

**ACT 73**

H.B. NO. 424

A Bill for an Act Relating to Procurement of Contracts for Vehicle Rental.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that Hawaii currently has over one million gasoline-powered vehicles on its roads, which emit nearly five million metric tons of climate-changing carbon pollution annually. Some of these vehicles are used by state government employees in the performance of their duties.

The legislature further finds that electric vehicles will play an integral role in Hawaii's clean energy future and in meeting the goals set for the State in reducing its greenhouse gas emissions, particularly as electrical generation in Hawaii transitions more completely to renewable energy sources. Moreover, the transition to renewable energy sources for electricity will reduce costs of electric vehicle transportation below those for gasoline-powered vehicles. Finally, electric vehicles benefit air quality by eliminating the tailpipe emissions from combustion of gasoline or diesel fuel.

Therefore, the purpose of this Act is to require all state agencies to adopt a preference for the rental of an electric vehicle or hybrid vehicle for those occasions when a vehicle must be rented for state employees conducting official government business.

SECTION 2. Section 196-2, Hawaii Revised Statutes, is amended by adding seven new definitions to be appropriately inserted and to read as follows:

“Available” means that the vehicle is physically present and not rented for the requested rental period.

“Conventional vehicle” means a vehicle powered solely by an internal combustion engine.

“Electric vehicle” means a vehicle powered by an electric motor via electricity:

- (1) Stored in a high capacity battery; or
- (2) Generated from an onboard fuel cell.

“Hybrid vehicle” means a vehicle powered by a combination of an electric motor and a small internal combustion engine.

“Rental contractor” means an entity that rents, leases, or proposes to rent or lease, vehicles to state employees for purposes of official government business under a contract pursuant to this chapter.

“State employee” means an employee of the State, including all permanent and temporary employees of the state judicial, executive, and legislative branches and their respective departments, offices, and agencies.

“Suitable” means the vehicle has the performance capabilities needed for the intended application, including payload and weight capacity for the job or is capable of holding a charge for the time and mileage needed.”

SECTION 3. Section 196-9, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) With regard to motor vehicles and transportation fuel, each agency shall:

- (1) Comply with Title 10, Code of Federal Regulations, Part 490, Subpart C, “Mandatory State Fleet Program”, if applicable;
- (2) Comply with all applicable state laws regarding vehicle purchases;
- (3) Once federal and state vehicle purchase mandates have been satisfied, purchase the most fuel-efficient vehicles that meet the needs of their programs; provided that the life cycle cost-benefit analysis of vehicle purchases shall include projected fuel costs;
- (4) Purchase alternative fuels and ethanol blended gasoline when available;
- (5) Evaluate a purchase preference for biodiesel blends, as applicable to agencies with diesel fuel purchases;
- (6) Promote efficient operation of vehicles;
- (7) Use the most appropriate minimum octane fuel; provided that vehicles shall use 87-octane fuel unless the owner’s manual for the vehicle states otherwise or the engine experiences knocking or pinging;
- (8) Beginning with fiscal year 2005-2006 as the baseline, collect and maintain, for the life of each vehicle acquired, the following data:
  - (A) Vehicle acquisition cost;
  - (B) United States Environmental Protection Agency rated fuel economy;
  - (C) Vehicle fuel configuration, such as gasoline, diesel, flex-fuel gasoline/E85, and dedicated propane;
  - (D) Actual in-use vehicle mileage;

- (E) Actual in-use vehicle fuel consumption; and
- (F) Actual in-use annual average vehicle fuel economy; [~~and~~]
- (9) Beginning with fiscal year 2005-2006 as the baseline with respect to each agency that operates a fleet of thirty or more vehicles, collect and maintain, in addition to the data in paragraph (8), the following:
  - (A) Information on the vehicles in the fleet, including vehicle year, make, model, gross vehicle weight rating, and vehicle fuel configuration;
  - (B) Fleet fuel usage, by fuel;
  - (C) Fleet mileage; and
  - (D) Overall annual average fleet fuel economy and average miles per gallon of gasoline and diesel[-]; and
- (10) Adopt a preference for the rental of electric vehicles or hybrid vehicles; provided that:
  - (A) All agencies, when renting a vehicle on behalf of a state employee in the discharge of official government business, shall rent a vehicle of one of the following types, listed in order of preference:
    - (i) Electric vehicle; or
    - (ii) Hybrid vehicle;provided further that the vehicle is available and suitable for the specific travel requirements;
  - (B) The agency may rent a conventional vehicle only if:
    - (i) An electric vehicle or hybrid vehicle is not suitable; or
    - (ii) Neither an electric vehicle nor a hybrid vehicle is available;
  - (C) An agency shall exercise the policy preference for rental of an electric vehicle or hybrid vehicle notwithstanding the potential higher cost associated with renting an electric vehicle or hybrid vehicle; provided that the rental rate for the electric vehicle or hybrid vehicle is comparable to that of a conventional vehicle of similar class; provided further that the cost premium is consistent with any budgetary constraints and not contradicted by an existing state contract with the rental business entity from which the vehicle is rented; and
  - (D) To the extent practicable, all agencies shall rent a vehicle pursuant to subparagraph (A) from a rental contractor.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 24, 2021.)