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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 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.

10           The legislature also finds that electric bicycles are  
11 significantly more cost effective for local families, better for  
12 the environment than gas-powered motor vehicles, and can  
13 effectively get many Hawaii residents to locations as  
14 conveniently as gas-powered motor vehicles. The current  
15 electric bicycle and moped rebate program, even with minimal  
16 promotion and low subsidy, has helped almost three hundred  
17 people access electric bikes since its inception. However, its



1 reach has been limited by age restrictions and a lower rebate  
2 than other similar programs that does not afford access to many  
3 lower-income families.

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

13 The purpose of this Act is to:

14 (1) Help reduce the cost of transportation, the cost of  
15 living, and traffic on Hawaii's roads by improving the  
16 existing electric bicycle and moped rebate program to  
17 further encourage the purchase and use of adaptive  
18 electric bicycles, electric bicycles, electric mopeds,  
19 and other electric mobility devices; and



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

4           SECTION 2. Section 196-2, Hawaii Revised Statutes, is  
5           amended by adding five new definitions to be appropriately  
6           inserted and to read as follows:

7           "Adaptive electric bicycle" means any bicycle that is  
8           modified to fit the needs of an individual rider who is unable  
9           to use a standard electric bicycle.

10          "Electric bicycle" means a bicycle equipped with fully  
11          operable pedals and an electric motor of no more than seven  
12          hundred fifty watts that meets one or more of the following  
13          classes:

14          (1) Class 1: an electric bicycle equipped with a motor  
15          that provides assistance only when the rider is  
16          pedaling, and that ceases to provide assistance when  
17          the bicycle reaches the speed of twenty miles per  
18          hour;

19          (2) Class 2: an electric bicycle equipped with a motor  
20          that may be used exclusively to propel the bicycle and



1 that is not capable of providing assistance when the  
2 bicycle reaches the speed of twenty miles per hour; or

3 (3) Class 3: an electric bicycle equipped with a motor  
4 that provides assistance only when the rider is  
5 pedaling and that ceases to provide assistance when  
6 the bicycle reaches the speed of twenty-eight miles  
7 per hour and equipped with a speedometer.

8 "Electric bicycle" does not include a high-speed electric  
9 device.

10 "Electric micro-mobility device" means a device weighing no  
11 more than seventy-five pounds that is fully or partially  
12 motorized and used for personal transportation, such as one-  
13 wheels and electric skateboards. "Electric micro mobility  
14 device" does not include electric bicycles or electric foot  
15 scooters.

16 "Electric mobility device" means an adaptive electric  
17 bicycle, electric bicycle, electric micro-mobility device, or  
18 electric mopeds.

19 "High-speed electric device" means a two-wheeled electric  
20 device with a motor exceeding seven hundred fifty watts and  
21 capable of speeds over twenty-eight miles per hour. "High-speed



1 electric device" does not include a moped or motorcycle that can  
 2 legally be operated on a road or street, as provided by law."

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

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



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

13 (d) The department of transportation shall:

14 (1) Prepare any forms that may be necessary for an  
15 applicant to claim a rebate pursuant to this section;

16 and

17 (2) Require each applicant to furnish reasonable  
18 information to ascertain the validity of the claim,  
19 including but not limited to [~~the signature of the~~  
20 ~~buyer and individual responsible for the sale on~~  
21 ~~behalf of a retail store at the time of sale,~~] a copy



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

7 (e) This section shall apply to new:

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

10 (2) Electric mopeds[~~7~~];

11 (3) Adaptive electric bicycles; and

12 (4) Electric micro-mobility devices,

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

14 (f) Applicants shall submit an application to the  
15 department of transportation within twelve months of the date of  
16 purchase to claim a rebate from the electric [~~bicycle and~~  
17 ~~electric moped~~] mobility device rebate program. Failure to  
18 apply within twelve months of the date of purchase shall  
19 constitute a waiver of the right to claim the rebate.

20 (g) Nothing in this section shall alter taxes due on the  
21 original purchase. Any rebate received pursuant to this section



1 shall not be considered income for the purposes of state or  
2 county taxes.

3 (h) In administering the electric mobility device rebate  
4 program, the department of transportation shall provide rebates  
5 to:

6 (1) Persons who are residents of the State and fifteen  
7 years or older, who purchase a new electric mobility  
8 device; and

9 (2) Non-profit organizations who are registered in the  
10 State who purchase one or more new electric mobility  
11 devices.

12 [~~h~~] (i) In administering the electric [~~bicycle and~~  
13 electric moped] mobility device rebate program, the department  
14 of transportation shall provide [~~rebates~~] an assistance rebate  
15 in addition to the rebate in subsection (b). The additional  
16 assistance rebate shall be \$ \_\_\_\_\_ or the full retail  
17 amount, whichever amount is lower, to persons [~~eighteen~~] fifteen  
18 years or older who:

19 (1) Are eligible for:

20 (A) The Supplemental Nutrition Assistance Program;

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



1 (C) Section 8 of the United States Housing Act of  
2 1937, as amended; or

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

5 (2) Do not own a registered motor vehicle with four or  
6 more wheels, as demonstrated by an affidavit signed by  
7 the applicant at the time of sale of the new electric  
8 ~~[bicycle or electric moped,]~~ mobility device, which  
9 may be audited by the department of transportation; or

10 (3) Are enrolled in school, community college, or  
11 university.

12 ~~[(i)]~~ (j) The department of transportation may contract  
13 with a third-party administrator to operate and manage the  
14 electric ~~[bicycle and electric moped]~~ mobility device rebate  
15 program. The third-party administrator shall not be deemed to  
16 be a ~~["governmental body"]~~ government body as defined in section  
17 103D-104; provided that all moneys transferred to the third-  
18 party administrator shall have been appropriated by the  
19 legislature or shall be from moneys provided by the federal  
20 government or private funding sources. ~~[The third-party~~  
21 ~~administrator shall not expend more than ten per cent of the~~



1 ~~amounts appropriated for the rebate program, or any other~~  
2 ~~reasonable percentage determined by the department of~~  
3 ~~transportation, for administration of the electric bicycle and~~  
4 ~~electric moped rebate program.]~~

5 (k) The third-party administrator may pay rebates to each  
6 rebate applicant from moneys transferred pursuant to subsection  
7 (j) from the electric mobility device subaccount within the  
8 highway development special fund.

9 (l) Any modification or alteration to an electric bicycle  
10 or electric micro-mobility device after purchase from the  
11 manufacturer that affects its classification, performance, or  
12 compliance with the specifications shall result in the  
13 disqualification of the rebate and the recipient shall repay the  
14 full rebate amount to the department of transportation. The  
15 department of transportation shall establish a process for  
16 verification and enforcement, including but not limited to  
17 inspections, reporting requirements, and penalties for  
18 noncompliance.

19 (m) The department of transportation shall provide an  
20 annual report to the legislature no later than twenty days prior  
21 to the convening of each regular session that shall detail the



1 rebates provided by zip code, amount received, and type of  
2 rebate."

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

5 "(d) There is established within the highway development  
6 special fund an electric [~~bicycle and electric moped~~] mobility  
7 device subaccount. The department shall expend moneys in the  
8 subaccount for the purposes of funding the electric [~~bicycle and~~  
9 ~~electric moped~~] mobility device rebate program established  
10 pursuant to section 196-7.8."

11 SECTION 5. There is appropriated out of the general  
12 revenues of the State of Hawaii the sum of \$ or so  
13 much thereof as may be necessary for fiscal year 2025-2026 and  
14 the sum of \$ or so much thereof as may be necessary  
15 for fiscal year 2026-2027 to be deposited into the electric  
16 mobility device subaccount in the highway development special  
17 fund.

18 SECTION 6. There is appropriated out of the electric  
19 mobility device subaccount in the highway development special  
20 fund the sum of \$ or so much thereof as may be  
21 necessary for fiscal year 2025-2026 and the sum of



1 § or so much thereof as may be necessary for fiscal  
2 year 2026-2027 for the electric mobility device rebate program.

3 The sums appropriated shall be expended by the department  
4 of transportation for the purposes of this Act.

5 SECTION 7. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 8. This Act shall take effect on July 1, 3000.



**Report Title:**

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

**Description:**

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

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