

Honolulu, Hawaii

, 2021

FEB 19

RE: H.B. No. 1142

H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1142, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ENERGY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a surcharge on the sale of high-end gasoline-powered vehicles to fund the installation of electric vehicle charging systems; and
- (2) Establish the Electric Vehicle Charging System Subaccount within the Public Utilities Commission Special Fund.

Your Committee received testimony in support of this measure from the Ulupono Initiative; Tesla, Inc.; Blue Planet Foundation; Hawaii Electric Vehicle Association; and two individuals. Your Committee received testimony in opposition to this measure from the Cutter Management Co.; JN Group; Hawaii Automobile Dealers Association; Alliance for Automotive Innovation; Servco Pacific Inc.; King Windward Nissan; Infiniti of Honolulu; King Auto Center; Aloha Auto Group, Ltd.; New City Nissan; Tony Group; and Hawaii Laborers' Union Local 368. Your Committee received comments on this measure from the Department of Taxation, Hawaii



State Energy Office, Public Utilities Commission, Hawai'i Energy, Hawaiian Electric Company, and Tax Foundation of Hawaii.

Your Committee finds that the State is committed to expanding strategies and mechanisms to reduce greenhouse gas emissions through the reduction of energy use, adoption of renewable energy, and control of air pollution. Your Committee further finds that ground transportation accounts for fifty-one percent of total energy sector emissions and forty-seven percent of total transportation emissions. Your Committee recognizes that further mechanisms are necessary to promote renewable energy-powered motor vehicles and further discussion is needed to assess the appropriate price point regarding the surcharge applicability.

Your Committee notes the concerns raised in testimony before your Committee regarding the potential lost tax revenue from the lack of general excise and use tax collection for the approximately one hundred thousand private party used car sales transactions in the State. Your Committee further notes the testimony from the Department of Taxation, requesting an effective date of January 1, 2022, or later, in order to give the Department sufficient time to amend its forms, instructions, and computer systems necessary to implement this measure.

Your Committee has amended this measure by:

- (1) Changing the published manufacturer's suggested retail price on the applicability of the surcharge for the sale of high-end gasoline-powered vehicles from \$50,000 or more to \$60,000 or more; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

Should your Committee on Finance hear this amended measure, your Committee respectfully requests that it consider including an appropriation from and an expenditure ceiling increase for the Public Utilities Commission Special Fund to account for the administration of the Electric Vehicle Charging System Rebate Program.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1142, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1142, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LUND JOHANSON, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: <i>HB 1142 HD1</i>	Committee Referral: <i>EEP, CPC, FIN</i>	Date: <i>2/16/2021</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.		✓		
5. HASHEM, Mark J.				✓
6. KONG, Sam Satoru			✓	
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee		✓		
9. ONISHI, Richard H.K.		✓		
10. TARNAS, David A.		✓		
11. MATSUMOTO, Lauren		✓		
TOTAL (11)	4	5	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>David A. Tarnas</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				