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## A BILL FOR AN ACT

RELATING TO THE ENVIRONMENT.

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

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

10           Although the cost of electric vehicles has decreased and  
11 continues to drop, the lack of electric vehicle charging systems  
12 remains a barrier to the more widespread adoption of electric  
13 vehicles. Creating incentives to build out a more robust  
14 electric vehicle infrastructure will make electric vehicles a  
15 viable option for more consumers, especially those who may not  
16 have a rooftop solar system that allows them to charge their  
17 electric vehicles at home at a lower cost.



1 The purpose of this Act is to:

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

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

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

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

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

19 "§201- Electric vehicle charging system; rebate  
20 program; special fund. (a) The department shall establish a  
21 rebate program that incentivizes the installation or upgrade of



1 an electric vehicle charging system, as provided in this  
2 section.

3 (b) A person who:

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

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

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

11 (B) A level three station,  
12 may apply to the department within twelve months of the date  
13 that the newly installed or upgraded charging system is placed  
14 into service to claim a rebate from the electric vehicle  
15 charging system special fund. Failure to apply to the  
16 department within twelve months of the date that the newly  
17 installed or upgraded charging system is placed into service  
18 shall constitute a waiver of the right to claim the rebate.

19 (c) Subject to subsection (d), rebates shall be  
20 distributed as follows:



1       (1) Each eligible installation of an electric vehicle  
2       charging system shall receive           per cent of the  
3       cost of the installation; provided that the amount of  
4       the rebate shall not exceed \$           ; and

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

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

11      (e) The department shall:

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

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

19      (3) Post on a publicly available website, within regular  
20      and reasonable periods of time, the current amounts



1           remaining in the electric vehicle charging system  
2           special fund.

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

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

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

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

16           (2) Appropriations from the legislature; and

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

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

21           (1) Make rebate program payments pursuant to this section;



1        (2) Pay the administrative costs for operating the  
2                electric vehicle charging system rebate program; and

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

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

8        (k) As used in this section:

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

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

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

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

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

20                SECTION 3. Section 201-12.8, Hawaii Revised Statutes, is  
21 amended by amending subsection (b) to read as follows:



1           "(b) Subject to legislative appropriation, moneys from the  
2 fund may be expended by the department of business, economic  
3 development, and tourism for the following purposes and used for  
4 no other purposes, except for those set forth in this section:

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

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

15          (3) To fund, to the extent possible, the greenhouse gas  
16 emissions reduction task force, climate change task  
17 force, grants-in-aid to the economic development  
18 boards of each county, and grants-in-aid to economic  
19 development agencies of each county to meet the stated  
20 objectives of the Hawaii clean energy initiative  
21 program[-];



1 provided that moneys shall not be used to fund or support the  
2 operations of the state energy office."

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

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

- 14 (1) 5 cents of the tax on each barrel shall be deposited  
15 into the environmental response revolving fund  
16 established under section 128D-2;
- 17 (2) [~~15~~] \_\_\_\_\_ cents of the tax on each barrel shall be  
18 deposited into the energy security special fund  
19 established under section 201-12.8;





1 (3) 10 cents of the tax on each barrel shall be deposited  
2 into the energy systems development special fund  
3 established under section 304A-2169.1; [~~and~~]

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

7 (5) \_\_\_\_\_ cents of the tax on each barrel shall be  
8 deposited into the electric vehicle charging system  
9 rebate program special fund established under section  
10 201-\_\_\_\_\_.

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

13 (b) In addition to subsection (a), the tax shall also be  
14 imposed on each one million British thermal units of fossil fuel  
15 sold by a distributor to any retail dealer or end user, other  
16 than a refiner, of fossil fuel. The tax shall be [~~19~~]  
17 \_\_\_\_\_ cents on each one million British thermal units of fossil  
18 fuel; provided that of the tax collected pursuant to this  
19 subsection:

20 (1) 4.8 per cent of the tax on each one million British  
21 thermal units shall be deposited into the



1 environmental response revolving fund established  
2 under section 128D-2;

3 (2) [~~14.3~~] \_\_\_\_\_ per cent of the tax on each one million  
4 British thermal units shall be deposited into the  
5 energy security special fund established under section  
6 201-12.8;

7 (3) 9.5 per cent of the tax on each one million British  
8 thermal units shall be deposited into the energy  
9 systems development special fund established under  
10 section 304A-2169.1; [~~and~~]

11 (4) 14.3 per cent of the tax on each one million British  
12 thermal units shall be deposited into the agricultural  
13 development and food security special fund established  
14 under section 141-10[-]; and

15 (5) \_\_\_\_\_ per cent of the tax on each one million British  
16 thermal units shall be deposited into the electric  
17 vehicle charging system rebate program special fund  
18 established under section 201-\_\_\_\_\_.

19 The tax imposed by this subsection shall be paid by the  
20 distributor of the fossil fuel."



1 SECTION 5. There is appropriated out of the electric  
 2 vehicle charging system rebate program special fund the sum of  
 3 \$ or so much thereof as may be necessary for fiscal year  
 4 2019-2020 and the same sum or so much thereof as may be  
 5 necessary for fiscal year 2020-2021 for the purposes authorized  
 6 in section 2 of this Act.

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

10 SECTION 6. New statutory material is underscored.

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

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INTRODUCED BY:

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JAN 24 2019



# H.B. NO. 1585

**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.

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

