LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

M JOSH GREEN, M.D. GOVERNOR KE KIA'ĂINA



EDWIN H. SNIFFEN DIRECTOR KA LUNA HO'OKELE



Deputy Directors Nā Hope Luna Ho'okele DREANALEE K. KALILI TAMMY L. LEE CURT T. OTAGURO 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, 2025 2:00 P.M. State Capitol, Room 308 and Videoconference

S.B. 1117, H.D. 1 RELATING TO TRANSPORTATION

House Committee on Finance

The Hawaii Department of Transportation (HDOT) **supports** this measure with recommendations.

The HDOT is committed to administering this rebate program as it aligns with the state's clean energy goals and supports the wide-spread adoption of small electric vehicles. This program will offer lower cost and zero-emission travel and commuting alternatives to Hawai'i's residents.

The HDOT recommends the following amendments:

- Amend Section 4 (k). HDOT recommends replacing the language with the following: "Any electric mobility device rebate applicant shall provide affirmation in the form of selfaffidavit that there shall be no modification or alteration to an electric bicycle or electric micro-mobility device after purchase from the manufacturer that affects its classification, performance, or compliance with the specification. The department of transportation may conduct audits to verify that there was no modification or alteration. If the department of transportation finds that there has been modification or alteration, this shall result in the disqualification of the rebate and the recipient shall repay the full rebate amount to the department of transportation."
- Amend Section 17. "There is appropriated out of the state highway general fund the sum of <u>\$700,000</u> or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to be deposited into the highway development special fund electric mobility subaccount."
 - HDOT prefers appropriating state general funds in the amount of \$700,000 in each fiscal year to be deposited into the highway development special fund mobility subaccount.
- Amend Section 18. HDOT recommends appropriating \$700,000 in fiscal year 2025-2026 and \$700,000 in fiscal year 2026-2027 out of the electric mobility device subaccount in the Highway Development Special Fund for the purpose of funding the electric mobility device rebate program.
- Insert Section XX to appropriate state general funds for fiscal year 2024-2025 in the amount of \$500,000, to be deposited into the Highway Development Special Fund Electric Mobility Subaccount.

 Insert Section XX to appropriate Highway Development Special Fund Electric Mobility Subaccount for fiscal year 2024-2025 in the amount of \$500,000 for the purposes of the electric mobility rebate program. Funds appropriated shall not lapse at the end of the fiscal year for which it was appropriated, but any unencumbered funds remaining shall lapse on June 30, 2028. The sums appropriated shall be expended by the department of transportation for the purposes of this Act.

The HDOT is willing to work with the committee in drafting a HD2 version of the bill that will incorporate the above-mentioned recommendations.

Thank you for the opportunity to provide testimony.

OFFICE OF CLIMATE CHANGE SUSTAINABILITY AND RESILIENCY KE KE'ENA LOLI ANIAU MĀLAMA 'ĀINA A ME KE OLA LOA CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 11th FLOOR • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-2277 • EMAIL: resilientoahu@honolulu.gov • INTERNET: www.resilientoahu.org

RICK BLANGIARDI MAYOR *MEIA*



BENJAMIN SULLIVAN EXECUTIVE DIRECTOR & CHIEF RESILIENCE OFFICER PO'O HO'OKŌ & KAHU OLA LOA

KEALOHA FOX DEPUTY DIRECTOR & CHIEF RESILIENCE OFFICER HOPE PO'O & HOPE KAHU OLA LOA

THURSDAY, MARCH 25, 2025, 2:00 P.M.

STATE OF HAWAI'I HOUSE COMMITTEE ON FINANCE

TESTIMONY ON SENATE BILL 1117, SD2, HD1 RELATING TO TRANSPORTATION

BY,

KEALOHA FOX, Ph.D. DEPUTY DIRECTOR AND DEPUTY CHIEF RESILIENCE OFFICER OFFICE OF CLIMATE CHANGE, SUSTAINABILITY AND RESILIENCY

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

The City and County of Honolulu ("City") Office of Climate Change, Sustainability and Resiliency ("Resilience Office") **supports** SB1117, SD2, HD1, which expands eligibility for the renamed Electric Mobility Rebate Program and amends the maximum rebate amounts.

This measure aligns with the City's affordability and climate action goals as established in the City's Climate Action Plan. Ground transportation alone is responsible for one fifth of O'ahu's greenhouse gas emissions. It is also one of the highest expenses for residents, who, on average, spend almost a sixth of their annual income on transportation. This places undue burden on our low- and moderate- income (LMI) residents. Electric micromobility delivers a highly effective strategy for providing residents with an affordable means to reduce their household transportation costs while at the same time alleviating parking demand, reducing carbon pollution, and easing traffic congestion. Coupled with continued investment in expansion of multimodal infrastructure, such as the recent extension of the King Street Bike Lane into downtown, encouraging e-mobility solutions is an increasingly important part of our efforts to shift away from costly dependence on single occupancy vehicles and meet our statewide carbon neutrality goals. This measure not only advances these goals, but ensures we support LMI households in the transition.

Thank you for the opportunity to testify in support of SB1117, SD2, HD1.



COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair Rep. Jenna Takenouchi, Vice Chair

NOTICE OF HEARING

DATE: Thursday, March 27, 2025 TIME: 2:00 p.m. PLACE: VIA VIDEOCONFERENCE Conference Room 308

From: Lisa Dau, RN, Injury Prevention Coordinator Keiki Injury Prevention Coalition

RE: SB 1117 SD2, HD1, Relating to Transportation

I am writing to express my support for SB1117 SD2, HD1, renaming to the Electric Mobility Rebate Program, and expanding eligibility while amending maximum rebate amounts. It promotes sustainable transportation, improves safety, and ensures responsible regulation of electric mobility devices.

The provision prohibiting children under 15 from riding electric bicycles is necessary to increase safety. Younger riders lack the experience and judgment required to navigate traffic and pedestrians safely. Raising the age for helmet use from 16 to 18 aligns with best practices for head injury prevention, protecting young riders.

The bill's definition of an "electric motorcycle" and the restriction under 18 years of age from operating is an essential safety measure due to its speed and power. This legislation promotes safer and more accessible electric mobility while ensuring that regulations are in place to protect all road users. Thank you for your time and consideration in addressing this important issue.

Sincerely, Lisa Dau, RN, MBA, BSN, CPSTI KIPC, Injury Prevention Coordinator

The Keiki Injury Prevention Coalition's (KIPC) mission is to prevent and reduce injuries to children in Hawaii. <u>https://kipchawaii.org/</u>



Testimony for Hawai'i Appleseed Center for Law and Economic Justice Support for SB1117 - Relating to Transportation House Committee on and Finance Thursday, March 27th, 2025 at 2PM

Dear Chair Yamashita, Vice Chair Takenouchi, and members of the FIN committee,

Mahalo for the opportunity to express **SUPPORT for SB1117**. As currently proposed, the bill would rename and expand the scope of the existing rebate program and increase the rebate amount from \$500 to \$750. We have also provided suggested amendments to strengthen the bill.

This testimony is being submitted on behalf of the Hawai'i Appleseed Center for Law and Economic Justice. Our organization works to build a Hawai'i where everyone has genuine opportunities to achieve economic security and fulfill their potential. Affordable, accessible, and safe transportation is crucial for fostering economic equality as it enables individuals of all backgrounds to access employment opportunities, education, and essential services.

Hawai'i Appleseed is advocating for SB1117 as electric bicycles and other mobility devices have been found to:

- Reduce household transportation costs. In Hawai'i, owning a personal vehicle costs about \$8,100 per year.¹ Notably, Hawai'i households own an average of two cars per household, which means vehicle ownership costs families \$16,200 per year, representing about 20 percent of pre-tax median household income.² Electric mobility devices have significantly lower operating costs compared to gas-powered vehicles, requiring minimal maintenance and no fuel expenses. Additionally, the electric assist feature allows riders to cover longer distances with less physical effort, reducing reliance on other transportation modes and associated costs like parking fees and public transit fares. As an example, in the spring of 2022, the City and County of Denver launched an ebike rebate program. In just nine months, 4,734 Denver residents became new ebike owners who cumulatively saved an estimated \$1 million from avoided fuel and electricity costs.³
- **Reduce traffic and vehicle emissions.** For the State to meet its climate and energy goals, emissions from the ground transportation sector must be reduced. Electric mobility devices are currently one of the most effective tools to decrease car dependency. In Denver, officials found

¹ Yerton, Steward. (2020). *Why It Costs So Much To Own A Car In Hawaii*. Honolulu Civil Beat. Available at: <u>https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/</u>.

² Steward (2020)

³ City and County of Denver. (2022) *Denver's 2022 Ebike Incentive Program: Results and Recommendations*.

that participants of their city's ebike rebate program on average used their bike to replace 3.4 car trips and traveled 21.6 miles weekly. They also found that income-qualified residents were using their ebikes more than standard voucher recipients and replaced more than 40% of their car trips using their ebike. For these reasons, a recent article from the Bloomberg City Lab went so far to state that "No mobility innovation in recent memory offers a comparable opportunity to simultaneously boost health, protect the environment and improve urban quality of life."⁴

Additionally, to improve the bill and further its impact, Hawai'i Appleseed recommends:

- Increase the rebate to \$1,000 for all residents, \$2,000 for income qualified residents, those requiring an adaptive electric mobility device, and those purchasing an electric cargo bike.
- Add the option for residents to qualify for additional rebate monies if people purchase a cargo e-bike or adaptive e-bike.
- Adding a point-of-sale component to the program.

We commend the State of Hawai'i for implementing the rebate program in 2023 and look forward to its expansion. Increasing the scope of this program will undoubtedly increase residents' access and usage of electric bikes and other mobility devices and will support the state in achieving its ambitious climate and energy goals.

Mahalo for the opportunity to testify on this important measure.

Abbey Seitz Abbey Seitz

Abbey Seitz Hawai'i Appleseed Center for Law and Economic Justice Director of Transportation Equity

⁴ Zipper, David. (2023). *The Untapped Power of E-Bike Rebates. Bloomberg City Lab*. Available at: <u>https://www.bloomberg.com/news/articles/2023-07-07/release-the-e-bike-rebates</u>.



Testimony of the Oahu Metropolitan Planning Organization

Committee on Finance

March 27, 2025 at 2:00PM Conference Room 308

SB 1117 SD 2 HD 1 Relating to Transportation

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

The Oahu Metropolitan Planning Organization (OahuMPO) **supports SB 1117 SD 2 HD 1 and offers amendments to improve the bill**, which would rename and expand the scope of the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program and increase the potential rebate amount.

The OahuMPO supports the proposed improvements to the electric mobility rebate program, and would like to make the following recommendations to further improve the bill:

- 1. <u>Add the option for residents to qualify for additional rebate monies if people</u> <u>purchase a cargo e-bike or adaptive e-bike</u>. The OahuMPO recommends the following changes to section 4 (i), in red:
 - (1) Are eligible for:
 - (A) The Supplemental Nutrition Assistance Program;
 - (B) The free and reduced price lunch program;
 - (C) Section 8 of the United States Housing Act of 1937, as amended; or
 - (D) Similar low-income assistance programs identified by the department of transportation;

(2) Do not own a registered motor vehicle with four or more wheels, as demonstrated by an affidavit signed by the applicant at the time of sale of the new electric bicycle, electric moped, adaptive electric bicycle, or electric micro-mobility device, which shall be audited by the department of transportation; or

(3) Are enrolled in school, community college, or university and demonstrates a financial need based on Pell Grant eligibility and other verifiable indicators of financial need; provided that the director of transportation or the director's designated authority may grant exemptions to the financial need requirement;

(4) Purchase an adaptive electric bike; or

(5) Purchase an electric cargo bike.

In Denver, Colorado if you are a person with a disability and you are unable to use a standard e-bike, you may be eligible to save up to \$1,400 on the sale of an adaptive e-bike. Adaptive e-bikes are designed to meet individual and specialized needs of their specific riders. This is important as adaptive e-bikes tend to be more expensive than more commonly sold e-bikes. A person in Denver purchasing an electric cargo bike is also eligible for additional rebate monies, totaling \$1,400 for the purchase of a cargo e-bike.

 Increase the rebate to \$1,000 for all residents, \$2,000 for income qualified residents, those requiring an adaptive electric mobility device, and those purchasing an electric cargo bike. The OahuMPO recommends the following changes to section 3 (b) and 3 (i), in red:

b) Each eligible purchase of a new electric bicycle, electric moped, adaptive electric bicycle, or electric micro-mobility device shall receive a rebate of either fifty per cent of the retail cost or \$1,000750; whichever is lower; provided that no individual shall receive more than \$1,000750 in total rebates each fiscal year unless also qualifying for the additional assistance rebate pursuant to subsection (i), in which case no individual shall receive more than \$2,0001,500 in total rebates each fiscal year.

i) In administering the electric mobility rebate program, the department of transportation shall provide an assistance rebate in addition to the rebate in subsection (b). The additional assistance rebate shall be \$1,000750 or the full retail amount, whichever amount is lower, to persons fifteen years or older who...

Residents identified "cost of e-bikes" as one of their top three barriers to owning an e-bike during community engagement conducted by the Hawaii State Energy Office. Increasing the rebate to \$1,000 will help to cover the full cost of the cheapest full-sized electric bike available locally. In addition, an increased rebate will also help to cover more of the cost of electric cargo bikes, which would help residents make even more of their trips via non-vehicular modes. Providing greater financial incentives will encourage more residents to purchase electric mobility devices and use them in place of their cars.

- 3. <u>Provide the rebate at the point of sale</u>. The OahuMPO recommends the following changes to section 3 (a), (f), and (j), in red:
- (a) The department of transportation shall administer a rebate program that incentivizes the purchase of new electric <u>mobility devices</u> at the point of sale. and may contract with a third-party administrator pursuant to subsection (<u>k</u>) to operate and manage the rebate program.

f) Applicants Registered point of sales operators shall submit an application documentation to the department of transportation within twelve months of the date of purchase to claim the a rebate from the electric [bicycle and electric moped] mobility rebate program. Failure to apply within twelve months of the date of purchase shall constitute a waiver of the right to claim the rebate.

j) The department of transportation may contract with a third-party administrator to operate and manage the electric mobility rebate program **at the point of sale**.

Recent National Institute for Transportation and Communities research found that point of sale mechanism for e-bike programs are 30 percent more effective than rebate programs.¹

The costs of vehicle ownership are significant for Hawaii residents, the public sector, and the private sector. Residents pay more than \$8,100 to own and operate a vehicle.² Hawaii households have an average of two cars per household, which means vehicle ownership costs families \$16,200 a year and represents about 20 percent of pre-tax median household income.³ In addition, vehicle ownership in Hawaii amounts to \$11.2 billion public and \$10.6 billion private costs, which is roughly \$15,000 per taxpayer (\$24,400 per household) per year, regardless of whether a person or family owns a vehicle.⁴ Having access to electric mobility devices will help reduce transportation costs for residents as it will encourage less trips taken with a vehicle and therefore has the potential to reduce operating costs and the number of vehicles needed in a household.

For the State to meet its climate and energy goals, emissions from the ground transportation sector must be reduced. In 2019, emissions from transportation activities in Hawai'i were 10.68 MMT CO2 Eq, accounting for 54.9 percent of Energy sector emissions.⁵ Domestic aviation accounted for the largest portion of transportation

¹ <u>https://www.sciencedirect.com/science/article/abs/pii/S1361920924000713?via%3Dihub</u>

² <u>https://ulupono.com/media/ingpfb23/final-report-costs-of-vehicle-economy-in-hawaii-03-9-21.pdf</u>

³ IBID.

⁴ IBID.

⁵ https://health.hawaii.gov/cab/files/2023/05/2005-2018-2019-Inventory_Final-Report_rev2.pdf

emissions (46.4 percent) followed by ground transportation (37.7 percent).⁶ Greater adoption of electric mobility devices can play a significant role in reducing ground transportation emissions. According to the State Climate Commission Report, "Drivers of VMT and priority reduction strategies in Hawaii" approximately 30% of all trips taken are under 1 mile, 60% of all trips are under 3 miles, and 70% of all trips are under 5 miles.⁷ This is a tremendous opportunity for the State to support shifting those short trips made via vehicle to those that can be made via electric mobility device, by providing greater financial incentives to purchase cleaner and more efficient modes of transportation.

Denver, Colorado, which implemented a similar rebate to the one proposed in this bill saw substantial cost savings for residents and reduced greenhouse gas emissions as a result. Through a survey to rebate recipients, they found that residents are riding their e-bikes an average of 26 miles each week, replacing 3.4 car round trips.⁸ They estimated that new e-bikes replaced 100,000 vehicle miles traveled each week.⁹ The survey also indicated that income-qualified residents used their e-bikes nearly 50% more than the standard voucher recipient.¹⁰ As Denver residents were able to swap some of their vehicular trips with those made via electric bikes, they were able to save money, as well as reduce their greenhouse gas emissions.

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), which encourages and promotes a safe, efficient, and resilient transportation system that serves the mobility needs of all people and freight (including walkways, bicycles, and transit), fosters economic growth and development, while minimizing fuel consumption and air pollution (<u>23 CFR 450.300</u>).

This bill is consistent with several goals of the Oahu Regional Transportation Plan including support for active and public transportation, promoting an equitable transportation system, and improving air quality and protecting environmental and cultural assets.¹¹ Providing a more robust rebate for electric mobility devices, such as ebikes and e-mopeds will help more residents purchase cleaner and more efficient modes

⁶ IBID.

 ⁷ <u>https://climate.hawaii.gov/wp-content/uploads/2023/07/USCA Hawaii VMT strategies Feb22.pdf</u>
<u>8 https://www.denvergov.org/Government/Agencies-Departments-Offices/Agencies-Departments-Offices-Directory/Climate-Action-Sustainability-Resiliency/Cutting-Denvers-Carbon-Pollution/Sustainable-Transportation/Electric-Bikes-E-Bikes-Rebates</u>

⁹ IBID.

¹⁰ IBID.

¹¹ <u>https://oahumpo.org/?wpfb_dl=2215</u>

of transportation. More residents acquiring electric mobility devices is particularly important to help the State address cost of living and equity concerns as well as meeting its carbon net-negative goal by 2045.

Thank you for the opportunity to provide testimony on this measure.

Oahu Metropolitan Planning Organization 707 Richards Street, Suite 200 Honolulu, Hawaii 96813 Telephone: (808) 587-2015 | Fax: (808) 587-2018 www.oahumpo.org



Thursday, March 27, 2025 at 2:00 pm Conference Room 329 & Videoconference

House Finance

To: Representative Kyle Yamashita, Chair Representative Jenna Takenouchi, Vice Chair

House Committee on Judiciary & Hawaiian Affairs

- To: David Tarnas, Chair Mahina Poepoe, Vice Chair
- From: Alissa Lo BSN CEN Trauma Program Manager

Re: SB 1117 SD2, HD1

My name is Alissa Lo, and I am the Trauma Program Manager at Kapi'olani Medical Center for Women & Children (Kapi'olani). Kapi'olani is an affiliate of Hawaii Pacific Health. Kapi'olani is the state's only maternity, newborn and pediatric specialty hospital. It is also a tertiary care, medical teaching and research facility. Specialty services for patients throughout Hawai'i and the Pacific Region include intensive care for infants and children, 24-hour emergency pediatric care, air transport, maternal-fetal medicine and high-risk perinatal care.

We write in Support of SB 1117 SD2, HD1 which, among various amendments, prohibits a person from operating a moped or electric motorcycle in certain areas for bicycles; renames the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program; expands eligibility and amends the maximum rebate amounts; amends the age requirement for required helmet use from 16 to 18 years of age; prohibits a person under the age of fifteen from operating a class 3 electric bicycle; establishes rules for electric bicycle operation; allows use of electric bicycles on public sidewalks, subject to certain conditions; prohibits individuals under 18 years of age from operating an electric motorcycle or motor-driven cycle; and changes the term "motor scooter" to "motor-driven vehicle".

Kapiolani Medical Center for Women and Children is the state's only designated Pediatric Trauma Center. We are seeing a significant increase in pediatric injuries resulting from electric bicycles or e-bikes. E-bikes are a new and trending injury mechanism that we have not seen at our center prior to 2021. <u>Between 2022 and 2023, the number of children</u> being treated at our center for e-bike injuries have more than doubled. In the second guarter of 2024, e-bike injuries were our 2nd most common cause of injuries in the pediatric population treated at our center.

The severity of these preventable injuries is devastating, including permanent lifelong disability as well as brain death in children. Passing this bill will help to keep under-age children off of e-bikes—which essentially are motorcycles—as the name itself is misleading. Additionally, mandating the use of helmets for those who do operate electric motorcycles will reduce the severity of the kinds of injuries suffered by the operators.

Thank you for the opportunity to testify.



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE Thursday, March 27, 2025 — 2:00 p.m.

Ulupono Initiative <u>supports</u> SB 1117 SD 2 HD 1, Relating to Transportation.

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 <u>supports</u> SB 1117 SD 2 HD 1. This bill prohibits a person from operating a moped or electric motorcycle in certain areas for bicycles; renames the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Device Rebate Program; expands eligibility and amends the maximum rebate amounts; reduces the deadline to submit an application to six months from the date of purchase; authorizes the Administrator of the rebate program to authorize grants under certain circumstances; requires applicants who are enrolled in a school, community, college, or university to demonstrate a financial need to be eligible for an additional assistance rebate; exempts certain class 3 electric bicycles from registration requirements; establishes a cap for the Electric Mobility Device Subaccount and requirements for transferring funds into the Subaccount; amends the age requirement for required helmet use from 16 to 18 years of age; prohibits a person under the age of fifteen from operating a class 3 electric bicycle; establishes rules for electric bicycle operation; allows use of electric bicycles on public sidewalks, subject to certain conditions; prohibits individuals under 18 years of age from operating an electric motorcycle or motor-driven cycle; and, changes the term "motor scooter" to "motor-driven vehicle".

We are excited to see many of these changes, but we do believe additional amendments would continue to improve the bill. These include:

1) Removing the percentage requirement of the subsidy — Although having the subsidy cover 50 percent is better than 20 percent, it still limits the subsidy to those who have several hundred dollars readily available. Past survey and outreach work performed by the Hawai'i State Energy Office indicated that the up-front cost of e-bikes remains a significant barrier for people to access this mode and, by extension, all the additional job, educational, and housing opportunities that it may unlock. In addition, the current structure could unintentionally encourage more expensive e-bike purchases by people of means in order to access the largest subsidy possible. Conversely, 44% of

Investing in a Sustainable Hawai'i



Hawai'i households fall below the ALICE threshold¹, suggesting they may struggle to purchase an e-bike with the average price being 1,600, based on recent data from Hawai'i Department of Transportation.²

2) Adding a point-of-sale component to the program — We understand that a point-of-sale solution requires more infrastructure to implement, but recent National Institute for Transportation and Communities research found that point-of-sale mechanisms for e-bike programs are 30 percent more effective than other rebate programs, and it ensures the rebate is more universally available, regardless of personal income.³

Although the current program has helped more than 450 people, it still hasn't achieved its full potential impact.⁴ If the proposed improvements are made, we can expect to see the following benefits in Hawai'i:

- **Reduce the cost of living** 'Ohana with e-bikes save almost \$380/year on transportation costs (mostly fuel and maintenance). When aggregated across the program potential, that is an additional \$630,000 per year in savings for participants. That's money they can choose to spend on food, clothes, and other necessities.⁵
- **Increased participation** With more than \$540,000 remaining in the program, e-bike costs remain one of the largest barriers for lower-income residents.⁶ Meaningful subsidies enables more to participate.
- **Reduce fossil fuels consumption** Encouraging more active transportation equates to individual reduction in driving by 7 percent by 2035 and community-wide avoidance of consuming 19,500 barrels of oil per year (enough to power 50 Hawai'i homes).⁷

Electric mobility devices can transform our community's transportation habits and help provide real transportation choices. We look forward to the continued success of the program.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata Director of Government Affairs

¹ https://www.unitedforalice.org/state-overview/hawaii

² Inferred from the average subsidy amount.

³ Jones, Luke, et al. "Consumer purchase response to e-bike incentives: Results form a nationwide stated preference study."

https://www.sciencedirect.com/science/article/abs/pii/S1361920924000713?via%3Dihub April 24, 2024

⁴ <u>https://www.denverpost.com/2023/01/05/ebike-rebate-program-denver-2023/</u>

⁵ Impacts calculated for Hawai'i-specific inputs based on RMI's e-bike environmental and economic impact assessment tool based on the bill's proposed incentives for 3 years and up to \$2.1 million. <u>https://rmi.org/insight/e-bike-environment-and-economics-impact-assessment-calculator/</u>

⁶ Presentation available upon request from the Hawai'i State Energy Office (December 2023 virtual briefing)

⁷ Same as above, but note adapted for Hawai'i home energy consumption (2x as much as the average American home).



P.O. BOX 2359 BOULDER, CO 80306 PeopleForBikes.org | 303.449.4893

March 27, 2025

Chair Kyle T. Yamashita House Finance Committee Hawai'i House of Representatives

Vice-Chair Jenna Takenouchi House Finance Committee Hawai'i House of Representatives

Cc: Members of the House Finance Committee

RE: PeopleForBikes Letter of Support for Senate Bill 1117

Dear Chair Yamashita, Vice-Chair Takenouchi, and Members of the House Finance Committee,

I write to you on behalf of PeopleForBikes to express our support for <u>Senate Bill</u> <u>1117</u>, Department of Transportation; Rebate; Electric Mobility Device Subaccount; Electric Mobility Device Rebate Program; Electric Motorcycles; Reports; Appropriations.

PeopleForBikes is a national bicycle organization and the U.S. bicycle industry's trade association representing more than 340 bicycle industry supplier members and nearly 1.4 million individual supporters, including 2,500 Hawai'ians. Through our three areas of influence — infrastructure, policy, and participation — we accelerate the construction of safe, fun, and connected places to bike; advance pro-bike and pro-bike-business legislation; and reduce barriers to welcome more people to the joys of riding a bike.

If enacted, Senate Bill 1117 will expand Hawai'ian's eligibility and the amount for the current electric bicycle and moped rebate program from \$700,000 to \$2,000,000 within the Hawai'i Department of Transportation, enabling more residents to purchase qualifying electric bicycles from participating retailers. This program takes an innovative approach by focusing on reducing the cost of transportation while also expanding the program to encourage Hawaiians to shift away from cars to other,

more sustainable modes of transportation.

We firmly believe that this expansion of the electric mobility rebate program will greatly benefit Hawai'i residents. Electric bicycles are the future of mobility and recreation and have a proven track record of not only reducing car trips and congestion but also expanding low-cost mobility options for individuals who may not otherwise choose cycling for transportation. By eliminating barriers to access, this incentive program will enable more residents to embrace the advantages of electric bicycles.

Furthermore, this legislation introduces the three class system for identification of electric bicycles. The three class system for electric bicycle regulation has now been adopted in 42 states and by four federal agencies. The introduction of this language provides additional clarity regarding where electric bicycles can be ridden and what rules apply to people who use them. This facilitates local regulation of electric bicycles on bicycle paths so that local entities can make the best decision for their communities. By aligning Hawai'i with the model three class legislation, Senate Bill 1117 can ensure that the electric bicycles that are being incentivized in the electric mobility rebate program are a safe and reliable transportation choice for Hawai'ians.

While PeopleForBikes supports the definition of "high-speed electric device" in Section 3, we suggest that Senate Bill 1117 be amended to align more closely with House Bill 958 to regulate their usage: §291C- Operating a high-speed electric device. No person shall operate a high—speed electric device on a public roadway, a bicycle lane, travel paths, and other designated areas, such as streets, highways, and sidewalks.

The expansion of the electric mobility rebate program will enhance Hawai'i's economy and promote sustainable, equitable, and affordable transportation options, while also aligning Hawaii with the model three class legislation to support safe and regulated electric bicycles.

Thank you for your time and consideration.

Respectfully submitted,

Matt Moore Policy Counsel PeopleForBikes <u>matt@peopleforbikes.org</u>