

STAND. COM. REP. NO.

974

Honolulu, Hawaii

FEB 28 , 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 Finance, to which was referred H.B. No. 1161, H.D. 2, 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 a county to impose a mileage-based road usage charge for electric vehicles and plug-in hybrid electric vehicles;
- (2) Repeal the requirement for the Department of Transportation to establish county subaccounts within the State Highway Fund;
- (3) Clarify the disposition of funds for the state mileage-based road usage charge;
- (4) Beginning July 1, 2026, extend the state mileage-based road-usage charge to plug-in hybrid electric vehicles;
- (5) Clarify the rate and calculation of the state mileage-based road usage charge;



- (6) Specify that rental motor vehicle companies may visibly pass on the costs of the mileage-based road usage charges to the consumer; and
- (7) Appropriate funds for the State Mileage-based Road Usage Charge Program and continued implementation of the state mileage-based road user charge.

Your Committee received testimony in support of this measure from the Hawai'i State Energy Office; one member of the Kaua'i County Council; two members of the Maui County Council; and Department of Customer Services of the City and County of Honolulu. Your Committee received comments on this measure from the Department of Transportation; Office of the Mayor of the County of Kaua'i; Office of the Mayor of the County of Maui; one member of the Hawai'i County Council; Hawaii Electric Vehicle Association; Alliance for Automotive Innovation; Oahu Metropolitan Planning Organization; Ulupono Initiative; Avis Budget Group; Enterprise Mobility; Servco Pacific Inc.; Tax Foundation of Hawaii; Hertz Corporation; and one individual.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1161, H.D. 2, and recommends that it pass Third Reading.

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



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KYLE T. YAMASHITA, Chair



