energy future. Electric  
5 vehicles are much less expensive to power per mile than their  
6 gasoline counterparts. By using stored electrical energy,  
7 electric vehicles can take advantage of intermittent solar,  
8 wind, and other clean energy resources. With the continued  
9 growth of an intelligent electricity grid, electric vehicles  
10 become an essential component to electricity load and clean  
11 energy resource balancing. They also provide clean mobility  
12 solutions for Hawaii residents and visitors.

13 The legislature also finds that rental motor vehicles  
14 represent the largest passenger vehicle fleets in Hawaii and are  
15 responsible for a significant amount of carbon emissions.  
16 Transitioning rental motor vehicle fleets to zero-emission  
17 vehicles would significantly reduce carbon emissions; increase  
18 the number of zero-emission vehicles entering the secondary  
19 market, making them more affordable to more Hawaii residents;  
20 and demonstrate to all who visit the State that Hawaii is a  
21 leader in clean energy and sustainable transportation.



1 The purpose of this Act is to:

2 (1) Establish a rental motor vehicle emissions surcharge  
3 tax on rental motor vehicles with internal combustion  
4 engines;

5 (2) Set requirements for rental motor vehicle lessors  
6 operating in Hawaii to expedite the incorporation of  
7 zero-emission vehicles in their fleets; and

8 (3) Offer rebates to transient accommodations with at  
9 least fifty parking stalls if they install an  
10 alternating current Level 2 station with two or more  
11 ports or a direct current fast charging system.

12 SECTION 2. Chapter 251, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15 "§251- Rental motor vehicle emissions surcharge tax;  
16 established. (a) Beginning on January 1, 2022, there is levied  
17 and shall be assessed and collected each month a rental motor  
18 vehicle emissions surcharge tax of \$1 for each day, or portion  
19 of a day, that a rental motor vehicle is rented or leased. The  
20 surcharge tax shall be levied upon the lessor.



1           (b) The rental motor vehicle emissions surcharge tax shall  
2 not be levied on:

3           (1) Any motor vehicles qualifying as zero-emission  
4 vehicles pursuant to section 437D- ; and

5           (2) Rental motor vehicles rented out as car-sharing  
6 vehicles pursuant to section 251-2.5.

7           (c) All moneys received from any surcharge taxes assessed  
8 pursuant to this section shall be deposited into the public  
9 utilities commission special fund established under section 269-  
10 33."

11           SECTION 3. Chapter 437D, Hawaii Revised Statutes, is  
12 amended by adding a new section to be appropriately designated  
13 and to read as follows:

14           "§437D- Zero-emission vehicles. (a) All lessors of  
15 rental motor vehicles in the State shall incorporate zero-  
16 emission light duty passenger vehicles into their rental motor  
17 vehicle fleets according to the following schedule:

18           (1) No less than ten per cent by July 1, 2025;

19           (2) No less than thirty per cent by July 1, 2028; and

20           (3) No less than fifty per cent by July 1, 2030.



1        (b) To certify compliance with this section, beginning in  
2 2022, each lessor in the State shall report to the director  
3 annually by December 1, detailing the make, model, license plate  
4 number, and fuel type of each rental motor vehicle in the  
5 lessor's fleet.

6        (c) The requirements set forth in this section shall apply  
7 only to lessors owning and operating more than two hundred light  
8 duty passenger vehicles as rental motor vehicles statewide.

9        (d) For the purposes of this section:

10       "Battery electric vehicle" means a vehicle with four or  
11 more wheels that draws propulsion exclusively from a battery  
12 that can be recharged from an external source of energy.

13       "Hydrogen fuel cell vehicle" means a vehicle with four or  
14 more wheels that draws propulsion from electricity generated by  
15 passing hydrogen through a fuel cell.

16       "Light duty passenger vehicle" means a vehicle below eight  
17 thousand five hundred pounds gross weight.

18       "Rental motor vehicle" has the same meaning as defined in  
19 section 251-1, notwithstanding section 437D-3.

20       "Zero-emission vehicle" means a battery electric vehicle or  
21 a hydrogen fuel cell vehicle."



1 SECTION 4. Section 269-33, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) All moneys appropriated to, received, and collected  
4 by the public utilities commission that are not otherwise  
5 pledged, obligated, or required by law to be placed in any other  
6 special fund or expended for any other purpose shall be  
7 deposited into the public utilities commission special fund  
8 including, but not limited to, all moneys received and collected  
9 by the public utilities commission pursuant to sections 92-21,  
10 251- , 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-  
11 14, and 607-5."

12 SECTION 5. Section 269-72, Hawaii Revised Statutes, is  
13 amended by amending subsection (c) to read as follows:

14 "(c) Subject to subsection (d), rebates shall be  
15 distributed as follows:

16 (1) Each eligible installation of an electric vehicle  
17 charging system shall receive:

18 (A) \$4,500 for the installation of an alternating  
19 current Level 2 station with two or more ports;

20 [~~and~~]



1 (B) \$35,000 for the installation of a direct current  
2 fast charging system; [~~and~~]

3 (C) For a place of business that provides transient  
4 accommodations with at least fifty parking  
5 stalls, \$ \_\_\_\_\_ for the installation of an  
6 alternating current Level 2 station with two or  
7 more ports; and

8 (D) For a place of business that provides transient  
9 accommodations with at least fifty parking  
10 stalls, \$ \_\_\_\_\_ for the installation of a  
11 direct current fast charging system; and

12 (2) Each eligible upgrade of an electric vehicle charging  
13 system shall receive:

14 (A) \$3,000 for the upgrade to an alternating current  
15 Level 2 station with two or more ports; and

16 (B) \$28,000 for the upgrade to a direct current fast  
17 charging system."

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, 2050.



**Report Title:**

Zero-emission Vehicles; Rental Motor Vehicles; Lessors; Fleet;  
Surcharge; Department of Commerce and Consumer Affairs

**Description:**

Requires certain rental motor vehicle lessors to expedite the incorporation of zero-emission vehicles into the lessor's fleet by July 1, 2030. Requires motor vehicle lessors to certify their compliance to the director of commerce and consumer affairs. Beginning 1/1/2022, establishes a rental motor vehicle emissions surcharge tax on certain rental motor vehicles with internal combustion engines. Offers a rebate to transient accommodations with at least fifty parking stalls if they install an alternating current Level two station with two or more ports or a direct current fast charging system. Effective 7/1/2050. (HD1)

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