

Honolulu, Hawaii

FEB 20 , 2026

RE: H.B. No. 2030
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 2030, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION AFFORDABILITY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a Clean Vehicle Rebate Program to provide rebates for the purchase or lease of certain new or used zero-emission or plug-in hybrid electric vehicles to lower-income households; and
- (2) Beginning January 1, 2027, establish a Transportation Affordability and Energy Security Tax on certain light-duty motor vehicles powered by fossil fuels, with tax revenues to be used to partially fund the Clean Vehicle Rebate Program.

Your Committee received testimony in support of this measure from the Hawaii State Energy Office; Office of Economic Development, County of Kaua'i; Hawai'i Youth Transportation Council; Carbon Cashback Hawai'i; Ulupono Initiative; Kauai Climate Action Coalition; Climate Protectors Hawai'i; Earthjustice; Imua Alliance; Oahu Metropolitan Planning Organization; Our Children's Trust; Rivian, LLC; and numerous individuals. Your Committee



received testimony in opposition to this measure from the Hawai'i Automobile Dealers Association and Alliance for Automotive Innovation. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that Hawaii residents consume four hundred fifty million gallons of imported gasoline and diesel for their vehicles every year and that lower-income households are disproportionately represented in gasoline-consuming households. Your Committee further finds that while electric vehicles are on average thousands of dollars cheaper than their fossil-fuel counterparts in the total cost of ownership, the upfront costs of these vehicles remain a significant barrier for low- to moderate-income households. This measure seeks to reduce financial barriers to electric vehicles and other more sustainable vehicle options by establishing a program to provide rebates for the purchase or lease of certain clean vehicles.

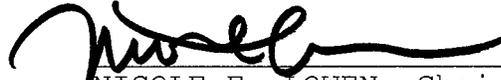
Your Committee has amended this measure by:

- (1) Clarifying that the rebate shall be applied to the final sales price instead of the manufacturer's suggested retail price;
- (2) Changing the number of miles per gallon referenced in the Transportation Affordability and Energy Security Tax to unspecified numbers;
- (3) Exempting vehicles below an unspecified final sales price from the Transportation Affordability and Energy Security Tax; and
- (4) 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 Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2030, 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. 2030, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



