



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of **MARK B. GLICK, Chief Energy Officer**

before the **HOUSE COMMITTEE ON FINANCE**

Wednesday, March 27, 2024
3:30 PM
State Capitol, Conference Room 308 and Videoconference

In Support of
SB 3183, SD2, HD2

RELATING TO ROAD USAGE CHARGE PROGRAM.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 3183, SD2, HD2, which establishes a county mileage-based road usage charge for electric vehicles, clarifies the collection and disposition of funds of state and county mileage-based road usage charges, and establishes the maximum county mileage-based road usage charge at \$50 until June 30, 2028.

HSEO's comments are guided by our statutory mission to promote energy efficiency, renewable energy, and clean transportation as laid out in HRS §196-71 and the specific duties of the Chief Energy Officer pursuant to §196-72 relating to clean transportation as well as the interface of clean transportation in the overall energy ecosystem.

Securing sustainable funding for roadway maintenance is crucial to Hawai'i's economy and the safety of those using state- and county- maintained roadways. The Legislature required the Hawai'i Department of Transportation to develop a plan to transition all vehicles in Hawai'i to a per mile road usage charge by 2033. Transitioning from the motor fuel taxes to a per-mile road usage charge is proposed to promote fairness and guarantee a continual and equitable source of funding for highway maintenance as the state works towards decarbonizing ground transportation.

HSEO stands ready to collaborate with the Department of Transportation and counties to achieve the State's decarbonization policy objectives and transition to a sustainable funding framework for an evolving transportation system. We believe that advancing the State's mileage-based road usage charge program at the county level is a logical progression that ensures consistency, financial sustainability, and administrative efficiency. HSEO supports the HD2 amendment ensuring that the rate for the county mileage-based road usage charge does not exceed the estimated county fuel tax to avoid inadvertent disincentives for electric vehicles.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



TESTIMONY BY:
EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
ROBIN K. SHISHIDO

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

March 27, 2024
3:30 p.m.

State Capitol, Conference Room 308 & Videoconference

S.B. 3183, S.D. 2, H.D. 2
RELATING TO TRANSPORTATION

House Committee on Finance

The Hawaii Department of Transportation (HDOT) **supports** this bill that authorizes counties to enact a county mileage-based road usage charge (RUC) for electric vehicles (EV), allowing electric vehicle owners to pay a county registration surcharge or a per-mile county road usage charge until June 30, 2028; provides a process by which counties adopt a per-mile rate by county or city resolution; directs moneys from collection of a county road usage charge for use in the county in which the county road usage charge is collected; and repeals the cap on the state RUC.

Last year, the Hawaii Legislature passed legislation establishing the country's fourth road usage charge program, setting Hawaii on a path to ensure sustainable and equitable transportation revenue for the State DOT and provide a safe, efficient, sustainable, and accessible transportation system well into the future. As we begin implementation of the state RUC, HDOT recommends counties have the ability to enact a county RUC of their own as a long-term replacement for the county fuel tax. Providing this authority allows the counties to enact their RUC, potentially in conjunction with the State rollout, providing efficiency for government agencies, and consistency for residents of Hawaii.

The HDOT recommends that the proposed revision to subsection (6) to Section 248-9, Hawaii Revised Statutes is unnecessary and may be contrary to the Highways Revenue Bond Certificate.

In addition, the HDOT recommends that for the funding provided for this initial RUC undertaking in Act 222, Session Laws of Hawaii 2023, Section 10 is to be included as follows:

"SECTION 10. Act 222, Session Laws of Hawaii 2023, is amended by amending section 6 to read as follows:

"SECTION 6. There is appropriated out of the state highway fund, the sum of [~~\$1,300,000~~] \$1,700,000 or so much thereof as may be necessary for fiscal year 2023-2024 to be used with available federal funds, for the initial implementation of the state mileage-based road user charge established pursuant to section 2 of this Act[-]; provided that the moneys appropriated for fiscal year 2023-2024 for the purposes of this act shall not lapse at the end of the fiscal year; provided further that all moneys appropriated for fiscal year 2023-2024 that are unexpended or unencumbered as of June 30, 2025 shall lapse to the state highway fund.

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

Thank you for the opportunity to provide testimony.



Testimony of the Oahu Metropolitan Planning Organization

COMMITTEE ON FINANCE

Wednesday, March 27, 2024, 3:30 PM

CR 308 & Videoconference

SB3183 SD2 HD2

RELATING TO ROAD USAGE CHARGE PROGRAM

Dear Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

The Oahu Metropolitan Planning Organization (OahuMPO) **supports SB3183 SD2 HD2 with a recommendation.**

This measure is consistent with several goals of the Oahu Regional Transportation Plan including preserving and maintaining the transportation system, promoting an equitable transportation system, and protecting the environment.

The fuel tax is currently the primary source of transportation funding used to build and maintain the roadways. However, it has not kept up with inflation and improved vehicle fuel economy, so the gap between needs and revenue continues to grow. A per-mile road usage charge offers a stable source of funding that is aligned with the State's clean energy goals as it is not based on fuel consumption or impacted by alternative fuels.

The OahuMPO would like to offer the following recommendation to further improve the bill, and make it more equitable to all users of the transportation system:

- Section 248-9 (a) (2), we recommend adding the words "*walkways*" and revising to read: "*To pay the costs of acquisition, including real property and interests therein; planning; designing; construction; and reconstruction of the state highway system, bikeways and walkways, including without limitation, the cost of equipment and general administrative overhead;*"

This would allow the State to explicitly use this funding source to build accessible pedestrian infrastructure that supports walking and rolling (e.g., wheelchairs, etc.).

The OahuMPO is the federally designated Metropolitan Planning Organization (MPO) on the island of Oahu responsible for carrying out a multimodal transportation planning process, including the development of a long-range (25-year horizon) metropolitan transportation plan, referred to as the Oahu Regional Transportation Plan (ORTP) that encourages and promotes a safe and efficient transportation system to serve the mobility needs of people and freight (including walkways, bicycles, and transit), fosters economic growth and development, and takes into consideration resiliency needs, while minimizing fuel consumption and air pollution ([23 CFR 450.300](#)).

Mahalo for the opportunity to provide testimony on this measure.

DEPARTMENT OF TRANSPORTATION SERVICES
KA 'OIHANA LAWELAWE 'ŌHUA
CITY AND COUNTY OF HONOLULU

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RICK BLANGIARDI
MAYOR
MEIA



J. ROGER MORTON
DIRECTOR
PO'O

JON Y. NOUCHI
DEPUTY DIRECTOR
HOPE PO'O

TESTIMONY OF J. ROGER MORTON
DIRECTOR OF TRANSPORTATION SERVICES

BEFORE THE HOUSE COMMITTEE ON
FINANCE

Wednesday, March 27, 2024, 3:30 PM, CR 308 & Videoconference

TO: Rep. Kyle T. Yamashita, Chair, Rep. Lisa Kitagawa, Vice Chair, and Members of the Committee on Finance

RE: TESTIMONY IN SUPPORT OF SENATE BILL 3183, SENATE DRAFT 2, HOUSE DRAFT 2 (SB3183, SD2, HD2), RELATING TO ROAD USAGE CHARGE PROGRAM, WITH COMMENTS

Chairman, esteemed members of the committee, my name is J. Roger Morton, and I serve as the Director of the Department of Transportation Services, and I wish to express our **strong support** for SB3183, SD2, HD2.

The rise in popularity of electric vehicles (EVs) has presented both opportunities and challenges for our transportation infrastructure. While EVs offer numerous environmental benefits, they also pose a significant challenge to traditional funding mechanisms, such as gas taxes, which have historically supported our transportation system. As the revenue from gas taxes declines due to the increasing adoption of EVs, we are faced with a critical funding shortfall for essential transportation projects.

SB3183, SD2, HD2, provides a crucial solution to this dilemma by authorizing counties to implement a mileage-based Road User's Charge (RUC) and establishing a small-scale per-mile RUC program targeted at EVs. This legislation grants counties the necessary authority to adapt to the changing landscape of transportation funding and ensure a fair and equitable system for all vehicle owners.

The provisions outlined in SB3183, SD2, HD2, are carefully crafted to address the unique needs and challenges of transitioning to a RUC system for EVs. Until June 30, 2028, the legislation conforms the counties' \$50 registration surcharge to the state's \$50 registration surcharge by requiring counties to apply the \$50 registration surcharge in lieu of the county mileage-based RUC where an EV owner has opted to pay the \$50 registration surcharge in lieu of the state mileage-based RUC under HRS § 249-36, with the RUC capped at a reasonable \$50 annually during this transition period, or until a county establishes its own RUC rate by ordinance. The HD2 version specifies that the rate for the county mileage-based road usage charge is to be comparable to the county fuel tax on gasoline and no more than the estimated county fuel tax. Furthermore, the elimination of the annual cap on the state RUC from July 1, 2028, ensures a sustainable source of funding for transportation infrastructure projects in the long term.

Importantly, SB3183, SD2, HD2, directs the revenue generated from the county RUC back into the counties where it is collected. This ensures that funds collected from EV owners are reinvested directly into local transportation projects, benefiting communities and enhancing the quality of our transportation infrastructure.

In conclusion, SB3183, SD2, HD2, is a vital piece of legislation that addresses the funding challenges posed by the increasing prevalence of electric vehicles. By authorizing counties to implement an RUC system that specifically targets EVs, this legislation ensures a fair and sustainable source of funding for transportation infrastructure projects, benefiting our communities and enhancing the quality of our transportation system. I urge you to support SB3183, SD2, HD2, and help secure the future of transportation in our state.

Thank you for the opportunity to submit this testimony in support with comments.

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

REIKO MATSUYAMA, MANAGING DIRECTOR



Testimony of Reiko Matsuyama Managing Director, County of Kaua'i

Before the
House Committee on Finance
March 27, 2024; 3:30 PM
Conference Room 308 & Videoconference

In consideration of
Senate Bill 3183 SD2 HD2 Relating to Road Usage Charge Program

Honorable Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The County of Kaua'i submits this testimony in **support** on SB 3183 SD2 HD2 which beginning on July 1, 2025 establishes a county mileage-based usage charge for electric vehicles; clarifies the collection and disposition of funds of the state and county mileage-based usage charges; and establishes for the maximum state mileage-based usage charge at fifty dollars until June 30, 2028.

As the State of Hawai'i transitions funding of the highway fund from fuel tax to a road usage charge, it is important that the counties within the state are also able to make this transition. This bill is a good first step toward this transition for the counties, including the County of Kaua'i. Therefore, the County of Kaua'i supports the passage of this bill and also looks forward to future legislation to transition to a road usage charge for all vehicles for the highway fund.

Mahalo for the opportunity to testify in **support** of this measure.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Wednesday, March 27, 2024 — 3:30 p.m.

Ulupono Initiative supports with amendments SB 3183 SD2 HD2, Relating to Road Usage Charge Program.

Dear Chair Yamashita and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports with amendments SB 3183 SD2 HD2, which establishes a county mileage-based road usage charge for electric vehicles and clarifies the collection and disposition of funds of the state and county mileage-based road usage charges. This bill also establishes the maximum state mileage-based road usage charge at \$50 until 6/20/2028.

As the state transitions towards its road user charge, we believe that the counties should have the same opportunity. It will help provide harmonization across transportation taxes and help support the overall transition to a road user charge.

We also recommend further amendments to ensure consistency between Sections §248-9 State highway fund and §249-18 Highway fund, by amending Section §248-9 to include the state's full multimodal mission and provide the greatest flexibility in funding decision making, as follows:

Page 7, line 15 to Page 8, line 2:

(1) To pay the costs of operation, maintenance, and repair of the state highway system, **bikeways, and walkways**, including without limitation, the cost of equipment and general administrative overhead;

(2) To pay the costs of acquisition, including real property and interests therein; planning; designing; construction; and reconstruction of the state highway system, **[and] bikeways, and walkways**, including without limitation, the cost of equipment and general administrative overhead.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

Hawaii Electric Vehicle Association

hawaiiev.org
info@hawaiieva.com



March 26, 2024

COMMENTS RELATED TO SB 3183 SD2 HD2 - RELATING TO ROAD USAGE CHARGE PROGRAM

Dear Chair Yamashita, Vice-Chair Kitagawa, and Committee members,

Hawaii Electric Vehicle Association offers **comments** on SB 3183 SD2 HD2 which *“Beginning 7/1/2025, establishes a county mileage-based road usage charge for electric vehicles. Clarifies the collection and disposition of funds of the state and county mileage-based road usage charges. Establishes the maximum state mileage-based road usage charge at \$50 until 6/30/2028.”*

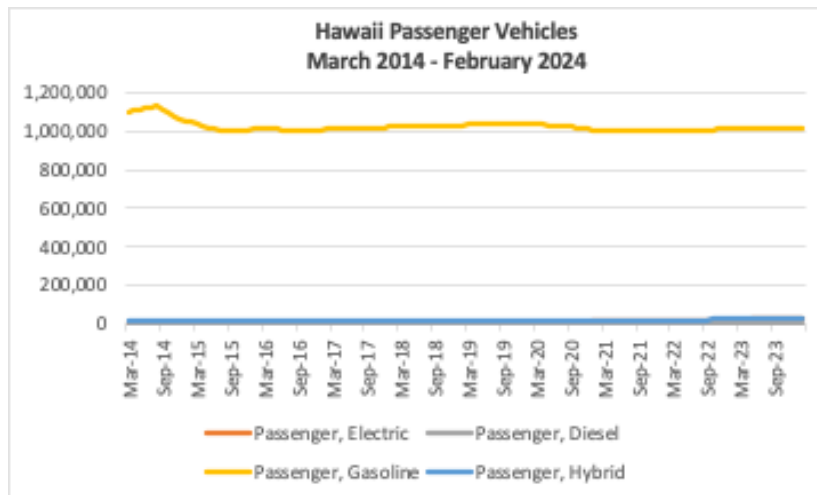
Hawaii EV recognizes that the gas tax funds our road system maintenance and upgrades. As efforts to reduce emissions and VMT take hold, we must transition to a usage-based program to enable sustained maintenance of our critical road infrastructure.

Realities to Consider

- Fuel efficiency of legacy internal combustion engine (LICE) vehicles have doubled over the last decade¹. This includes the fuel efficiency of heavier SUVs and trucks. **LICE vehicles travel more miles on each gallon of fuel today. The reduction in fuel tax revenue over the past few years has been mainly a function of improving the fuel efficiency of gas, diesel, and hybrid vehicles.**
- EV adoption in Hawaii is accelerating, but EVs are still a fraction (30,000 (<3%) of 1,081,000 passenger vehicles in our State².

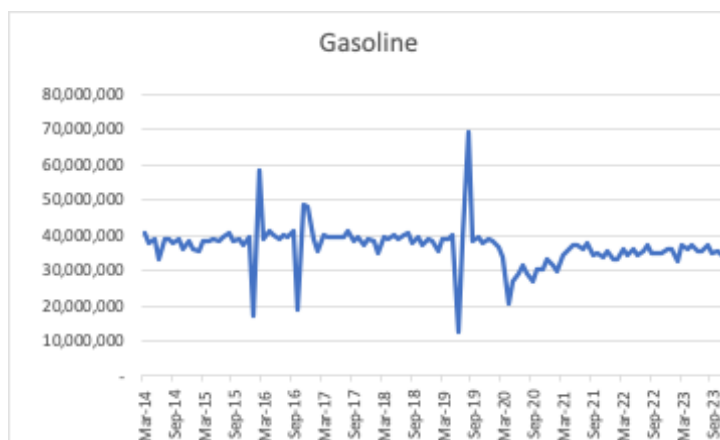
¹ <https://www.epa.gov/newsreleases/epa-report-us-fuel-economy-marks-new-record-high-co2-emissions-reach-record-lows-and>

² <https://dbedt.hawaii.gov/economic/energy-trends-2/>



Number of registered Hawaii vehicles by type over the past decade.

- Vehicles purchased today are typically held by consumers for over a decade – **gas vehicles purchased today may continue to be used through 2034.**
- Hawaii’s gasoline consumption has remained **relatively steady at around 36,000,000 gallons per month** for the past few years.



Monthly gasoline consumption in Hawaii over the decade. (Source DBEDT)

- Act 222 (State) Road Use Charge requirements:
 - Starting July 1, 2025, EV owners can pay a fixed \$50 annual registration surcharge OR a \$.008 per-mile road usage fee. Mileage figures will be determined via odometer readings obtained during the vehicle inspections conducted during the registration renewable process.
 - Starting July 1, 2028, the fixed \$50 annual registration surcharge option will be removed, and all EV owners will be subject to the \$.008 per-mile road usage fee.
 - By 2033, the per-mile road usage fee will apply to all passenger cars and light-duty trucks.

SB 3183 SD2 HD2 is a means to extend the Road Use Charge enacted in Act 222 to the Counties and to further enable the transition to a usage-based road use tax. **It, however, is inconsistent with the State's version - it does not address the required transition for all vehicles.**

Importantly, it has the potential for undesired consequences, including an unnecessary perception (“*Own an EV, and you’ll pay more.*”) barrier to our efforts to transition away from fossil fuel vehicles. This contradicts our goals to decarbonize our economy (emission reduction) and minimize our dependence on imported energy (resilience).

Thus, the transition to a road use fee must include all vehicles if the underlying issue is to be properly addressed.

Recommendation: Accelerate the transition to a road usage charge with a requirement to transition of all light-duty vehicles to a road usage charge by 2028 (or some future date). This will allow the transition to address the underlying road infrastructure funding problem more effectively. It will also be less confusing for constituents as it will focus the requirement for the shift on the underlying need.

Thank you for this opportunity to testify.

Sincerely,



Noel Morin
President
Hawaii EV Association

Hawaii EV Association is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit hawaiiev.org.

Hawaii EV Board

Jennifer Lieu – Director
Nanette Vinton, Secretary, and Treasurer
Noel Morin, President
Rob Weltman – Director
Sonja Kass – Director
Tam Hunt - Director

Hawaii EV Clubs

Big Island EV Association
Kauai EV
Maui Nui EV
Tesla Hawaii Club

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE; Electric Vehicles; State Mileage-Based Road User Fee; County Mileage-Based Road User Fee

BILL NUMBER: SB 3183 SD 2 HD 2

INTRODUCED BY: House Committee on Consumer Protection & Commerce

EXECUTIVE SUMMARY: Establishes a county mileage-based road usage charge for electric vehicles. Clarifies the collection and disposition of funds of the state and county mileage-based road usage charges. Establishes the maximum state mileage-based road usage charge at \$50 until 6/30/2028.

SYNOPSIS: Adds three new sections to chapter 249, HRS. Provides the counties authority to impose a county mileage-based road usage charge on electric vehicles beginning July 1, 2025. . Until June 30, 2028, owners are offered a choice to pay a \$50 registration surcharge in lieu of the county mileage- based road usage charge. If the owner opts to pay the registration surcharge in lieu of the *state* mileage-based road usage charge, the registration surcharge in lieu of the *county* mileage surcharge will also apply.

Until June 30, 2028, the county mileage-based road usage charge will be no more than \$50 per year. The mileage charged will be determined by odometer readings that are taken during the annual safety check process. The charges will be deposited in the highway fund and will be spent in the counties from which the fees originated.

The amount of the county road usage charge will be determined by each county through adoption of an appropriate ordinance following a public hearing. The county mileage- based road usage charge shall be zero until the rate is established and the rate shall be comparable to the county fuel tax and no more than the estimated county fuel tax.

Amends section 248-9(a), HRS, authorizing the State Highway Fund to expend moneys for traffic control and preservation of safety upon the public highways and streets.

Deletes section 248-9(c), HRS, which allowed county subaccounts within the state highway fund to have been used for state highway road capacity projects in the respective county.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: This is an Administration bill sponsored by the Department of Transportation and designated TRN-06 (24).

Act 222, SLH 2023, authorizes a program called HiRUC that has been in the works for a few years now. That act applies a state mileage-based road usage charge to electric vehicles, supposedly in lieu of the fuel tax that such vehicles are not paying.

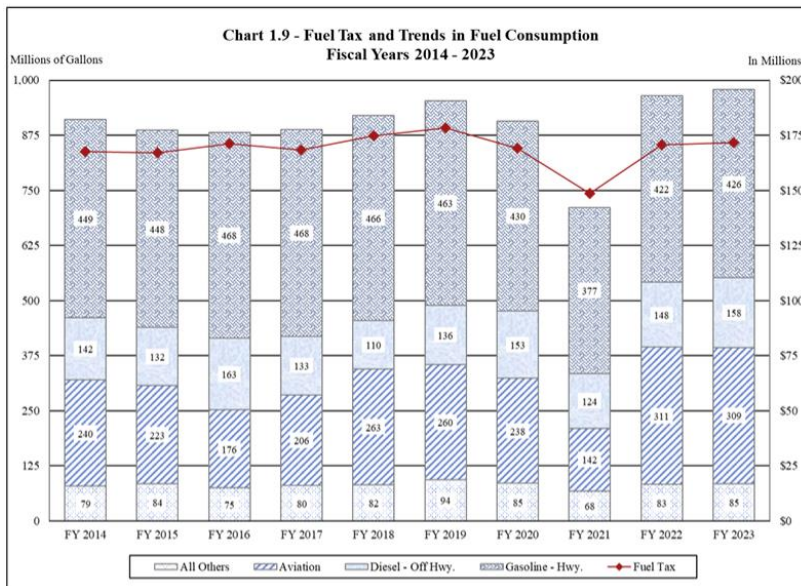
Commented [JM1]: As amended in HD2. sec 249-B(a)(1) &(2) pdf pg 5 & 6... isn't this diff from the state charge?

Because the counties also impose fuel taxes and they also face the problem of having to maintain the highways and byways with more vehicles that are on the roads but that are not burning fossil fuel, this bill is a logical add-on to HiRUC.

We observe that the State’s policy toward electric and other zero-emission vehicles has not been consistent. In the early 2010’s, State policy was to incentivize such vehicles for being environmentally friendlier. Several benefits came with the special plate that accompanied an electric vehicle, including the ability to park at government parking lots (including at the airport!) and street spaces for free, and the ability to jump into carpool lanes even though there is just one person in the car. Sadly, good things don’t last forever. The free parking benefit and the carpool lane benefit expired on June 30, 2020, according to the terms of the 2012 law that spawned them (Act 168, SLH 2012), although the Department of Transportation continued the carpool lane benefit administratively.

The pendulum started swinging the other way this decade. From January 1, 2020, thanks to Act 280, SLH 2019, electric vehicle owners were slapped with a \$50 surcharge on their annual vehicle registration fees.

The reason for the reversal appears to be economic: the Department of Transportation needs money to repair and construct roads, bridges, highways, and byways. Its primary source of money to do that has been the State Highway Fund, which is fed primarily by the fuel tax. As electric vehicles and other alternative fuel vehicles gain acceptance, however, the theory is that fewer people will buy fuel, leading to the fuel tax slowly drying up. As it turns out, however, fuel consumption does not seem to have plateaued yet, although it did take a pandemic bounce in FY 2021:



Re: SB 3183 SD 2 HD 2
Page 3

Source: Department of Taxation Annual Report 2022-23, at 19.

Are electric vehicles and alternative fuel vehicles to be incentivized for their environmental benefits or surcharged because they aren't generating enough fuel tax revenue to pay for their fair share of transportation maintenance? The State and the public could benefit by having leadership and consistent policy relating to electric vehicles and other zero emission vehicles.

Digested: 3/25/2024



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: March 27, 2024

TO: Representative Kyle T. Yamashita
Chair, Committee on Finance

FROM: Tiffany Yajima

RE: **S.B. 3183, S.D.2, H.D.2 – Relating to Road Usage Charge Program**
Hearing Date: Wednesday, March 27, 2024 at 3:30 p.m.
Conference Room: 308

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance:

The Alliance for Automotive Innovation (“Auto Innovators”) submits **comments** in support of S.B. 3183 SD2, HD2.

The Alliance for Automotive Innovation represents the full auto industry, a sector supporting 10 million American jobs and five percent of the economy. From the manufacturers producing most vehicles sold in the U.S. to autonomous vehicle innovators to equipment suppliers, battery producers and semiconductor makers – the association is committed to a cleaner, safer and smarter personal transportation future.

Nationally, gas tax revenues are in decline in part due to greater vehicle fuel efficiency and growing consumer adoption of electric vehicles. In 2023, the state adopted a state road usage charge beginning July 1, 2025 to address the decline in gas tax revenue. The state RUC subjects all EVs to the road user charge based on a 0.8 cent per mile calculation or a flat fee of no more than \$50 per year until June 30, 2028, after which all EVs will pay the RUC. S.B. 3183, SD2, HD2 permits the counties to establish a similar county-based road usage charge in place of the county fuel tax.

The HD2 version of this measure also ensures that after June 30, 2028, the county road user charge for electric vehicles will be set at a comparable rate to the county gasoline tax for gasoline vehicles. This language is intended to ensure that all vehicles contribute a similar amount of tax via the RUC and the gasoline tax and are treated similarly regardless of the vehicle’s technology and method of propulsion. Automakers support this amendment and ask you to pass this measure as is.

Thank you for the opportunity to submit this testimony.



DATE: March 26, 2024

TO: Representative Kyle T. Yamashita
Chair, Committee on Transportation and Culture and the Arts

Submitted Via Capitol Website

FROM: Tiffany Yajima / Matt Tsujimura

RE: **S.B. 3183 S.D. 2 H.D. 2 – Relating to Road Usage Charge Program**
Hearing Date: Wednesday, March 27, 2024 at 3:30PM
Conference Room: 308

Dear Chair Yamashita, Vice Chair Kitagawa and Members of the Committee on Finance:

We submit this testimony on behalf of Enterprise Mobility, which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, and Enterprise Commute (Van Pool).

Enterprise offers this testimony **offering comments** to S.B. 3183 S.D. 2 H.D. 2, which establishes a county mileage-based road usage charge for electric vehicles; clarifies the collection and disposition of funds of the and county mileage-based road usage charges; and establishes the maximum state mileage-based road usage charge.

Due to declining fuel tax revenues, S.B. 3183 S.D. 2 H.D. 2 grants the counties authority to establish a county mileage-based road usage charge for electric vehicles. Enterprise supports the intent of the measure to ensure that the state and counties continue to receive revenue crucial to the upkeep and maintenance of Hawaii's roads.

Enterprise asks that language be included in this measure to clarify that rental car companies may visibly pass on the fees from the road usage charges to customers under the existing vehicle license recovery fee. The road usage charge is meant to replace declining gas tax revenue for electric vehicles which do not pay the gas tax. For the purposes of the rental car industry, customers currently pay the fuel tax when renting a gasoline vehicle. We ask the committee to pass this measure with language making clear that RUC fees for electric vehicles can be similarly passed on to customers under the vehicle license recovery fee.

Thank you for the opportunity to submit this testimony.