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## 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 has recommended the  
3 adoption of a per-mile road usage charge to provide fair and  
4 sustainable funding for the State's road infrastructure. The  
5 legislature further finds that with its existing vehicle  
6 inspection program, Hawaii is well-positioned to transition to a  
7 per-mile road usage charge system with low administrative costs.  
8 In 2019, the legislature enacted Act 280, Session Laws of Hawaii  
9 2019, which established an annual registration surcharge on  
10 electric vehicles to account for their road usage. The  
11 legislature now finds that replacing the existing annual \$50  
12 registration surcharge on electric vehicles with a mileage-based  
13 road usage charge for electric vehicles is a first step in the  
14 eventual statewide transition to a per-mile road usage charge  
15 for all vehicles, which will serve as a replacement of the state



1 motor fuel tax with all vehicles paying the per-mile road usage  
2 charge.

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

12 The purpose of this Act is to:

13 (1) Beginning July 1, 2024, subject electric vehicles to a  
14 state mileage-based road usage fee instead of paying a  
15 registration surcharge;

16 (2) Require a vehicle inspection certificate to state the  
17 odometer reading of the vehicle;

18 (3) Clarify that the type of fuel required on applications  
19 for vehicle registration includes batteries or  
20 electricity;

21 (4) Require the department of transportation to:



- 1 (A) Develop a long-term mileage-based usage fee
- 2 implementation plan for all passenger vehicles
- 3 and light duty trucks by 2033; and
- 4 (B) Seek federal funding for the state mileage-based
- 5 road usage fee program; and
- 6 (5) Appropriate American Rescue Plan Act funds for the
- 7 state mileage-based road usage fee program.

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

11 "§249- State mileage-based road usage fee; electric  
12 vehicles. (a) Beginning July 1, 2024, in addition to all other  
13 fees and taxes levied by this chapter, electric vehicles shall  
14 be subject to a state mileage-based road usage fee pursuant to  
15 this section; provided that this section shall not apply to  
16 electric vehicles that qualify for any exemptions in section  
17 249-4, 249-5.5, 249-6, or 249-6.5.

18 (b) The state mileage-based road usage fee shall be  
19 calculated by the county director of finance at the rate  
20 of \_\_\_\_\_ cents per mile traveled, multiplied by the number  
21 of miles traveled, less the estimated amount of paid state motor



1 fuel taxes that correspond with the number of miles traveled.  
2 The number of miles traveled shall be calculated as the  
3 difference between the vehicle's two most recent odometer  
4 readings, as noted on the vehicle's certificate of inspection  
5 pursuant to section 286-26(e). The state mileage-based road  
6 usage fee shall not be less than \$ \_\_\_\_\_ For the first  
7 registration renewal of new electric vehicles for which no  
8 certificate of inspection is required, the state mileage-based  
9 road usage fee assessed shall be \$ \_\_\_\_\_, and such amount  
10 once paid shall be subtracted from the calculation of the state  
11 mileage-based road usage fee upon that electric vehicle's second  
12 registration renewal.

13 (c) The state mileage-based road usage fee shall be paid  
14 each year following the electric vehicle's most recent  
15 inspection together with all other taxes and fees levied by this  
16 chapter on a staggered basis pursuant to section 286-51, and the  
17 state mileage-based road usage fee shall likewise be staggered  
18 so that the state mileage-based road usage fee is due and  
19 payable at the same time and shall be collected together with  
20 the county registration fee. The state mileage-based road usage  
21 fee shall be deemed delinquent if not paid with the county



1 registration fee. The respective counties shall collect this  
2 fee together with the vehicle registration tax collected for the  
3 county and shall transfer the moneys collected under this  
4 section to the state director of finance for deposit into the  
5 state highway fund established under section 248-8.

6 (d) Until , owners of electric vehicles subject to  
7 this section may pay a registration surcharge in lieu of the  
8 state mileage-based road usage fee.

9 (e) The department of transportation shall adopt rules  
10 pursuant to chapter 91 for the purposes of this section.

11 (f) For the purposes of this section, "electric vehicle"  
12 means a vehicle with four or more wheels that draws propulsion  
13 energy exclusively from a battery with at least ten kilowatt  
14 hours of energy storage capacity that can be recharged from an  
15 external source of electricity."

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

18 "(a) All vehicles and motor vehicles in the State as  
19 defined in section 249-1, including antique motor vehicles,  
20 except as otherwise provided in sections 249-4, 249-6, and 249-  
21 31.5, shall be subject to a \$46 annual vehicle registration fee;



1 provided that [~~electric vehicles and~~] alternative fuel vehicles  
2 shall pay an annual vehicle registration surcharge fee of \$50,  
3 which shall be assessed and collected beginning with the first  
4 registration renewal for every [~~electric vehicle and~~]  
5 alternative fuel vehicle and shall be deposited into the state  
6 highway fund established under section 248-8. The fee shall be  
7 paid each year together with all other taxes and fees levied by  
8 this chapter on a staggered basis as established by each county  
9 as authorized by section 286-51, and the state registration for  
10 that county shall likewise be staggered so that the state  
11 registration fee is due and payable at the same time and shall  
12 be collected together with the county fee. The state  
13 registration fee shall be deemed delinquent if not paid with the  
14 county registration fee. The respective counties shall collect  
15 this fee together with the vehicle registration tax collected  
16 for the county and shall transfer the moneys collected under  
17 this section to the State.

18 For purposes of this subsection, "alternative fuel vehicle"  
19 means a vehicle equipped to be powered by a non-petroleum-based  
20 fuel. "Alternative fuel vehicle" does not include an electric  
21 vehicle as defined in section 249- (f)."



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

3 "(e) Upon application for a certificate of inspection to  
4 be issued for a vehicle or moped, an inspection as prescribed by  
5 the director under subsection (g) shall be conducted on the  
6 vehicle or moped, and if the vehicle or moped is found to be in  
7 a safe operating condition, a certificate of inspection shall be  
8 issued upon payment of a fee to be determined by the director.

9 The certificate shall state ~~the~~:

10 (1) The effective date, the termination date, the name of  
11 the issuing insurance carrier, ~~and~~ the policy number  
12 of the motor vehicle insurance identification card for  
13 the inspected motor vehicle as specified by section  
14 431:10C-107, and the odometer reading of the vehicle  
15 on the date that the vehicle was inspected; or ~~state~~  
16 ~~the~~

17 (2) The information contained in the proof of insurance  
18 card as specified by section 431:10G-106.

19 A sticker, authorized by the director, shall be affixed to the  
20 vehicle or moped at the time a certificate of inspection is  
21 issued. An inspection sticker ~~which~~ that has been lost,



1 stolen, or destroyed shall be replaced without reinspection by  
2 the inspection station that issued the original inspection  
3 sticker upon presentation of the current certificate of  
4 inspection; provided that the current certificate of inspection  
5 and inspection sticker shall not have expired at the time the  
6 replacement is requested. The director shall adopt rules to  
7 determine the fee for replacement of lost, stolen, or destroyed  
8 inspection stickers."

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

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





1 as is called for in the form; and other information as may be  
2 required by the director of finance, to establish legal  
3 ownership. A person applying for initial registration of a  
4 neighborhood electric vehicle shall certify in writing that a  
5 notice of the operational restrictions applying to the vehicle  
6 as provided in section 291C-134 [~~are~~] is contained on a  
7 permanent notice attached to or painted on the vehicle in a  
8 location that is in clear view of the driver."

9 SECTION 6. (a) The department of transportation shall  
10 develop a long-term mileage-based road usage fee implementation  
11 plan for deployment of a state mileage-based road usage fee  
12 program to encompass all passenger vehicles and light duty  
13 trucks by 2033. This plan shall include recommendations on how  
14 to ensure compatibility with deployment of mileage-based road  
15 usage fees by any county.

16 (b) The department of transportation shall submit the  
17 implementation plan, including a report of its findings and  
18 recommendations, implementation phase schedules, and any  
19 proposed legislation, to the legislature no later than twenty  
20 days prior to the convening of the regular session of 2026.



1 SECTION 7. The department of transportation shall seek  
2 federal funding under the Infrastructure Investment and Jobs  
3 Act, P.L. 117-58, section 13001, or the Fixing America's Surface  
4 Transportation Act, P.L. 114-94, section 6020, for the purposes  
5 of this Act.

6 SECTION 8. There is appropriated out of the funds received  
7 by the State of Hawaii from the American Rescue Plan Act of  
8 2021, P.L. 117-2, section 9901, the sum of \$5,000,000 or so much  
9 thereof as may be necessary for fiscal year 2023-2024 for the  
10 initial implementation of the state mileage-based road user fee  
11 program established by this Act.

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

14 SECTION 9. Statutory material to be repealed is bracketed  
15 and stricken. New statutory material is underscored.

16 SECTION 10. This Act shall take effect on July 1, 2023.

17

INTRODUCED BY:



JAN 20 2023



# H.B. NO. 501

**Report Title:**

State Mileage-based Road Usage Fee; Electric Vehicles; Federal Funding; Appropriation

**Description:**

Beginning 7/1/2024, subjects all electric vehicles to a state mileage-based road usage fee instead of paying a registration surcharge. Requires a vehicle inspection certificate to state the odometer reading of the vehicle. Clarifies that the type of fuel required on applications for vehicle registration includes batteries or electricity. Requires the department of transportation to develop a long-term mileage-based usage fee implementation plan for all passenger vehicles and light duty trucks by 2033. Requires the department of transportation to seek federal funding. Appropriates American Rescue Plan Act funds for the state mileage-based road usage fee program.

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

