
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, as fuel tax
2 revenues decrease, the department of transportation has
3 recommended the adoption of a per-mile road usage charge to
4 provide fair and sustainable funding for the State's road
5 infrastructure. The legislature further finds that with its
6 existing vehicle inspection program, Hawaii is well-positioned
7 to transition to a per-mile road usage charge system with low
8 administrative costs. In 2019, the legislature enacted an
9 annual registration surcharge on electric vehicles to account
10 for their road usage. The legislature now finds that replacing
11 the existing annual \$50 registration surcharge on electric
12 vehicles with a mileage-based road usage charge for electric
13 vehicles is a first step in the eventual statewide transition to
14 a per-mile road usage charge for all vehicles, which will serve
15 as a replacement of the state motor fuel tax with all vehicles
16 paying the per-mile road usage charge. With the increase in
17 public support for fuel-efficient electric and alternative fuel



1 vehicles, the shift to a charge based on road usage is fair to
2 all drivers within the State and ensures that the owners of all
3 vehicles including alternative fuel vehicles pay a fair share of
4 Hawaii's roadway maintenance costs. To implement a per-mile road
5 usage charge program, the legislature further finds that a long-
6 term implementation plan would aid in the deployment and
7 eventual inclusion of all passenger vehicles and light duty
8 trucks.

9 The purpose of this Act is to:

- 10 (1) Create a mileage-based road usage charge to replace
11 state motor fuel taxes for electric vehicles, to be
12 developed by the department of transportation;
- 13 (2) Eliminate the annual state vehicle registration
14 surcharge for electric vehicles;
- 15 (3) Allow electric vehicle owners a choice of paying a
16 registration surcharge or a per-mile road usage charge
17 until June 30, 2028;
- 18 (4) Amend certain requirements for motor vehicle
19 registration applications and certificates of
20 inspection; and



1 (5) Appropriate funds for the initial implementation of
2 the mileage-based road usage charge.

3 SECTION 2. Chapter 249, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§249- State mileage-based road usage charge. (a)
7 Beginning July 1, 2025, in addition to all other fees and taxes
8 levied by this chapter, electric vehicles shall be subject to a
9 state mileage-based road usage charge. The state mileage-based
10 road usage charge shall be calculated by the county director of
11 finance at the rate of 0.8 cents per mile traveled, multiplied
12 by the number of miles traveled, less the estimated amount of
13 paid state fuel taxes that correspond with the number of miles
14 traveled. The department shall adopt rules pursuant to chapter
15 91 to determine the method for calculating the estimated amount
16 of paid state fuel taxes that correspond with the number of
17 miles traveled. The number of miles traveled shall be
18 calculated as the difference between the vehicle's two most
19 recent odometer readings, as noted on the vehicle's certificate
20 of inspection pursuant to section 286-26(e). The state mileage-
21 based road usage charge shall be no less than \$0, and the state



1 mileage-based road usage charge shall be no more than \$50 per
2 year. For the first registration renewal of new motor vehicles
3 for which no certificate of inspection is required, the state
4 mileage-based road usage charge assessed shall be \$50, and such
5 amount once paid shall be subtracted from the calculation of the
6 state mileage-based road usage charge upon that vehicle's second
7 registration renewal.

8 (b) The state mileage-based road usage charge shall be
9 paid each year following the vehicle's most recent inspection
10 together with all other taxes and fees levied by this chapter on
11 a staggered basis as established by each county as authorized by
12 section 286-51, and the state mileage-based road usage charge
13 shall likewise be staggered so that the state mileage-based road
14 usage charge is due and payable at the same time and shall be
15 collected together with the county registration fee. The state
16 mileage-based road usage charge shall be deemed delinquent if
17 not paid with the county registration fee. The respective
18 counties shall collect this road usage charge together with the
19 vehicle registration fee collected for the county and shall
20 transfer the moneys collected under this section to the state



1 director of finance for deposit into the state highway fund
2 established under section 248-8.

3 (c) Vehicles subject to the state mileage-based road usage
4 charge shall include all electric vehicles in the State except
5 for vehicles that qualify for any of the exemptions in sections
6 249-4, 249-5.5, 249-6, and 249-6.5.

7 (d) Until June 30, 2028, owners of electric vehicles shall
8 be offered a choice to pay a \$50 registration surcharge in lieu
9 of the state mileage-based road usage charge.

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



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

4 (g) For the purposes of this section, "electric vehicle"
5 means a vehicle, with three or more wheels, a gross vehicle
6 weight rating less than or equal to ten thousand pounds, and the
7 capability to operate legally at a speed of more than thirty-
8 five miles per hour, that draws propulsion energy exclusively
9 from a battery that can be recharged from an external source of
10 electricity."

11 SECTION 3. Section 249-31, Hawaii Revised Statutes, is
12 amended by amending subsection (a) to read as follows:

13 "(a) All vehicles and motor vehicles in the State as
14 defined in section 249-1, including antique motor vehicles,
15 except as otherwise provided in sections 249-4, 249-6, and
16 249-31.5, shall be subject to a \$46 annual vehicle registration
17 fee; provided that [~~electric vehicles and~~] alternative fuel
18 vehicles shall pay an annual vehicle registration surcharge
19 [~~fee~~] of \$50, which shall be assessed and collected beginning
20 with the first registration renewal for every [~~electric vehicle~~
21 ~~and~~] alternative fuel vehicle and shall be deposited into the



1 state highway fund established under section 248-8. The [fee]
2 surcharge shall be paid each year together with all other taxes
3 and fees levied by this chapter on a staggered basis as
4 established by each county as authorized by section 286-51, and
5 the state registration for that county shall likewise be
6 staggered so that the state registration fee is due and payable
7 at the same time and shall be collected together with the county
8 fee. The state registration fee shall be deemed delinquent if
9 not paid with the county registration fee. The respective
10 counties shall collect this fee together with the vehicle
11 registration tax collected for the county and shall transfer the
12 moneys collected under this section to the State.

13 For the purposes of this subsection, "alternative fuel
14 vehicle" means a vehicle powered by a non-petroleum-based fuel,
15 but excludes an electric vehicle as defined in section
16 249- (g)."

17 SECTION 4. Section 286-26, Hawaii Revised Statutes, is
18 amended by amending subsection (e) to read as follows:

19 "(e) Upon application for a certificate of inspection to
20 be issued for a vehicle or moped, an inspection as prescribed by
21 the director under subsection (g) shall be conducted on the



1 vehicle or moped, and if the vehicle or moped is found to be in
2 a safe operating condition, a certificate of inspection shall be
3 issued upon payment of a fee to be determined by the director.
4 The certificate shall state the effective date, the termination
5 date, the name of the issuing insurance carrier, [~~and~~] the
6 policy number of the motor vehicle insurance identification card
7 for the inspected motor vehicle as specified by section 431:10C-
8 107 or state the information contained in the proof of insurance
9 card as specified by section 431:10G-106[-], and the odometer
10 reading of the vehicle on the date of inspection. A sticker,
11 authorized by the director, shall be affixed to the vehicle or
12 moped at the time a certificate of inspection is issued. An
13 inspection sticker [~~which~~] that has been lost, stolen, or
14 destroyed shall be replaced without reinspection by the
15 inspection station that issued the original inspection sticker
16 upon presentation of the current certificate of inspection;
17 provided that the current certificate of inspection and
18 inspection sticker shall not have expired at the time the
19 replacement is requested. The director shall adopt rules to
20 determine the fee for replacement of lost, stolen, or destroyed
21 inspection stickers."



1 SECTION 5. Section 286-41, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) Application for the registration of a vehicle shall
4 be made upon the appropriate form furnished by the director of
5 finance and shall contain the name, occupation, and address of
6 the owner and legal owner; and, if the applicant is a member of
7 the United States naval or military forces, the applicant shall
8 give the organization and station. All applications shall also
9 contain a description of the vehicle, including: the name of the
10 maker; the type of fuel for the use of which it is adapted, such
11 as gasoline, diesel oil, liquefied petroleum gas[+], or battery
12 electricity; the serial or motor number; the date first sold by
13 the manufacturer or dealer; a further description of the vehicle
14 as is called for in the form; and other information as may be
15 required by the director of finance, to establish legal
16 ownership. A person applying for initial registration of a
17 neighborhood electric vehicle shall certify in writing that a
18 notice of the operational restrictions applying to the vehicle
19 as provided in section 291C-134 are contained on a permanent
20 notice attached to or painted on the vehicle in a location that
21 is in clear view of the driver."



1 SECTION 6. There is appropriated out of the state highway
2 fund, the sum of \$ or so much thereof as may be
3 necessary for fiscal year 2023-2024 to be used with available
4 federal funds, for the initial implementation of the state
5 mileage-based road user charge established pursuant to section 2
6 of this Act.

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

9 SECTION 7. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 8. This Act shall take effect on June 30, 3000.



Report Title:

DOT; Electric Vehicles; Road Usage Charge System; Mileage-Based Road Usage Fees; Reports; Appropriation

Description:

Creates a mileage-based road usage charge to replace state motor fuel taxes beginning on 7/1/2025, for electric vehicles. Eliminates the \$50 annual state vehicle registration surcharge for electric vehicles. Allows electric vehicle owners the option to pay a registration surcharge or a per-mile road usage fee until 6/30/2028. Requires certificates of inspection to state the odometer reading of vehicles. Requires motor vehicle registration application to specify whether the type of fuel for which the vehicle is adapted is electricity. Requires the department of transportation to plan for the deployment of a state mileage-based road user charge program by 2033 and submit a report to the legislature before the 2026 regular session. Appropriates funds. Effective 6/30/3000. (HD2)

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

