



GOV. MSG. NO. 1175

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 24, 2021

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on June 24, 2021, the following bill was signed into law:

HB424 HD1 SD1 CD1

RELATING TO PROCUREMENT OF
CONTRACTS FOR VEHICLE RENTAL
ACT 073 (21)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on JUN 24 2021

ACT 073

HOUSE OF REPRESENTATIVES
THIRTY-FIRST LEGISLATURE, 2021
STATE OF HAWAII

H.B. NO. 424
H.D. 1
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO PROCUREMENT OF CONTRACTS FOR VEHICLE RENTAL.

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

1 SECTION 1. The legislature finds that Hawaii currently has
2 over one million gasoline-powered vehicles on its roads, which
3 emit nearly five million metric tons of climate-changing carbon
4 pollution annually. Some of these vehicles are used by state
5 government employees in the performance of their duties.

6 The legislature further finds that electric vehicles will
7 play an integral role in Hawaii's clean energy future and in
8 meeting the goals set for the State in reducing its greenhouse
9 gas emissions, particularly as electrical generation in Hawaii
10 transitions more completely to renewable energy sources.
11 Moreover, the transition to renewable energy sources for
12 electricity will reduce costs of electric vehicle transportation
13 below those for gasoline-powered vehicles. Finally, electric
14 vehicles benefit air quality by eliminating the tailpipe
15 emissions from combustion of gasoline or diesel fuel.

16 Therefore, the purpose of this Act is to require all state
17 agencies to adopt a preference for the rental of an electric



1 vehicle or hybrid vehicle for those occasions when a vehicle
2 must be rented for state employees conducting official
3 government business.

4 SECTION 2. Section 196-2, Hawaii Revised Statutes, is
5 amended by adding seven new definitions to be appropriately
6 inserted and to read as follows:

7 ""Available" means that the vehicle is physically present
8 and not rented for the requested rental period.

9 "Conventional vehicle" means a vehicle powered solely by an
10 internal combustion engine.

11 "Electric vehicle" means a vehicle powered by an electric
12 motor via electricity:

13 (1) Stored in a high capacity battery; or

14 (2) Generated from an onboard fuel cell.

15 "Hybrid vehicle" means a vehicle powered by a combination
16 of an electric motor and a small internal combustion engine.

17 "Rental contractor" means an entity that rents, leases, or
18 proposes to rent or lease, vehicles to state employees for
19 purposes of official government business under a contract
20 pursuant to this chapter.



1 "State employee" means an employee of the State, including
2 all permanent and temporary employees of the state judicial,
3 executive, and legislative branches and their respective
4 departments, offices, and agencies.

5 "Suitable" means the vehicle has the performance
6 capabilities needed for the intended application, including
7 payload and weight capacity for the job or is capable of holding
8 a charge for the time and mileage needed."

9 SECTION 3. Section 196-9, Hawaii Revised Statutes, is
10 amended by amending subsection (c) to read as follows:

11 "(c) With regard to motor vehicles and transportation
12 fuel, each agency shall:

13 (1) Comply with Title 10, Code of Federal Regulations,
14 Part 490, Subpart C, "Mandatory State Fleet Program",
15 if applicable;

16 (2) Comply with all applicable state laws regarding
17 vehicle purchases;

18 (3) Once federal and state vehicle purchase mandates have
19 been satisfied, purchase the most fuel-efficient
20 vehicles that meet the needs of their programs;



- 1 provided that the life cycle cost-benefit analysis of
2 vehicle purchases shall include projected fuel costs;
- 3 (4) Purchase alternative fuels and ethanol blended
4 gasoline when available;
- 5 (5) Evaluate a purchase preference for biodiesel blends,
6 as applicable to agencies with diesel fuel purchases;
- 7 (6) Promote efficient operation of vehicles;
- 8 (7) Use the most appropriate minimum octane fuel; provided
9 that vehicles shall use 87-octane fuel unless the
10 owner's manual for the vehicle states otherwise or the
11 engine experiences knocking or pinging;
- 12 (8) Beginning with fiscal year 2005-2006 as the baseline,
13 collect and maintain, for the life of each vehicle
14 acquired, the following data:
- 15 (A) Vehicle acquisition cost;
- 16 (B) United States Environmental Protection Agency
17 rated fuel economy;
- 18 (C) Vehicle fuel configuration, such as gasoline,
19 diesel, flex-fuel gasoline/E85, and dedicated
20 propane;
- 21 (D) Actual in-use vehicle mileage;



- 1 (E) Actual in-use vehicle fuel consumption; and
- 2 (F) Actual in-use annual average vehicle fuel
- 3 economy; [~~and~~]
- 4 (9) Beginning with fiscal year 2005-2006 as the baseline
- 5 with respect to each agency that operates a fleet of
- 6 thirty or more vehicles, collect and maintain, in
- 7 addition to the data in paragraph (8), the following:
- 8 (A) Information on the vehicles in the fleet,
- 9 including vehicle year, make, model, gross
- 10 vehicle weight rating, and vehicle fuel
- 11 configuration;
- 12 (B) Fleet fuel usage, by fuel;
- 13 (C) Fleet mileage; and
- 14 (D) Overall annual average fleet fuel economy and
- 15 average miles per gallon of gasoline and
- 16 diesel[-]; and
- 17 (10) Adopt a preference for the rental of electric vehicles
- 18 or hybrid vehicles; provided that:
- 19 (A) All agencies, when renting a vehicle on behalf of
- 20 a state employee in the discharge of official
- 21 government business, shall rent a vehicle of one



1 of the following types, listed in order of
2 preference:

3 (i) Electric vehicle; or

4 (ii) Hybrid vehicle;

5 provided further that the vehicle is available
6 and suitable for the specific travel
7 requirements;

8 (B) The agency may rent a conventional vehicle only
9 if:

10 (i) An electric vehicle or hybrid vehicle is not
11 suitable; or

12 (ii) Neither an electric vehicle nor a hybrid
13 vehicle is available;

14 (C) An agency shall exercise the policy preference
15 for rental of an electric vehicle or hybrid
16 vehicle notwithstanding the potential higher cost
17 associated with renting an electric vehicle or
18 hybrid vehicle; provided that the rental rate for
19 the electric vehicle or hybrid vehicle is
20 comparable to that of a conventional vehicle of
21 similar class; provided further that the cost



1 premium is consistent with any budgetary
 2 constraints and not contradicted by an existing
 3 state contract with the rental business entity
 4 from which the vehicle is rented; and
 5 (D) To the extent practicable, all agencies shall
 6 rent a vehicle pursuant to subparagraph (A) from
 7 a rental contractor."

8 SECTION 4. Statutory material to be repealed is bracketed
 9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect upon its approval.

APPROVED this 24 day of JUN , 2021



GOVERNOR OF THE STATE OF HAWAII



HB No. 424, HD 1, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 27, 2021
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.



Scott K. Saiki
Speaker
House of Representatives





Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI'I

Date: April 27, 2021
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-First Legislature of the State of Hawai'i, Regular Session of 2021.


President of the Senate


Clerk of the Senate