STAND. COM. REP. NO.

Honolulu, Hawaii FEB 17 ^{, 2023}

RE: H.B. No. 1110 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1110, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE ROAD USAGE CHARGE PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to:

- Create a mileage-based road usage charge to replace state motor fuel taxes for electric vehicles, to be developed by the Department of Transportation;
- (2) Eliminate the annual state vehicle registration surcharge for electric vehicles;
- (3) Allow electric vehicle owners a choice of paying a registration surcharge or a per-mile road usage charge until 2033;
- (4) Amend certain requirements for motor vehicle registration applications and certificates of inspection; and
- (5) Appropriate funds for the initial implementation of the mileage-based road usage charge.

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Your Committee received testimony in support of this measure from the Climate Protectors Hawaii, AAA Hawaii, Ulupono Initiative and six individuals. Your Committee received testimony in opposition to this measure from four individuals. Your Committee received comments on this measure from the Department of Transportation, Hawaii State Energy Office, Hawaii Automobile Dealers' Association, Tax Foundation of Hawaii, and Big Island Electric Vehicle Association.

Your Committee finds that the majority of the funding for the State's maintenance and improvements to roadways derives from the fuel tax. However, because of increasing vehicle fuel efficiency and the increasing adoption of electric vehicles, fuel tax revenue has trended downward and is expected to continue to decline in the coming years. This measure provides a mechanism to require vehicles that do not contribute to the fuel tax revenues to contribute to the maintenance of the roadways in the State.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1110, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1110, H.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ARK M. NAKASHIMA, Chair



State of Hawaii House of Representatives The Thirty-second Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

HB 11/0 TRN , CPC, EXN 0 2-15 - 25 The committee is reconsidering its previous decision on the measure. Image: CPC, EXN 0 2-15 - 25 The commendation is to: Pass, unamended (as i) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit) Recommit Recommit Recommit CPC Members Ayes Ayes (WR) Nays Excused 1. NAKASHIMA, Mark M. (C) Image: CPC Members Ayes (WR) Nays Excused 2. SAYAMA, Jackson D. (VC) Image: CPC Members Image: CPC Members Image: CPC Members Image: CPC Members 3. AMATO, Terez Image: CPC Members Ayes (WR) Nays Excused 4. BELATTI, Della Au Image: CPC Members Image: CPC Members Image: CPC Members Image: CPC Members 5. HASHEM, Mark J. Image: CPC Members 6. HUSSEY-BURDICK, Natalia Image: CPC Members Image: CPC Members Image: CPC Members Image: CPC Members 9. ONISHI, Richard H.K. Image: CPC Members Image: CPC Members Image: CPC Members Image: CPC Membe	Bill/Resolution No.: HB 1110 HD1	Committee TPN		Date:	02-15-	23	
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