

STAND. COM. REP. NO.

014

Honolulu, Hawaii

FEB 13, 2025

RE: H.B. No. 1161  
H.D. 2

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

Madame:

Your Committee on Consumer Protection & Commerce, to which  
was referred H.B. No. 1161, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Beginning July 1, 2028, authorize counties to impose a county mileage-based road usage charge for electric vehicles;
- (2) Clarify the collection and disposition of funds from the state and county mileage-based road usage charges, including the establishment of a State Mileage-Based Road Usage Charge Subaccount;
- (3) Clarify the rate for the state mileage-based road usage charge in the event the odometer information is missing, incomplete, or incorrect;
- (4) Subject motor scooters to motor vehicle insurance requirements;



- (5) Specify that rental motor vehicle companies may visibly pass to the consumer the costs of the state and county mileage-based road usage charges; and
- (6) Appropriate funds.

Your Committee received testimony in support of this measure from the Department of Transportation; Hawai'i State Energy Office; Department of Customer Services of the City and County of Honolulu; Office of the Mayor of the County of Kaua'i; one member of the Hawai'i County Council; two members of the Maui County Council; Ulupono Initiative; Oahu Metropolitan Planning Organization; and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs; Hawaii Electric Vehicle Association; Tax Foundation of Hawaii; Alliance for Automotive Innovation; and Hawaii Food Industry Association.

Your Committee finds that the increasing popularity of electric vehicles has presented opportunities and challenges for Hawaii's transportation infrastructure. The State's fuel tax revenue, which funds necessary road maintenance and infrastructure, is declining as more of the State's residents adopt electric vehicles. To address the loss of fuel tax revenue, Act 222, Session Laws of Hawaii 2023, enacted a mileage-based road usage charge on electric vehicles to establish a fair and sustainable means of funding for the maintenance and improvement of roadways owned and maintained by the State. Your Committee further finds that the counties are facing a similar decline in county fuel tax revenue, leading to a shortfall in funding for the maintenance of county road infrastructure. This measure is intended to establish a mileage-based road usage charge on the county level to ensure that county roads and bridges are safe and accessible as Hawaii begins transitioning to a fair and sustainable source of transportation funding.

Your Committee also finds that plug-in hybrid electric vehicles, like electric vehicles, contribute to the declining fuel tax revenue since plug-in hybrid electric vehicles operate with minimal fuel consumption. Consequently, your Committee believes that plug-in hybrid electric vehicles should be subject to the state mileage-based road usage charge sooner than 2033, when the Department of Transportation is tasked with submitting a plan for



transitioning all passenger vehicles and light-duty trucks to the state mileage-based road usage charge.

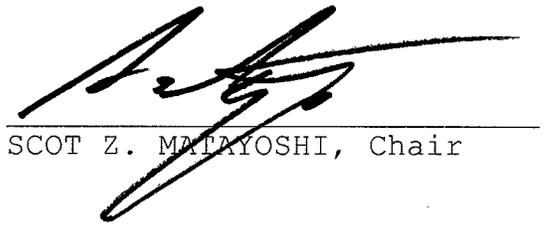
Accordingly, your Committee has amended this measure by:

- (1) Extending the authorization for county mileage-based road usage charges to plug-in hybrid electric vehicles;
- (2) Defining "plug-in hybrid electric vehicle";
- (3) Clarifying that the county mileage-based road usage charge is to be paid each year following an electric vehicle's or a plug-in hybrid electric vehicle's most recent inspection, rather than registration;
- (4) Deleting the creation of the State Mileage-Based Road Usage Charge Subaccount;
- (5) Beginning July 1, 2026, extending the state mileage-based road usage charge to plug-in hybrid electric vehicles;
- (6) Deleting language that subjected motor scooters to the State's motor vehicle insurance requirements; and
- (7) 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. 1161, 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. 1161, H.D. 2.



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



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SCOT Z. MATAYOSHI, Chair

**HSCR 614**

**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> HB 1161, HD 1	<b>Committee Referral:</b> TRN, CPC, FIN	<b>Date:</b> 2/11/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	✓			
2. CHUN, Cory M. (VC)	✓			
3. ILAGAN, Greggor	✓			
4. ICHIYAMA, Linda	✓			
5. IWAMOTO, Kim Coco	✓			
6. KONG, Sam Satoru	✓			
7. LOWEN, Nicole E.	✓			
8. MARTEN, Lisa	✓			
9. TAM, Adrian K.	✓			
10. PIERICK, Elijah			✓	
<b>TOTAL (10)</b>	<b>9</b>		<b>1</b>	
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ 				
<b>Distribution:</b> Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				