
A BILL FOR AN ACT

RELATING TO ZERO-EMISSION VEHICLES.

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

1 SECTION 1. The legislature finds that climate change
2 caused by greenhouse gas emissions from burning fossil fuels
3 poses a serious threat to the economic well-being, public
4 health, natural resources, and environment of Hawaii. The
5 potential adverse impacts of climate change include the
6 exacerbation of air-quality problems, a reduction in the quality
7 and supply of water, a rise in sea levels resulting in the
8 displacement of coastal businesses and residences, damage to
9 marine ecosystems and the natural environment, and an increase
10 in the incidences of infectious diseases, asthma, and other
11 human health-related problems.

12 The State of Hawaii has committed to eliminating imported
13 fuels from both the electricity and ground transportation
14 sectors and has also committed to abiding by the Paris Climate
15 Accord's goal to limit the amount of global warming to less than
16 1.5 degrees Celsius.



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1 The legislature finds that meeting the State's clean energy
2 goals and commitments necessitates the rapid transition to
3 vehicles which utilize local, renewable energy sources.

4 The legislature further finds that rental motor vehicles
5 represent the largest passenger vehicle fleets in Hawaii and are
6 responsible for a significant amount of carbon emissions.

7 The legislature finds that incorporating large numbers of
8 zero-emission vehicles into rental motor vehicle fleets will
9 significantly reduce carbon emissions; increase the number of
10 zero-emission vehicles entering the secondary market, making
11 them more affordable to more Hawaii residents; and demonstrate
12 to all who visit the State that Hawaii is a leader in clean
13 energy and sustainable transportation.

14 The purpose of this Act is to:

- 15 (1) Set requirements for rental motor vehicle lessors
16 operating in Hawaii to expedite the incorporation of
17 zero-emission vehicles into their fleets;
- 18 (2) Create a rental motor vehicle emissions surcharge on
19 motor vehicles with internal combustion engines; and
- 20 (3) Create a competitive grant program that utilizes the
21 funding from the rental motor vehicle emissions



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1 surcharge to catalyze development of the refueling
 2 infrastructure necessary to enable the large-scale
 3 adoption of zero-emission vehicles.

4 SECTION 2. Chapter 251, Hawaii Revised Statutes, is
 5 amended by adding a new section to be appropriately designated
 6 and to read as follows:

7 "§251- Rental motor vehicle emissions surcharge. (a)
 8 There is levied and shall be assessed and collected each month a
 9 rental motor vehicle emissions surcharge of \$1 for each day, or
 10 a portion of a day that a rental motor vehicle is rented or
 11 leased. The rental motor vehicle emissions surcharge shall be
 12 levied upon the lessor.

13 (b) The rental motor vehicle emissions surcharge tax shall
 14 not be levied on:

15 (1) Any vehicles qualifying in full or part as zero-
 16 emission vehicles pursuant to the requirements of
 17 section 437D-A; and

18 (2) Rental motor vehicles subject to the car-sharing
 19 vehicle surcharge tax pursuant to section 251-2.5.

20 (c) All moneys received from rates, fees, fines, and
 21 administrative penalties of the rental motor vehicle emissions



1 surcharge shall be deposited into the Hawaii zero-emissions
2 vehicle infrastructure special fund established pursuant to
3 section 437D-C."

4 SECTION 3. Chapter 437D, Hawaii Revised Statutes, is
5 amended by adding three new sections to be appropriately
6 designated and to read as follows:

7 "§437D-A Zero-emission vehicles. (a) All lessors of
8 rental motor vehicles in the State that operate a total of more
9 than two hundred light duty passenger vehicles statewide as
10 rental motor vehicles shall incorporate zero-emission vehicles
11 into their rental motor vehicle fleets according to the
12 following schedule:

- 13 (1) No less than ten per cent by July 1, 2021;
14 (2) No less than twenty-five per cent by July 1, 2023; and
15 (3) No less than fifty per cent by July 1, 2025.

16 (b) The required zero-emission vehicles shall be
17 calculated as the ratio of all zero emissions vehicles offered
18 by the lessor to lessees statewide divided by the total number
19 of all light duty passenger vehicles offered by the lessor to
20 all lessees statewide over the preceding twelve months; provided
21 that:



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1 (1) A plug-in hybrid electric vehicle with sixteen or more
2 kilowatt hours of battery storage shall be counted as
3 one zero-emission vehicle; and

4 (2) A plug-in hybrid electric vehicle with less than
5 sixteen kilowatt hours of battery storage shall be
6 counted as a partial zero-emission vehicle, to be
7 calculated by dividing the total kilowatt hours of
8 storage by sixteen, rounded to the nearest tenth.

9 (c) To certify compliance with the requirements of this
10 section, beginning in 2021, each rental motor vehicle lessor in
11 the State shall submit a report to the director annually by
12 December 1 detailing the make, model, license plate number, and
13 fuel or propulsion type of each rental motor vehicle in the
14 lessor's fleet.

15 (d) Lessors who are found to have fewer than the required
16 number of zero-emission vehicles in the lessor's rental motor
17 vehicle fleet shall be assessed an administrative fine of \$1,000
18 per month for each vehicle below the required number.

19 (e) For the purposes of this section:



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1 "Light duty passenger vehicle" means a passenger motor
2 vehicle below eight thousand five hundred pounds gross vehicle
3 weight, regardless of fuel or propulsion type.

4 "Rental motor vehicle" shall have the same meaning as in
5 section 251-1.

6 "Zero-emission vehicle" means:

7 (1) An electric vehicle as defined in section 291-71;

8 (2) A hydrogen fuel cell vehicle with four or more wheels
9 that draws propulsion from electricity generated by
10 passing hydrogen through a fuel cell; and

11 (3) A plug-in hybrid electric vehicle with four or more
12 wheels that draws propulsion from a battery and has an
13 internal combustion engine that may be used to either
14 propel the vehicle directly or to produce electricity
15 to recharge the battery.

16 §437D-B Hawaii zero-emissions vehicle infrastructure grant
17 program. (a) There is established the Hawaii zero-emissions
18 vehicle infrastructure grant program, to be administered by the
19 department of transportation, to catalyze the development of
20 fueling infrastructure for zero-emission vehicles throughout the



1 State and to facilitate and demonstrate financially sustainable
2 business models for such infrastructure.

3 (b) Subject to subsection (d), any public agency or
4 private organization shall be eligible to apply for Hawaii zero-
5 emissions vehicle infrastructure grant program funds on a
6 competitive basis; provided that the department of
7 transportation shall give priority to grant applications that
8 facilitate the large-scale integration of zero-emission vehicles
9 into rental motor vehicle fleets.

10 (c) Grants may be awarded for any capital costs related to
11 the development of zero-emission vehicle refueling
12 infrastructure, including planning, engineering, construction,
13 and the purchase and installation of equipment. Grants shall
14 not be awarded for costs associated with ongoing operations of
15 refueling infrastructure.

16 (d) Any project that receives grant funding shall leverage
17 grant program moneys with no less than twenty per cent matching
18 funds from other sources.

19 **§437D-C Hawaii zero-emissions vehicle infrastructure**
20 **special fund.** There is established the Hawaii zero-emissions
21 vehicle infrastructure special fund to be administered by the



1 department of transportation. All moneys received from any
 2 rates, fees, fines, and administrative penalties pursuant to
 3 section 251- shall be deposited into the special fund and
 4 shall be used to develop, administer, and market the Hawaii
 5 zero-emissions vehicle infrastructure grant program established
 6 pursuant to section 437D-B."

7 SECTION 4. There is appropriated out of the general
 8 revenues of the State of Hawaii the sum of \$ or so much
 9 thereof as may be necessary for fiscal year 2018-2019 to be
 10 deposited into the Hawaii zero-emissions vehicle infrastructure
 11 special fund.

12 SECTION 5. There is appropriated out of the Hawaii zero-
 13 emissions vehicle infrastructure special fund the sum of
 14 \$ or so much thereof as may be necessary for fiscal year
 15 2018-2019 to develop, administer, and market the Hawaii zero-
 16 emissions vehicle infrastructure grant program.

17 The sum appropriated shall be expended by the department of
 18 transportation for the purposes of this Act.

19 SECTION 6. In codifying the new sections added by section
 20 3 of this Act, the revisor of statutes shall substitute



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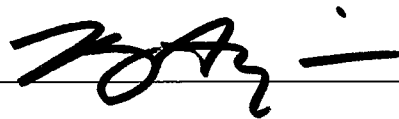
1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 7. New statutory material is underscored.

4 SECTION 8. This Act shall take effect on July 1, 2018.

5

INTRODUCED BY: _____

A handwritten signature in black ink, appearing to be "J. Ayres", written over a horizontal line.

JAN 22 2018



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Report Title:

Zero-emissions Vehicles; Rental Motor Vehicle Emissions Surcharge Tax; Zero-emissions Vehicle Infrastructure Grant Program; Appropriation

Description:

Establishes a Rental Motor Vehicle Emissions Surcharge Tax. Requires lessors of rental motor vehicles to incorporate zero-emission vehicles into their rental motor vehicle fleets. Establishes the Zero-emissions Vehicle Infrastructure Grant Program to develop fueling infrastructure for zero-emission vehicles. Appropriates funds.

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

