

STAND. COM. REP. NO.

117

Honolulu, Hawaii

FEB 04 , 2025

RE: H.B. No. 1161
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Transportation, to which was referred H.B. No. 1161 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a State Mileage-Based Road Usage Charge Subaccount within the State Highway Fund;
- (2) Authorize counties to establish a county mileage-based road usage charge for electric vehicles beginning July 1, 2028;
- (3) Establish a process for the counties to adopt a per-mile rate by ordinance;
- (4) Clarify the use of monies collected under the state and county road usage charges;
- (5) Set a default state and county road usage charge when the charge cannot be calculated due to incomplete information; and
- (6) Appropriate funds.

2025-1245 HB1161 HD1 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Transportation; one member of the Maui County Council; and Department of Customer Services of the City and County of Honolulu. Your Committee received testimony in opposition to this measure from two individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii and Alliance for Automotive Innovation.

Your Committee finds that in 2023, the Legislature enacted a small-scale per-mile road usage charge program for electric vehicles. This measure would build off the success of the 2023 program and allow, among other things, the counties to begin transitioning to a mileage-based road usage charge as a replacement for the county motor fuel tax.

Your Committee has amended this measure by:

- (1) Clarifying that the county mileage-based road usage charge is paid each year following the most recent registration, rather than inspection;
- (2) Changing the appropriations to unspecified amounts;
- (3) Updating the fiscal year for the appropriation for the implementation of the State Mileage-Based Road Usage Charge Program;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider the following appropriation amounts:

- (1) \$1,700,000 for the implementation of the State Mileage-Based Road Usage Charge Program; and
- (2) \$200,600 for fiscal year 2025-2026 and \$1,542,480 for fiscal year 2026-2027 for the continued implementation of the State Mileage-Based Road Usage Charge.



As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1161, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1161, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



DARIUS KILA, Chair



