

---

# A BILL FOR AN ACT

---

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that rideshare or ride-  
2 hailing services, formally known as transportation network  
3 companies, are services that offer on-demand rides by connecting  
4 drivers using their personal vehicles with passengers hailing a  
5 ride through a technology-based platform. The legislature  
6 further finds that in recent years, the rideshare industry has  
7 experienced substantial growth nationally and in the State,  
8 transforming the way people commute and navigate. In Hawaii,  
9 rideshare services are utilized by local residents in lieu of  
10 driving or owning a care of their own. Rideshare services are  
11 often also utilized by visitors.

12 The legislature further finds that, as the rideshare  
13 industry continues to grow, its impacts are also increasing.  
14 Many of these impacts stem from the use of fossil fuel vehicles  
15 by the drivers of transportation network companies. On average,  
16 a driver in the state logs roughly ten to twelve thousand miles  
17 per year. In comparison, a full-time rideshare driver can often



1 exceed fifty thousand miles per year. The fossil fuel used for  
2 that amount of driving imposes a heavy economic burden on  
3 rideshare drivers, in addition to the environmental costs that  
4 come with air pollution and greenhouse gas emissions.

5 The legislature also finds that a recent study showed that  
6 Hawaii households with the highest reliance on gasoline, which  
7 include drivers for on-demand rideshare and delivery platforms,  
8 spend, on average, almost \$14,000 on gasoline each year, which  
9 is roughly fourteen per cent of their incomes. Incentivizing  
10 these drivers to switch to electric vehicles could save them  
11 thousands of dollars annually on fuel costs and maintenance  
12 while significantly reducing greenhouse gas emissions.

13 The legislature finds that in recognition of the climate  
14 impacts of transportation emissions from the rideshare industry,  
15 California and Massachusetts have required transportation  
16 network companies to reduce their greenhouse gas emissions.  
17 Since 2024, California has also implemented an incentive program  
18 to help transportation network company drivers who qualify as  
19 low- or moderate-income to purchase or lease zero-emission  
20 vehicles. California's program is funded by a fee of nine cents  
21 charged to riders per ride. This fee has raised \$30 million to



1 support the conversion of transportation network company divers  
2 and fleets to zero-emission vehicles.

3 The legislature further finds that a similar incentive  
4 program is appropriate for Hawaii and will help ease the burden  
5 of transportation costs for low- to moderate-income drivers  
6 while facilitating the decarbonization of the rideshare  
7 transportation industry in line with the State's climate  
8 adaptation and mitigation mandates. This incentive program will  
9 provide an innovative and compelling self-funding model that  
10 collects a fee from the industry then returns the funds back to  
11 the industry to reduce its impacts, increase its efficiency, and  
12 enable savings for its workers.

13 Accordingly, the purpose of this Act is to:

14 (1) Establish a zero-emissions rideshare rebate program to  
15 be administered by the department of transportation;  
16 (2) Establish a rideshare fee that shall be assessed on a  
17 rider of a prearranged ride; and  
18 (3) Establish the zero-emissions rideshare subaccount  
19 within the highway development special fund.



1 SECTION 2. Chapter 279J, Hawaii Revised Statutes, is  
2 amended by adding two new sections to be appropriately  
3 designated and to read as follows:

4 **"§279J-A Zero-emissions rideshare rebate program;**  
5 **established; third-party administrator.** (a) There is  
6 established a zero-emissions rideshare rebate program to be  
7 administered by the department. The rebate program shall  
8 support the purchase or lease of zero-emission vehicles by  
9 qualified transportation network company drivers. The  
10 department may contract with a third-party manage and administer  
11 the rebate program.

12 (b) Each eligible purchase or lease of a zero-emission  
13 vehicle shall receive a rebate of not more than \$ .

14 (c) The department shall make the rebate available to  
15 transportation network company drivers belonging to low- and  
16 moderate-income households.

17 (d) The department shall:

18 (1) Prepare any forms that may be necessary for an  
19 applicant to claim a rebate under this section;  
20 (2) Require each applicant to furnish the information  
21 necessary to ascertain the validity of the claim,



1                   including but not limited to documentation that  
2                   demonstrates the applicant's eligibility pursuant to  
3                   rules adopted by the department; and  
4                (3)   Cooperate with a participating dealer or retailer to  
5                   apply the rebate at the point-of-sale.  
6                (e)   Rebates issued pursuant to this section shall be  
7                   subject to available funds; provided that if available funds  
8                   have been exhausted, the department or third-party administrator  
9                   shall not approve additional rebates for the remainder of the  
10                  fiscal year.  
11                (f)   Nothing in this section shall alter taxes due on the  
12                  original purchase of the zero-emission vehicle before the  
13                  application of the rebate.  
14                (g)   Any rebate received under this section shall not be  
15                  considered income for the purposes of state or county taxes.  
16                (h)   Subject to approval by the department, the third-party  
17                  administrator may provide guidelines in addition to those  
18                  specified under this section. The third-party administrator  
19                  shall have the flexibility to make programmatic adjustments due  
20                  to market changes, technological advancements, and levels of



1 participation to ensure the prudent use and effective management  
2 of rebate program funds.

3 (i) A third-party administrator contracted by the  
4 department shall not be considered a "governmental body" as that  
5 term is defined in section 103D-4; provided that all moneys  
6 transferred to the third-party administrator shall only comprise  
7 funds collected pursuant to section 279J-B, appropriated by the  
8 legislature, or provided by the federal government or private  
9 funding sources. The third-party administrator shall not expend  
10 more than ten per cent of the amounts deposited into the zero-  
11 emissions rideshare subaccount with the highway development  
12 special fund pursuant to section 264-122(e) in any fiscal year,  
13 or any other reasonable percentage determined by the department,  
14 for the administration of the rebate program.

15 (j) The department shall adopt rules pursuant to chapter  
16 91 to carry out the purposes of this section.

17 (k) For the purposes of this section:

18 "Low- and moderate-income household" means a household with  
19 an income equal to or less than one hundred forty per cent of  
20 the area median income as determined by the United States  
21 Department of Housing and Urban Development.



1        "Rebate program" means the zero-emissions rideshare rebate  
2        program.

3            "Zero-emission vehicle" has the same meaning as defined in  
4    section 196-9.

8                   (b) Each transportation network company shall collect and  
9                   remit the rideshare fee to the department.

10 (c) All fees collected by the department under this  
11 section shall be deposited into the zero-emissions rideshare  
12 subaccount within the highway development special fund pursuant  
13 to section 264-122(e)."

**14** SECTION 3. Section 264-122, Hawaii Revised Statutes, is  
**15** amended to read as follows:

16 "§264-122 Highway development special fund. (a) There is  
17 established in the state treasury the highway development  
18 special fund to be administered by the department, into which  
19 shall be deposited:



4 (2) Interest from investment of deposits; and

5 (3) Legislative and county appropriations.

6 (b) Moneys in the highway development special fund shall  
7 be used for the following purposes:

8                   (1) Capital costs of qualifying proposed state highway  
9                   improvements;

10 (2) Reevaluation of the need, geographic limitations,  
11 amount, and use of impact fees;

12 (3) Transfers to reimburse other special funds for  
13 expenditures which otherwise might have been funded  
14 with moneys in the highway development special fund;

**15** (4) Transfers under sections 36-27 and 36-30;

**16** (5) Refunds under section 264-125; and

17 (6) The department's costs to implement this part.

18 including but not limited to costs to administer the  
19 highway development special fund.



4 (d) There is established within the highway development  
5 special fund an electric bicycle and electric moped subaccount.  
6 The department shall expend moneys in the subaccount for the  
7 purposes of funding the electric bicycle and electric moped  
8 rebate program established pursuant to section 196-7.8.

14 SECTION 4. In codifying the new sections added by section  
15 2 of this Act, the revisor of statutes shall substitute  
16 appropriate section numbers for the letters used in designating  
17 the new sections in this Act.

**18** SECTION 5. New statutory material is underscored.

**19** SECTION 6. This Act shall take effect on July 1, 2026.

20

INTRODUCED BY:

2026-0624 SB SMA-1.docx



# S.B. NO. 2995

**Report Title:**

DOT; Highway Development Special Fund; Zero-Emissions Rideshare Rebate Program; Zero Emissions Rideshare Subaccount; Ridesharing; Zero-Emission Vehicles; Fees

**Description:**

Establishes a Zero-Emissions Rideshare Rebate Program to be administered by the Department of Transportation. Establishes a rideshare fee. Establishes the Zero-Emissions Rideshare Subaccount within the Highway Development Special Fund.

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

