

**ACT 74**

H.B. NO. 552

A Bill for an Act Relating to the Environment.

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

**PART I**

**SECTION 1.** The legislature finds that the use of fossil fuels is the State's primary contributor to greenhouse gas emissions. These emissions cause

climate change, which poses a serious threat to the State’s economic well-being, public health, infrastructure, and environment. The State’s dependence on fossil fuels also drains the economy of billions of dollars each year, makes residents vulnerable to the volatility of oil prices, and puts residents at increased risk in the event of a natural disaster. Thus, Act 15, Session Laws of Hawaii 2018, was enacted to establish a goal for the State to become carbon neutral by 2045.

The legislature further finds that the transportation sector accounts for the use of over two-thirds of the oil imported into the State. The legislature notes that, for ground transportation, electric vehicles provide a viable, cost-effective alternative to vehicles that run on fossil fuels. For state-owned transportation fleets, the transition to electric vehicles will bring with it considerable cost savings because of lower costs to operate and maintain these vehicles. With the impacts of the COVID-19 pandemic on the state budget, it is imperative that the State take advantage of all opportunities for savings, and the electrification of state fleets to the extent possible is one of these opportunities.

The purpose of this part is to facilitate the transition to one hundred per cent clean ground transportation in the State by establishing a goal to transition all state-owned, light duty motor vehicles to be zero-emission vehicles by the end of 2035 and tasking the department of transportation and the Hawaii state energy office with developing strategies to further this goal.

SECTION 2. Chapter 225P, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§225P- Climate change mitigation.** (a) It shall be the goal of the State to reduce emissions that cause climate change and build energy efficiencies across all sectors, including decarbonizing the transportation sector.

(b) State agencies shall manage their fleets to achieve the clean ground transportation goals defined in section 196-9(c)(10) and decarbonization goals established pursuant to chapter 225P.”

SECTION 3. Chapter 264, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§264- Clean ground transportation goal.** The department of transportation, in collaboration with the Hawaii state energy office, shall develop strategies to transition all light-duty motor vehicles in the State’s fleets to meet the clean ground transportation goal established pursuant to section 196-9(c)(10).”

SECTION 4. Section 103D-412, Hawaii Revised Statutes, is amended to read as follows:

**“§103D-412 [Light-duty motor] Motor vehicle requirements.** (a) The procurement policy for all agencies purchasing or leasing ~~[light-duty]~~ light-, medium-, and heavy-duty motor vehicles ~~[shall be to reduce dependence on petroleum for transportation energy.~~

~~(b) Beginning January 1, 2010, all state and county entities, when purchasing new vehicles, shall be to seek vehicles [with reduced] that reduce dependence on petroleum-based fuels that meet the needs of the agency. Priority for selecting vehicles shall be as follows:~~

- (1) ~~[Electric or plug-in hybrid electric vehicles and fuel cell electric vehicles;]~~ Zero-emission vehicles;
- (2) ~~[Other alternative fuel]~~ Plug-in hybrid electric vehicles;
- (3) ~~[Hybrid electric]~~ Alternative fuel vehicles; and
- (4) ~~[Vehicles that are identified by the United States Environmental Protection Agency in its annual “Fuel Economy Leaders” report~~

as being among the top performers for fuel economy in their class.]  
Hybrid electric vehicles.

(b) Vehicles shall not be larger than necessary for their intended functions.

(c) For the purposes of this section:

“Agency” means a state agency, office, or department.

“Alternative fuel” ~~[means alcohol fuels, mixtures containing eighty-five per cent or more by volume of alcohols with gasoline or other fuels, natural gas, liquefied petroleum gas, hydrogen, biodiesel, mixtures containing twenty per cent or more by volume of biodiesel with diesel or other fuels, other fuels derived from biological materials, and electricity provided by off-board energy sources.]~~ shall have the same meaning as contained in title 10 Code of Federal Regulations part 490; provided that “alternative fuel” includes liquid or gaseous fuels produced from renewable feedstocks, such as organic wastes, or from water using electricity from renewable energy sources.

“Alternative fuel vehicle” shall have the same meaning as contained in title 10 Code of Federal Regulations part 490.

“Covered fleet” [has] shall have the same meaning as contained in title 10 Code of Federal Regulations [Part] part 490 [Subpart] subpart C.

“Excluded vehicles” [has] shall have the same meaning as [provided] contained in title 10 Code of Federal Regulations section 490.3.

“Fuel cell electric vehicle” ~~[means a zero-emission electric vehicle that uses a fuel cell to convert hydrogen gas and oxygen into electricity that is used in a vehicle powertrain for propulsion.]~~ shall have the same meaning as contained in title 10 Code of Federal Regulations section 490.501.

“Hybrid electric vehicle” shall have the same meaning as contained in title 40 Code of Federal Regulations section 86.1803-01.

“Light-duty motor vehicle” [has] shall have the same meaning as contained in title 10 Code of Federal Regulations [Part] part 490 ~~[, not including any vehicle incapable of traveling on highways or any vehicle with a gross vehicle weight rating greater than eight thousand five hundred pounds].~~

“Plug-in hybrid electric vehicle” shall have the same meaning as contained in title 40 Code of Federal Regulations part 86.1803-01.

“Zero-emission vehicle” shall have the same meaning as contained in title 40 Code of Federal Regulations section 88.102-94.

(d) Agencies may apply to the chief procurement officer for exemptions from the requirements of this section to the extent that the vehicles required by this section are not available or do not meet the specific needs of the agency; provided that life cycle vehicle and fuel costs may be included in the determination of whether a particular vehicle meets the needs of the agency. Estimates of future fuel costs shall be based on projections from the United States Energy Information Administration.

(e) Vehicles acquired from another state agency and excluded vehicles are exempt from the requirements of this section ~~[.]~~ but shall be included in the calculation of the clean ground transportation goals established under section 196-9(c)(10).

(f) Nothing in this section is intended to interfere with the ability of a covered fleet to comply with the vehicle purchase mandates required by title 10 Code of Federal Regulations [Part] part 490 [Subpart] subpart C.”

SECTION 5. 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] title 10[;] Code of Federal Regulations[; ~~Part~~ part 490, [~~Subpart~~ 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 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[;], including efficient planning of charging system locations and efficient utilization of renewable energy for charging electric 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
  - (G) Hourly charging data by electric vehicle and electric vehicle charging system;
- (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
  - (E) Hourly charging data by electric vehicle and electric vehicle charging system; and
- (10) Plan and coordinate vehicle acquisition to meet the following clean ground transportation goals:
  - (A) One hundred per cent of light-duty motor vehicles that are passenger cars in the State’s fleet shall be zero-emission vehicles by December 31, 2030; and
  - (B) One hundred per cent of light-duty motor vehicles in the State’s fleet shall be zero-emission vehicles by December 31, 2035.

For the purposes of this subsection:

“Light-duty motor vehicle” shall have the same meaning as contained in title 10 Code Federal Regulations part 490.

“Passenger car” shall have the same meaning as contained in title 49 Code of Federal Regulations section 571.3.

“Zero-emission vehicle” shall have the same meaning as contained in title 40 Code of Federal Regulations section 88.102-94.”

SECTION 6. Section 196-42, Hawaii Revised Statutes, is amended to read as follows:

**“§196-42 State support for achieving alternate fuels standards[-] and clean ground transportation goals.** (a) The State shall facilitate the development of alternate fuels and support the attainment of a statewide alternate fuels standard of ten per cent of highway fuel demand to be provided by alternate fuels by 2010, fifteen per cent by 2015, twenty per cent by 2020, and thirty per cent by 2030. For purposes of the alternate fuels standard, ethanol produced from cellulosic materials shall be considered the equivalent of two and one-half gallons of noncellulosic ethanol. “Alternate fuels” shall have the same meaning as contained in title 10 Code of Federal Regulations [Part] part 490; provided that it shall also include liquid or gaseous fuels produced from renewable feedstocks such as organic wastes, or from water using electricity from renewable energy sources.

(b) The State shall support the attainment of the clean ground transportation target established pursuant to section 196-9(c)(10).”

## PART II

SECTION 7. Section 26-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The department shall:

- (1) Preaudit and conduct after-the-fact audits of the financial accounts of all state departments to determine the legality of expenditures and the accuracy of accounts;
- (2) Report to the governor and to each regular session of the legislature as to the finances of each department of the State;
- (3) Administer the state risk management program;
- (4) Establish and manage motor pools;
- (5) Manage the preservation and disposal of all records of the State;
- (6) Undertake the program of centralized engineering and office leasing services, including operation and maintenance and lease buy-back processing pursuant to subsection (d) of public buildings, for departments of the State;
- (7) Undertake the functions of the state surveyor;
- (8) Establish accounting and internal control systems;
- (9) Under the direction of the chief information officer, provide centralized computer information management and processing services;
- (10) Establish a program to provide a means for public access to public information and develop an information network for state government; ~~and~~
- (11) Assume administrative responsibility for the office of information practices[-]; and
- (12) Approve state fleet acquisitions; provided that:
  - (A) Beginning January 1, 2022, all new light-duty motor vehicles that are passenger cars purchased for the State’s fleet shall be zero-emission vehicles;
  - (B) Beginning as soon as practicable but no later than January 1, 2030, all new light-duty motor vehicles that are multipurpose

passenger vehicles and trucks for the State's fleet shall be zero-emission vehicles; and

- (C) The comptroller may authorize an exemption for new fleet vehicle purchases if zero-emission vehicles are demonstrated to be cost-prohibitive on a lifecycle basis or unsuitable for the vehicles' planned purpose, or if funds are unavailable.

For the purposes of this subsection:

"Light-duty motor vehicle" shall have the same meaning as contained in title 10 Code Federal Regulations part 490.

"Multipurpose passenger vehicle" shall have the same meaning as contained in title 49 Code of Federal Regulations section 571.3.

"Passenger car" shall have the same meaning as contained in title 49 Code of Federal Regulations section 571.3.

"Truck" shall have the same meaning as contained in title 49 Code of Federal Regulations section 571.3.

"Zero-emission vehicle" shall have the same meaning as contained in title 40 Code of Federal Regulations section 88.102-94."

### PART III

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 9. This Act shall take effect on July 1, 2021.

(Approved June 24, 2021.)

#### Note

1. Edited pursuant to HRS §23G-16.5.