A BILL FOR AN ACT

RELATING TO THE ENVIRONMENT.

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

SECTION 1. The legislature finds that the State of Hawaii has made significant progress in implementing policy to reduce the use of fossil fuels for energy generation. However, more than two-thirds of the fossil fuel imported into the State is used for transportation, which is not included in Hawaii's one hundred per cent renewable energy policy. Therefore, the legislature finds that the State must accelerate a transition to cleaner transportation to reach its carbon emissions reduction goals.

Although the cost of electric vehicles has decreased and continues to drop, the lack of electric vehicle charging systems remains a barrier to the more widespread adoption of electric vehicles. Creating incentives to build out a more robust electric vehicle infrastructure will make electric vehicles a viable option for more consumers, especially those who may not have a rooftop solar system that allows them to charge their electric vehicles at home at a lower cost.
The purpose of this Act is to:

(1) Create a program within the department of business, economic development, and tourism that offers rebates for the installation of new electric vehicle charging systems or the upgrade of existing electric vehicle charging systems;

(2) Create the electric vehicle charging station rebate program special fund, to be funded from a portion of the revenue from the environmental response, energy, and food security tax;

(3) Amend the distribution of revenue from the environmental response, energy, and food security tax; and

(4) Prohibit the use of moneys from the energy security special fund to support the state energy office.

SECTION 2. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

§201- Electric vehicle charging system; rebate program; special fund. (a) The department shall establish a rebate program that incentivizes the installation or upgrade of
an electric vehicle charging system, as provided in this
section.

(b) A person who:

(1) Installs a new electric vehicle charging system where
    none previously existed; or

(2) Upgrades an existing electric vehicle charging system
to either:

    (A) A level two station with two or more ports that
        provide electricity to two or more electric
        vehicles simultaneously; or

    (B) A level three station,

may apply to the department within twelve months of the date
that the newly installed or upgraded charging system is placed
into service to claim a rebate from the electric vehicle
charging system special fund. Failure to apply to the
department within twelve months of the date that the newly
installed or upgraded charging system is placed into service
shall constitute a waiver of the right to claim the rebate.

(c) Subject to subsection (d), rebates shall be
distributed as follows:
(1) Each eligible installation of an electric vehicle charging system shall receive ___ per cent of the cost of the installation; provided that the amount of the rebate shall not exceed $___; and

(2) Each eligible upgrade of an electric vehicle charging system shall receive ___ per cent of the cost of the upgrade; provided that the amount of the rebate shall not exceed $___.

(d) The department shall not issue more than $___ in total rebates under this section each fiscal year.

(e) The department shall:

(1) Prepare any forms that may be necessary for an applicant to claim a rebate pursuant to this section;

(2) Require each applicant to furnish reasonable information to ascertain the validity of the claim, including but not limited to documentation necessary to demonstrate that the installation or upgrade for which the rebate is claimed is eligible; and

(3) Post on a publicly available website, within regular and reasonable periods of time, the current amounts
remaining in the electric vehicle charging system special fund.

(f) This section shall apply to electric vehicle charging systems that are installed or upgraded after December 31, 2019.

(g) Nothing in this section shall alter taxes due on the original purchase or upgrade price of an electric vehicle charging system prior to the application of the rebate. Any rebate received pursuant to the electric vehicle charging system rebate program shall not be considered income for the purposes of state or county taxes.

(h) There is established within the state treasury the electric vehicle charging system rebate program special fund, into which shall be deposited:

(1) The portion of the environmental response, energy, and food security tax specified under section 243-3.5;

(2) Appropriations from the legislature; and

(3) All interest attributable to investment of money deposited into the fund.

(i) Moneys in the electric vehicle charging system rebate program special fund shall be used to:

(1) Make rebate program payments pursuant to this section;
(2) Pay the administrative costs for operating the electric vehicle charging system rebate program; and

(3) Pay the administrative costs for operating the electric vehicle charging system rebate program special fund.

(j) The department may adopt rules pursuant to chapter 91 to effectuate the purposes of this section.

(k) As used in this section:

"Electric vehicle charging system" has the same meaning as in section 196-7.5.

"Level two station" means an electric vehicle charging system that:

(1) Discharges 220-240 volt alternating current electricity; and

(2) Meets recognized standards, including standard SAE J1772 of SAE International.

"Level three station" means an electric vehicle charging system that utilizes direct current electricity rated at 440 volts or greater."

SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:
(b) Subject to legislative appropriation, moneys from the fund may be expended by the department of business, economic development, and tourism for the following purposes and used for no other purposes, except for those set forth in this section:

(1) To support the Hawaii clean energy initiative program, including its energy division, including funding staff positions within the division, and projects that ensure dependable, efficient, and economical energy, promote energy self-sufficiency, and provide greater energy security for the State;

(2) To fund the renewable energy facilitator pursuant to section 201-12.5 and any other positions necessary for the purposes of paragraph (1) as determined by the legislature; and

(3) To fund, to the extent possible, the greenhouse gas emissions reduction task force, climate change task force, grants-in-aid to the economic development boards of each county, and grants-in-aid to economic development agencies of each county to meet the stated objectives of the Hawaii clean energy initiative.
provided that moneys shall not be used to fund or support the
operations of the state energy office."

SECTION 4. Section 243-3.5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) In addition to any other taxes provided by law, subject to the exemptions set forth in section 243-7, there is hereby imposed a state environmental response, energy, and food security tax on each barrel or fractional part of a barrel of petroleum product sold by a distributor to any retail dealer or end user of petroleum product, other than a refiner. The tax shall be [$1.05] _____ on each barrel or fractional part of a barrel of petroleum product that is not aviation fuel; provided that of the tax collected pursuant to this subsection:

(1) 5 cents of the tax on each barrel shall be deposited into the environmental response revolving fund established under section 128D-2;

(2) [15] _____ cents of the tax on each barrel shall be deposited into the energy security special fund established under section 201-12.8;
(3) 10 cents of the tax on each barrel shall be deposited into the energy systems development special fund established under section 304A-2169.1; [and]

(4) 15 cents of the tax on each barrel shall be deposited into the agricultural development and food security special fund established under section 141-10[―]; and

(5) _____ cents of the tax on each barrel shall be deposited into the electric vehicle charging system rebate program special fund established under section 201—.

The tax imposed by this subsection shall be paid by the distributor of the petroleum product.

(b) In addition to subsection (a), the tax shall also be imposed on each one million British thermal units of fossil fuel sold by a distributor to any retail dealer or end user, other than a refiner, of fossil fuel. The tax shall be [49] _____ cents on each one million British thermal units of fossil fuel; provided that of the tax collected pursuant to this subsection:

(1) 4.8 per cent of the tax on each one million British thermal units shall be deposited into the
environmental response revolving fund established
under section 128D-2;

(2) 4.3 percent of the tax on each one million
British thermal units shall be deposited into the
energy security special fund established under section
201-12.8;

(3) 9.5 percent of the tax on each one million British
thermal units shall be deposited into the energy
systems development special fund established under
section 304A-2169.1; and

(4) 14.3 percent of the tax on each one million British
thermal units shall be deposited into the agricultural
development and food security special fund established
under section 141-10; and

(5) percent of the tax on each one million British
thermal units shall be deposited into the electric
vehicle charging system rebate program special fund
established under section 201-

The tax imposed by this subsection shall be paid by the
distributor of the fossil fuel."
SECTION 5. There is appropriated out of the electric vehicle charging system rebate program special fund the sum of $ or so much thereof as may be necessary for fiscal year 2019-2020 and the same sum or so much thereof as may be necessary for fiscal year 2020-2021 for the purposes authorized in section 2 of this Act.

The sums appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2019.

INTRODUCED BY:
Report Title:
DBEDT; Electric Vehicles; Charging System; Rebate Program; Establishment; Special Fund; Appropriations

Description:
Establishes an electric vehicle charging system rebate program within the Department of Business, Economic Development, and Tourism that provides rebates to persons who install a new electric vehicle charging system or upgrade an existing electric vehicle charging system. Caps the total value of rebates issued each year at an unspecified sum. Creates, and appropriates moneys out of, the electric vehicle charging station rebate program special fund. Amends the distribution of revenue from the environmental response, energy, and food security tax. Prohibits the use of moneys from the energy security special fund to support the state energy office.

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