
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 the single greatest
2 recent factor contributing to the increasing cost of living in
3 Hawaii is the rising cost of transportation. Due to
4 increasingly expensive fossil fuels and a lack of cheaper
5 transit options, Hawaii residents pay among the highest costs to
6 commute in the country. In January 2022, the United States
7 Bureau of Labor Statistics reported that auto-related costs were
8 an astonishing twenty-three per cent higher than the year
9 before. In Hawaii, a recent analysis studied all of the direct
10 and indirect costs of car ownership and use in 2020 and found
11 that local taxpaying families pay about \$24,400 per year, even
12 if they do not own a car. Only fifty per cent of these costs
13 are covered by user fees. In addition, personal vehicle costs
14 add another \$16,200 per year to those household expenditures.

15 The legislature also finds that electric bicycles are
16 significantly more cost effective for local families, better for
17 the environment than gas-powered motor vehicles, and can



1 effectively get many Hawaii residents to locations as
2 conveniently as gas-powered motor vehicles. The current
3 electric bicycle and moped rebate program, even with minimal
4 promotion and low subsidy, has helped almost three hundred
5 people access electric bikes since its inception. However, its
6 reach has been limited by age restrictions on acquiring a
7 bicycle through this program and a lower rebate than other
8 similar programs that does not afford access for many lower-
9 income families.

10 In 2022, Denver's electric bike rebate program, which
11 provided families with up to a \$1,200 rebate, led to
12 considerable cost savings for Denver families, helped reduce
13 vehicular traffic on crowded roads, and ultimately replaced many
14 trips by car with trips by bike. This meant twenty-two miles a
15 week on average per user, collectively displacing one hundred
16 thousand miles weekly. Ninety-six per cent of respondents said
17 the availability of the rebate made the difference when deciding
18 to buy an electric bike.

19 The purpose of this Act is to:

20 (1) Help reduce the cost of transportation, the cost of
21 living, and traffic on Hawaii's roads by improving the



1 existing electric bicycle and moped rebate program to
2 further encourage the purchase and use of adaptive
3 electric bicycles, electric cargo bikes, electric
4 bicycles, electric mopeds, and other electric mobility
5 devices; and

6 (2) Update the definitions of "electric mobility device"
7 and "electric bicycle" to align with federal and state
8 policies and programs.

9 SECTION 2. Section 196-2, Hawaii Revised Statutes, is
10 amended by adding three new definitions to be appropriately
11 inserted and to read as follows:

12 "Adaptive electric bicycle" means any bicycle that is
13 modified to fit the needs of an individual rider who is unable
14 to use a standard electric bicycle.

15 "Electric bicycle" means a bicycle equipped with fully
16 operable pedals, a saddle or seat for the rider, and an electric
17 motor of seven hundred fifty watts or less that meets the
18 requirements of one of the following three classes:

19 (1) Class 1 electric bicycle, which is an electric bicycle
20 equipped with a motor that provides assistance only
21 when the rider is pedaling, and that ceases to provide



1 assistance when the bicycle reaches the speed of
2 twenty miles per hour;

3 (2) Class 2 electric bicycle, which is an electric bicycle
4 equipped with a motor that may be used exclusively to
5 propel the bicycle, and that is not capable of
6 providing assistance when the bicycle reaches the
7 speed of twenty miles per hour; or

8 (3) Class 3 electric bicycle, which is an electric bicycle
9 equipped with a motor that provides assistance only
10 when the rider is pedaling, and that ceases to provide
11 assistance when the bicycle reaches the speed of
12 twenty-eight miles per hour.

13 "Electric micro-mobility device" means any ground
14 transportation device, such as a standing scooter, skateboard,
15 board riding on a single or double wheels, or similar device,
16 that is powered either exclusively by electricity from a battery
17 charged from an external source, or by electricity from a
18 battery charged from an external source in addition to human
19 power, which is designed to transport a single person, with a
20 range no less than twelve miles and maximum speed of twenty-



1 eight miles per hour, on which a person may reasonably commute
2 to and from regular destinations."

3 SECTION 3. Section 196-7.8, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "~~{}~~\$196-7.8~~{}~~ **Electric ~~[bicyele and electric moped]~~**
6 **mobility rebate program; third-party administrator; special**

7 **fund.** (a) The department of transportation shall administer a
8 rebate program that incentivizes the purchase of new electric
9 ~~[bicyeles and new electric mopeds]~~ mobility devices and may
10 contract with a third-party administrator pursuant to subsection
11 ~~{(i)}~~ (k) to operate and manage the rebate program.

12 (b) Each eligible purchase of a new electric bicycle ~~[or~~
13 ~~new],~~ electric moped, adaptive electric bicycle, electric cargo
14 bike, or electric micro-mobility device shall receive a rebate
15 of ~~[either twenty per cent of the retail cost or \$500, whichever~~
16 ~~amount is lower;]~~ \$ _____; provided that no individual
17 shall receive more than ~~[\$500]~~ \$ _____ in total rebates each
18 fiscal year~~{-}~~ unless also qualifying for the additional
19 assistance rebate pursuant to subsection (j), in which case no
20 individual shall receive more than \$ _____ in total rebates



1 each fiscal year. No non-profit organization shall receive more
2 than \$ _____ in total rebates each fiscal year.

3 (c) The department of transportation shall not issue more
4 than [~~\$700,000~~] \$ _____ in total rebates under this section
5 each fiscal year; provided that the electric [~~bicycle and~~
6 ~~electric moped~~] mobility subaccount within the highway
7 development special fund pursuant to section 264-122(d) contains
8 sufficient funds to pay the rebates. The department of
9 transportation shall not be liable to pay any refund if
10 sufficient funds are unavailable. The department of
11 transportation shall allow valid claims filed by eligible
12 applicants for whom sufficient funds may not be immediately
13 available to receive a rebate as funds may be available in a
14 subsequent year.

15 (d) The department of transportation shall:
16 (1) Prepare any forms that may be necessary for an
17 applicant to claim a rebate pursuant to this section;
18 and
19 (2) Require each applicant to furnish reasonable
20 information to ascertain the validity of the claim,
21 including but not limited to [~~the signature of the~~



1 ~~buyer and individual responsible for the sale on~~
2 ~~behalf of a retail store at the time of sale,~~] a copy
3 of valid government issued photo identification of the
4 buyer at the time of the sale, receipt of purchase,
5 name and address of the retail store, verification of
6 eligibility, and any other documentation necessary to
7 demonstrate the legitimate purchase of a new electric
8 ~~[bicycle or new electric moped.]~~ mobility device.

9 (e) The department of transportation may prepare a
10 retailer application and portal to provide rebates directly at
11 the point of sale to expedite the rebate process.

12 ~~[(e)]~~ (f) This section shall apply to new:

13 (1) ~~Electric bicycles [capable of speeds of no more than~~
14 ~~twenty-eight miles per hour; and];~~

15 (2) Electric mopeds[~~r~~];

16 (3) Adaptive electric bicycles;

17 (4) Electric cargo bikes; and

18 (5) Electric micro-mobility devices capable of speeds of
19 no more than twenty-eight miles per hour,

20 purchased at a retail store after July 1, 2022.



1 ~~[(f)]~~ (g) Applicants shall submit an application to the
 2 department of transportation within twelve months of the date of
 3 purchase to claim a rebate from the electric ~~[bicyele and~~
 4 ~~electric moped]~~ mobility rebate program. Failure to apply
 5 within twelve months of the date of purchase shall constitute a
 6 waiver of the right to claim the rebate.

7 ~~[(g)]~~ (h) Nothing in this section shall alter taxes due on
 8 the original purchase. Any rebate received pursuant to this
 9 section shall not be considered income for the purposes of state
 10 or county taxes.

11 (i) In administering the electric mobility rebate program,
 12 the department of transportation shall provide rebates to:

13 (1) Persons who are residents of the State and fifteen
 14 years or older, who purchase a new qualifying electric
 15 bicycle, electric moped, adaptive electric bicycle,
 16 electric cargo bike, or electric micro-mobility
 17 device; and

18 (2) Non-profit organizations who are registered in the
 19 State who purchase one or more new qualifying electric
 20 bicycles, electric mopeds, or electric micro-mobility
 21 devices.



1 [~~(h)~~] (j) In administering the electric [~~bicycle and~~
2 ~~electric moped~~] mobility rebate program, the department of
3 transportation shall provide [~~rebates~~] an assistance rebate in
4 addition to the rebate in subsection (b). The additional
5 assistance rebate shall be \$ or the full retail
6 amount, whichever amount is lower, to persons [~~eighteen~~] fifteen
7 years or older who:

8 (1) Are eligible for:

9 (A) The Supplemental Nutrition Assistance Program;

10 (B) The free and reduced price lunch program;

11 (C) Section 8 of the United States Housing Act of
12 1937, as amended; or

13 (D) Similar low-income assistance programs identified
14 by the department of transportation;

15 (2) Do not own a registered motor vehicle with four or
16 more wheels, as demonstrated by an affidavit signed by
17 the applicant at the time of sale of the new electric
18 bicycle [~~or~~], electric moped, adaptive electric
19 bicycle, electric cargo bike, or electric micro-
20 mobility device, which may be audited by the
21 department of transportation; or



1 (3) Are enrolled in school, community college, or
2 university.

3 ~~[(i)]~~ (k) The department of transportation may contract
4 with a third-party administrator to operate and manage the
5 electric ~~[bicycle and electric moped]~~ mobility rebate program.
6 The third-party administrator shall not be deemed to be a
7 "governmental body" as defined in section 103D-104; provided
8 that all moneys transferred to the third-party administrator
9 shall have been appropriated by the legislature or shall be from
10 moneys provided by the federal government or private funding
11 sources. The third-party administrator shall not expend more
12 than ten per cent of the amounts appropriated for the rebate
13 program, or any other reasonable percentage determined by the
14 department of transportation, for administration, promotion, and
15 reporting of the electric ~~[bicycle and electric moped]~~ mobility
16 rebate program.

17 (l) The department of transportation may contract with a
18 third-party administrator to administer the electric mobility
19 rebate program; provided that the third-party administrator may
20 pay rebates to each rebate applicant from moneys transferred



1 pursuant to subsection (k) from the electric mobility subaccount
2 within the highway development special fund.

3 (m) The department of transportation shall provide an
4 annual report to the legislature no later than twenty days prior
5 to the convening of each regular session that shall detail the
6 rebates provided by zip code, amount received, and type of
7 rebate."

8 SECTION 4. Section 264-122, Hawaii Revised Statutes, is
9 amended by amending subsection (d) to read as follows:

10 "(d) There is established within the highway development
11 special fund an electric [~~bicycle and electric moped~~] mobility
12 subaccount. The department shall expend moneys in the
13 subaccount for the purposes of funding the electric [~~bicycle and~~
14 ~~electric moped~~] mobility rebate program established pursuant to
15 section 196-7.8."

16 SECTION 5. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Department of Transportation; Rebate; Electric Mobility
Subaccount; Electric Mobility Rebate Program

Description:

Renames the Electric Bicycle and Electric Moped Rebate Program
to the Electric Mobility Rebate Program. Expands eligibility
and amends the maximum rebate amounts. Effective 7/1/3000.
(HD1)

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not legislation or evidence of legislative intent.*

