
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 human-induced
2 global climate crisis requires thoughtful but bold responses on
3 multiple fronts to make Hawaii communities resilient to the
4 impacts of storms, floods, fire, and sea-level rise that
5 threaten the very survivability of these fragile islands.
6 Hawaii has historically played a critical leadership role in the
7 areas of labor, justice, equity, and the environment. In
8 addition to adopting a statewide carbon neutrality goal, Hawaii
9 was the first state in the nation to adopt a one hundred per
10 cent renewable electricity requirement and the first state to
11 commit to the goals of the 2015 Paris Climate Agreement.
12 Hawaii's one hundred per cent renewable electricity goal has
13 been emulated by other states and territories, demonstrating
14 that Hawaii's actions on climate change can influence broader
15 actions beyond the islands' shores.

16 The legislature further finds that Hawaii is nearly one
17 hundred per cent dependent on imported petroleum for its ground



1 transportation needs. Hawaii residents, businesses, and
2 visitors spent over \$1,700,000,000 on gasoline in 2019 and the
3 combustion of that fuel released over ten billion pounds of
4 climate-changing carbon dioxide into the atmosphere. While
5 carbon pollution from Hawaii's energy sector has decreased over
6 the past decade, carbon pollution from Hawaii's ground
7 transportation sector has increased ten per cent. Existing
8 policy measures have not meaningfully reduced carbon pollution
9 from Hawaii's ground transportation sector.

10 The legislature believes that electric vehicles play an
11 integral role in Hawaii's clean energy future. Electric
12 vehicles are much less expensive to operate per mile than their
13 gasoline counterparts. By using stored electrical energy,
14 electric vehicles can take advantage of intermittent solar,
15 wind, and other clean energy resources. With the continued
16 growth of an intelligent electrical grid, electric vehicles have
17 become an essential component to electricity load and clean
18 energy resource balancing. They also provide clean mobility
19 solutions for Hawaii residents and visitors.

20 The legislature further finds that, in Hawaii and elsewhere
21 in the world, the lack of adequate vehicle charging



1 infrastructure has become a major barrier to increasing adoption
2 of electric vehicles. The International Energy Agency has found
3 that "the availability of chargers emerged as one of the key
4 factors for contributing to the market penetration of [electric
5 vehicles]." Many parking facilities connected to high density,
6 multi-family dwellings, which are a home to a large share of the
7 Hawaii population, do not accommodate electric vehicle charging
8 stations. Exacerbating the adoption barrier is that more than
9 eighty per cent of electric vehicle owners charge their cars at
10 home or work.

11 The purpose of this Act is to establish a market-based
12 electric vehicle infrastructure incentive program consisting of
13 one-time surcharges on the purchase of high-end gasoline-powered
14 vehicles for purposes of funding the electric vehicle charging
15 system rebate program established under sections 269-72 and
16 269-73, Hawaii Revised Statutes. The program is intended to be
17 self-financing and not increase expenditures from or reduce
18 revenues into the general fund.

19 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§237- **Electric vehicle infrastructure incentive**

2 surcharge. (a) There shall be levied, assessed, and collected
3 an electric vehicle infrastructure incentive surcharge on all
4 gross proceeds and gross income attributable to each sale,
5 taxable under this chapter, of a passenger car or pickup truck
6 powered solely by gasoline that has a published manufacturer's
7 suggested retail price of \$50,000 or more.

8 (b) The electric vehicle infrastructure incentive
9 surcharge shall be equal to one per cent of all gross proceeds
10 and gross income attributable to transactions described in
11 subsection (a). All provisions of this chapter shall apply to
12 the electric vehicle infrastructure incentive surcharge. With
13 respect to the surcharge, the director of taxation shall have
14 all the rights and powers provided under this chapter.

15 (c) The director of taxation shall revise the general
16 excise tax forms to provide for the clear and separate
17 designation of the imposition and payment of the electric
18 vehicle infrastructure incentive surcharge.

19 (d) All taxpayers who file on a fiscal year basis whose
20 fiscal year ends after December 31 of the year prior to the
21 taxable year in which the taxes become effective, shall file a



1 short period annual return for the period preceding January 1 of
2 the taxable year in which the taxes become effective. Each
3 fiscal year taxpayer shall also file a short period annual
4 return for the period starting on January 1 of the taxable year
5 in which the taxes become effective, and ending before January 1
6 of the following year.

7 (e) For the purposes of this section:

8 "Electric vehicle" shall have the same meaning as in
9 section 291-71.

10 "Passenger car" shall have the same meaning as in section
11 286-2.

12 "Pickup truck" shall have the same meaning as in section
13 291-14(e).

14 "Published manufacturer's suggested retail price" means the
15 published manufacturer's suggested retail price as set by a
16 vehicle's manufacturer at the time of sale."

17 SECTION 3. Section 237-31, Hawaii Revised Statutes, is
18 amended to read as follows:

19 **"§237-31 Remittances.** All remittances of taxes imposed by
20 this chapter shall be made by money, bank draft, check,
21 cashier's check, money order, or certificate of deposit to the



1 office of the department of taxation to which the return was
2 transmitted. The department shall issue its receipts therefor
3 to the taxpayer and shall pay the moneys into the state treasury
4 as a state realization, to be kept and accounted for as provided
5 by law; provided that:

6 (1) A sum, not to exceed \$5,000,000, from all general
7 excise tax revenues realized by the State shall be
8 deposited in the state treasury in each fiscal year to
9 the credit of the compound interest bond reserve fund;

10 (2) A sum from all general excise tax revenues realized by
11 the State that is equal to one-half of the total
12 amount of funds appropriated or transferred out of the
13 hurricane reserve trust fund under sections 4 and 5 of
14 Act 62, Session Laws of Hawaii 2011, shall be
15 deposited into the hurricane reserve trust fund in
16 fiscal year 2013-2014 and in fiscal year 2014-2015;
17 provided that the deposit required in each fiscal year
18 shall be made by October 1 of that fiscal year; ~~and~~

19 (3) All electric vehicle infrastructure incentive
20 surcharges collected pursuant to section 237- ,
21 shall be deposited into the public utilities



1 commission special fund established pursuant to
 2 section 269-33; provided that the first \$500,000
 3 collected shall be deposited into the electric vehicle
 4 charging system subaccount established pursuant to
 5 section 269-33(e); and

6 ~~[(3)]~~ (4) Commencing with fiscal year 2018-2019, a sum from
 7 all general excise tax revenues realized by the State
 8 that represents the difference between the state
 9 public employer's annual required contribution for the
 10 separate trust fund established under section 87A-42
 11 and the amount of the state public employer's
 12 contributions into that trust fund shall be deposited
 13 to the credit of the State's annual required
 14 contribution into that trust fund in each fiscal year,
 15 as provided in section 87A-42."

16 SECTION 4. Section 269-33, Hawaii Revised Statutes, is
 17 amended to read as follows:

18 "**§269-33 Public utilities commission special fund.** (a)
 19 There is established in the state treasury a public utilities
 20 commission special fund to be administered by the public
 21 utilities commission. The proceeds of the fund shall be used by



1 the public utilities commission and the division of consumer
2 advocacy of the department of commerce and consumer affairs for
3 all expenses incurred in the administration of chapters 269,
4 271, 271G, 269E, and 486J, and for costs incurred by the
5 department of commerce and consumer affairs to fulfill the
6 department's limited oversight and administrative support
7 functions; provided that the expenditures of the public
8 utilities commission shall be in accordance with legislative
9 appropriations. On a quarterly basis, an amount not exceeding
10 thirty per cent of the proceeds remaining in the fund after the
11 deduction for central service expenses, pursuant to section 36-
12 27, shall be allocated by the public utilities commission to the
13 division of consumer advocacy and deposited in the compliance
14 resolution fund established pursuant to section 26-9(o);
15 provided that all moneys allocated by the public utilities
16 commission from the fund to the division of consumer advocacy
17 shall be in accordance with legislative appropriations.

18 (b) All moneys appropriated to, received, and collected by
19 the public utilities commission that are not otherwise pledged,
20 obligated, or required by law to be placed in any other special
21 fund or expended for any other purpose shall be deposited into



1 the public utilities commission special fund including, but not
2 limited to, all moneys received and collected by the public
3 utilities commission pursuant to sections 92-21, 269-28, 269-30,
4 271-27, 271-36, 271G-19, 269E-6, 269E-14, and 607-5.

5 (c) The public utilities commission shall submit an update
6 as part of its annual report submitted pursuant to section 269-5
7 detailing all funds received and all moneys disbursed out of the
8 fund.

9 (d) All moneys in excess of \$1,000,000 remaining on
10 balance in the public utilities commission special fund on
11 June 30 of each year shall lapse to the credit of the state
12 general fund.

13 (e) There is established within the public utilities
14 commission special fund an electric vehicle charging system
15 subaccount. The public utilities commission shall expend moneys
16 in the sub-account for the purposes of funding the electric
17 vehicle charging system rebate program established pursuant to
18 sections 269-72 and 269-73."

19 SECTION 5. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



H.B. NO. 1142

1 SECTION 6. This Act shall take effect on July 1, 2021;
2 provided that this Act shall be repealed on June 30, 2030 and
3 sections 237-31 and 269-33, Hawaii Revised Statutes, shall be
4 reenacted in the form in which they read on June 30, 2021.

5

INTRODUCED BY:

Nicole E. Lowen

JAN 26 2021



H.B. NO. 1142

Report Title:

Electric Vehicle Charging System Rebate Program; New Vehicle Sales

Description:

Establishes a surcharge on the sale of high-end gasoline-powered vehicles to fund the installation of electric vehicle charging systems. Establishes electric vehicle charging system subaccount within the public utilities commission special fund. Sunsets 6/30/2030.

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

