
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 revenues
2 decrease, the department of transportation recommends the
3 adoption of a per-mile road usage charge system to provide
4 sustainable funding for the State's road infrastructure. The
5 legislature also finds that with its existing vehicle inspection
6 program, Hawaii is well-positioned to transition to a per-mile
7 road usage charge system at low administrative costs. The
8 legislature additionally finds that replacing the registration
9 surcharge on electric vehicles with a mileage-based road user
10 fee is a minimally disruptive first step to transition the State
11 to a per-mile road usage charge system as recommended by the
12 department of transportation. With the increase in public
13 support for fuel-efficient electric and alternative fuel
14 vehicles, the shift to fees based on vehicle miles traveled is
15 fair to all drivers within the State and ensures that the owners
16 of alternative fuel vehicles pay a fair share of Hawaii's
17 roadway maintenance costs.



1 The legislature further finds that it is important to not
2 incentivize the department of transportation to increase overall
3 commuting and vehicle miles traveled to boost revenues from road
4 usage fees, which would increase cost and reduce quality of life
5 for residents. Therefore, a concerted strategy must be
6 developed and implemented to enable commuters to reduce overall
7 vehicle miles traveled and provide commuters who do not drive
8 themselves more affordable options such as efficient public
9 transit, electric mobility, bicycling, and walking, which will
10 improve outcomes and reduce the number of cars on the road,
11 traffic, and costs.

12 Therefore, the purpose of this Act is to:

- 13 (1) Ensure fairness for everyone using public roads, and
14 sufficient revenues to maintain them, by replacing the
15 \$50 annual fee for electric vehicles with a mileage-
16 based road user fee; and
- 17 (2) Ensure a lower cost of transportation for all
18 residents by repealing the state highway safety
19 council and establishing a Hawaii highway safety and
20 modernization council to establish goals, metrics,



1 benchmarks, and strategies to reduce vehicle miles
2 traveled and the cost of transportation.

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, vehicles defined in subsection (c) shall
9 be subject to a state mileage-based road usage charge. The
10 state mileage-based road usage charge shall be calculated by the
11 county director of finance at the rate of _____ cents per
12 mile traveled, multiplied by the number of miles traveled, less
13 the estimated amount of paid state motor fuel taxes that
14 correspond with the number of miles traveled. This estimate
15 shall be determined by departmental administrative rulemaking
16 process. The number of miles traveled shall be calculated as
17 the difference between the vehicle's two most recent odometer
18 readings, as noted on the vehicle's certificate of inspection
19 pursuant to section 286-26(e). The state mileage-based road
20 usage charge shall not be less than zero dollars. For the first
21 registration renewal of new motor vehicles for which no



1 certificate of inspection is required, the state mileage-based
2 road usage charge assessed shall be \$70, and such amount once
3 paid shall be subtracted from the calculation of the state
4 mileage-based road usage charge upon that vehicle's second
5 registration renewal.

6 (b) The state mileage-based road usage charge shall be
7 paid each year following the vehicle's most recent inspection
8 together with all other taxes and fees levied by this chapter on
9 a staggered basis as established by each county as authorized by
10 section 286-51, and the state mileage-based road usage charge
11 shall likewise be staggered so that the state mileage-based road
12 usage charge is due and payable at the same time and shall be
13 collected together with the county registration fee. The state
14 mileage-based road usage charge shall be deemed delinquent if
15 not paid with the county registration fee. The respective
16 counties shall collect the state mileage-based road usage charge
17 together with the vehicle registration tax collected for the
18 county and shall transfer the moneys collected under this
19 section to the state director of finance for deposit into the
20 state highway fund established under section 248-8.



1 (c) Vehicles subject to the state mileage-based road usage
2 charge defined in subsection (a) shall include all electric
3 vehicles in the State except for vehicles that qualify for any
4 of the exemptions in sections 249-4, 249-5.5, 249-6, and 249-
5 6.5. For the purposes of this section, "electric vehicle" means
6 a vehicle, with four or more wheels, a gross vehicle weight
7 rating less than or equal to ten thousand pounds, and the
8 capability to operate legally at a speed of more than thirty-
9 five miles per hour, that draws propulsion energy exclusively
10 from a battery that can be recharged from an external source of
11 electricity.

12 (d) Until June 30, 2028, owners of electric vehicles as
13 defined in subsection (c) shall be offered a choice to pay a \$70
14 registration surcharge in lieu of the state mileage-based road
15 usage charge.

16 (e) The department of transportation shall develop a long-
17 term mileage-based road usage charge implementation plan that
18 includes findings, recommendations, implementation phase
19 schedules, and proposed legislation for deployment of a state
20 mileage-based road usage charge program to encompass all
21 passenger vehicles and light duty trucks by December 31, 2033.



1 This plan shall also include recommendations on how to ensure
2 compatibility with deployment of mileage-based road usage charge
3 by any county. This plan shall be completed and submitted to
4 the legislature no later than twenty days prior to the convening
5 of the regular session of 2026.

6 (f) Pursuant to its rulemaking authority, the department
7 of transportation shall develop rules for establishing and
8 administering the state mileage-based road usage charge."

9 SECTION 3. Chapter 286, Hawaii Revised Statutes, is
10 amended by adding a new section to be appropriately designated
11 and to read as follows:

12 "§286- Hawaii highway safety and modernization council.

13 (a) There is established the Hawaii highway safety and
14 modernization council. The council shall be placed in the
15 department of transportation for administrative purposes. The
16 following or their designated representatives shall be members
17 of the council:

18 (1) The chairpersons of the senate and house of
19 representatives standing committees whose purview is
20 transportation, who shall serve as co-chairpersons;

21 (2) The chief justice;



- 1 (3) The attorney general;
- 2 (4) The director of health;
- 3 (5) The superintendent of education;
- 4 (6) The head of the charter school commission;
- 5 (7) The chairperson of the University of Hawaii at Manoa
6 department of urban and regional planning;
- 7 (8) The co-chairpersons of the Hawaii climate change
8 mitigation and adaptation commission;
- 9 (9) The director of the office of planning and sustainable
10 development;
- 11 (10) The executive director of the state energy office;
- 12 (11) The state arborist;
- 13 (12) The deputy director of transportation for highways;
14 and
- 15 (13) The chairperson of each county highway safety council
16 established under section 286-6.
- 17 The council shall also include not more than twelve other
18 persons who shall be appointed by the governor for a three-year
19 term as follows:
- 20 (1) One member from an organization representing senior
21 citizens;



- 1 (2) One member from an organization representing
2 bicyclists;
- 3 (3) One member from an organization with a focus on micro-
4 mobility;
- 5 (4) One member from an organization with a focus on
6 transportation, planning, and improvement;
- 7 (5) One member from an organization with a focus on
8 reducing the cost of transportation for low-income
9 communities;
- 10 (6) One member from an organization representing labor and
11 construction;
- 12 (7) One member from an organization representing trucking
13 and cargo carriers;
- 14 (8) One member from an organization with a focus on the
15 electrification of transportation;
- 16 (9) One member from an organization with a focus on
17 expanding trees, foliage, and reducing urban heat; and
- 18 (10) Up to three members on the basis of their interest in
19 transportation safety, modernization, and related
20 state goals.



1 (b) The members of the council shall serve without
2 compensation but shall be reimbursed for expenses, including
3 travel expenses, necessary for the performance of their duties.

4 (c) The Hawaii highway safety and modernization council
5 shall develop goals, metrics, benchmarks, and strategies to
6 reduce the cost of transportation and vehicle miles traveled,
7 improve safety, and achieve other state goals related to ground
8 transportation.

9 (d) The state highway safety council shall advise the
10 governor on matters relating to the programs and activities of
11 the State in the field of highway safety."

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

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



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

14 For the purposes of this subsection, "alternative fuel
15 vehicle" means a vehicle equipped to be powered by a non-
16 petroleum-based fuel, but excludes an electric, electricity-
17 recharged, or hybrid electric motor vehicle."

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

20 "(e) Upon application for a certificate of inspection to
21 be issued for a vehicle or moped, an inspection as prescribed by



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



1 determine the fee for replacement of lost, stolen, or destroyed
2 inspection stickers.

3 As used in this subsection, "electric vehicle" means a
4 vehicle that draws propulsion energy from a battery with at
5 least four kilowatt hours of energy storage capacity that can be
6 recharged from an external source of electricity."

7 SECTION 6. Section 286-41, Hawaii Revised Statutes, is
8 amended by amending subsection (b) to read as follows:

9 "(b) Application for the registration of a vehicle shall
10 be made upon the appropriate form furnished by the director of
11 finance and shall contain the name, occupation, and address of
12 the owner and legal owner; and, if the applicant is a member of
13 the United States naval or military forces, the applicant shall
14 give the organization and station. All applications shall also
15 contain a description of the vehicle, including the name of the
16 maker; the type of fuel for the use of which it is adapted, such
17 as gasoline, diesel oil, liquefied petroleum gas[+], or
18 electricity; the serial or motor number; the date first sold by
19 the manufacturer or dealer; a further description of the vehicle
20 as is called for in the form; and other information as may be
21 required by the director of finance, to establish legal



1 ownership. A person applying for initial registration of a
2 neighborhood electric vehicle shall certify in writing that a
3 notice of the operational restrictions applying to the vehicle
4 as provided in section 291C-134 are contained on a permanent
5 notice attached to or painted on the vehicle in a location that
6 is in clear view of the driver."

7 SECTION 7. Section 286-5, Hawaii Revised Statutes, is
8 repealed.

9 ~~["§286-5 State highway safety council. There is~~
10 ~~established the Hawaii highway safety council. The director of~~
11 ~~transportation shall serve as its chairperson. The following or~~
12 ~~their designated representatives shall be members of the~~
13 ~~council: the chief justice, the attorney general, the director~~
14 ~~of health, the superintendent of education, the president of~~
15 ~~the University of Hawaii, the chairperson of each of the county~~
16 ~~highway safety councils established under section 286-6, and not~~
17 ~~more than twenty other persons who shall be appointed by the~~
18 ~~governor on the basis of their interest in highway safety.~~

19 ~~The state highway safety council shall advise the governor~~
20 ~~on matters relating to the programs and activities of the State~~
21 ~~in the field of highway safety.~~



1 ~~The members of the council shall serve without pay but~~
2 ~~shall be entitled to reimbursement for necessary expenses while~~
3 ~~attending meetings and while in discharge of their duties."]~~

4 SECTION 8. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 9. This Act shall take effect on July 1, 2023;
7 provided that sections 2, 4, 5, and 6 of this Act shall take
8 effect on January 1, 2025.



Report Title:

Department of Transportation; Electric Vehicles; Alternative Fuel Vehicle; Mileage-Based Road User Fee; Hawaii Highway Safety and Modernization Council

Description:

Replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles. Establishes the Hawaii Highway Safety and Modernization Council and repeals the State Highway Safety Council, effective 7/1/2023. Provides that implementation of mileage-based road user fees take effect 1/1/2025. (SD1)

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