

JAN 23 2026

S.B. NO. 2905

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# A BILL FOR AN ACT

RELATING TO ENERGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that the electric vehicle  
2 charging system rebate program, established pursuant to Act 142,  
3 Session Laws of Hawaii 2019, provides rebates for the  
4 installation of electric vehicle charging systems in priority  
5 locations, including multi-unit dwellings, workplaces, and  
6 commercial areas, and in places that serve vehicle fleets.  
7 After the initial funding provided in 2019 was depleted, the  
8 legislature recognized the need for a sustainable source of  
9 funding and dedicated a small portion of the environmental  
10 response, energy, and food security tax, also known as the  
11 "barrel tax," to fund the electric vehicle charging system  
12 rebate program through an electric vehicle charging system  
13 subaccount. This program has proven very successful for its  
14 initial limited size and scale, facilitating the installation of  
15 over four hundred fifty new charging systems in the State.  
16       The legislature further finds that the need for electric  
17 vehicle charging infrastructure only continues to increase,



1 which in turn is widening the shortfall in infrastructure  
2 available to meet this need. Public incentives must  
3 dramatically increase to fill this growing gap and meet further  
4 needs going forward. Hawaii is currently among the leading  
5 states in the nation in the rate of electric vehicle adoption  
6 but among the last in the availability of public electric  
7 vehicle charging infrastructure.

8 The legislature additionally finds that the availability  
9 and accessibility of electric vehicle charging infrastructure  
10 support the economy, protect the environment and climate, and  
11 promote affordability and livability in the State. The ongoing  
12 shift from fossil fuel vehicles to electric vehicles in the  
13 Hawaii market enables families to save on their cost of living  
14 by giving them more affordable transportation options without  
15 onerous gas bills. It also benefits the local economy by  
16 reducing the massive drain of funds out of the State to pay for  
17 imported fossil fuels. The lack of charging availability,  
18 however, is a major barrier for consumers to shift to electric  
19 vehicles. A robust and comprehensive electric vehicle charging  
20 network is particularly needed to bring equity to the market and  
21 to make electric vehicles a viable choice for everyone,



1 including renters, condominium residents, and lower-income  
2 households and communities.

3 The 2025 energy security and waste reduction plan that the  
4 Hawaii department of transportation developed under the landmark  
5 Navahine settlement agreement recognizes the need to  
6 dramatically scale up the electrification of transportation to  
7 meet legal mandates to decarbonize the statewide transportation  
8 system. The plan also recognizes that building out Hawaii's  
9 electric vehicle charging infrastructure is an integral part of  
10 the recommended "multifaceted approach" to drive progress on  
11 this front.

12 The purpose of this Act is to expand the electric vehicle  
13 charging system rebate program and accelerate the build-out of  
14 necessary electric vehicle charging infrastructure by  
15 increasing:

16 (1) The environmental response, energy, and food security  
17 tax; and

18 (2) The amount collected from the tax that is deposited  
19 into the electric vehicle charging system subaccount.

20 SECTION 2. Section 243-3.5, Hawaii Revised Statutes, is  
21 amended by amending subsection (a) to read as follows:



1       "(a) In addition to any other taxes provided by law,  
2 subject to the exemptions set forth in section 243-7, there is  
3 hereby imposed a state environmental response, energy, and food  
4 security tax on each barrel or fractional part of a barrel of  
5 petroleum product sold by a distributor to any retail dealer or  
6 end user of petroleum product, other than a refiner. The tax  
7 shall be [~~\$1.05~~] \$1.15 on each barrel or fractional part of a  
8 barrel of petroleum product that is not aviation fuel; provided  
9 that of the tax collected pursuant to this subsection:

10       (1) 5 cents of the tax on each barrel shall be deposited  
11           into the environmental response revolving fund  
12           established under section 128D-2;

13       (2) 4 cents of the tax on each barrel shall be deposited  
14           into the energy security special fund established  
15           under section 201-12.8;

16       (3) 5 cents of the tax on each barrel shall be deposited  
17           into the energy systems development special fund  
18           established under section 304A-2169.1;

19       (4) [~~3~~] 13 cents of the tax on each barrel shall be  
20           deposited into the electric vehicle charging system



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1 subaccount established pursuant to section 269-33(e);  
2 and  
3 (5) 3 cents of the tax on each barrel shall be deposited  
4 into the hydrogen fueling system subaccount  
5 established pursuant to section 269-33(f).

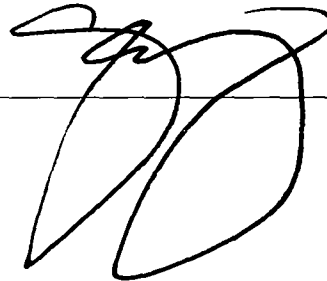
6 The tax imposed by this subsection shall be paid by the  
7 distributor of the petroleum product."

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: \_\_\_\_\_

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned over the line following "INTRODUCED BY:".

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**Report Title:**

Environmental Response, Energy, and Food Security Tax; Electric Vehicle Charging System Subaccount; Increase

**Description:**

Increases the environmental response, energy, and food security tax and the amount collected from the tax that is deposited into the electric vehicle charging system subaccount.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

