
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The purpose of this Act is to encourage the
2 purchase and use of electric bicycles and electric mopeds to
3 reduce the cost of living and cost of transportation by creating
4 subsidies for those looking to purchase electric bicycles and
5 electric mopeds.

6 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
7 amended by adding a new section to part I to be appropriately
8 designated and to read as follows:

9 "§196- Electric bicycle and electric moped rebate
10 program; third-party administrator; special fund. (a) The
11 department of transportation shall administer a rebate program
12 that incentivizes the purchase of electric bicycles and electric
13 mopeds and may contract with a third-party administrator
14 pursuant to subsection (i) to operate and manage the rebate
15 program.

16 (b) Each eligible purchase of an electric bicycle or
17 electric moped shall receive a rebate of up to \$;



1 provided that no individual shall receive more than \$
2 in total rebates each fiscal year.

3 (c) The department of transportation shall not issue more
4 than \$ in total rebates under this section each fiscal
5 year; provided that the electric bicycle and electric moped
6 subaccount within the highway development special fund pursuant
7 to section 264-122(d) contains sufficient funds to pay the
8 rebates. The department of transportation shall not be liable
9 to pay any refund if sufficient funds are unavailable.

10 (d) The department of transportation shall:

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

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 the purchase of an electric bicycle or
18 electric moped.

19 (e) This section shall apply to electric bicycles and
20 electric mopeds purchased after July 1, 2022.



1 (f) Applicants shall submit an application to the
2 department of transportation within twelve months of the date of
3 purchase to claim a rebate from the electric bicycle and
4 electric moped rebate program. Failure to apply within twelve
5 months of the date of purchase shall constitute a waiver of the
6 right to claim the rebate.

7 (g) Nothing in this section shall alter taxes due on the
8 original purchase. Any rebate received pursuant to this section
9 shall not be considered income for the purposes of state or
10 county taxes.

11 (h) In administering the electric bicycle and electric
12 moped rebate program, the department of transportation shall
13 give priority to low-income individuals.

14 (i) The department of transportation may contract with a
15 third-party administrator to operate and manage the electric
16 bicycle and electric moped rebate program. The third-party
17 administrator shall not be deemed to be a "governmental body" as
18 defined in section 103D-104; provided that all moneys
19 transferred to the third-party administrator shall have been
20 appropriated by the legislature or shall be from moneys provided
21 by the federal government or private funding sources. The



1 third-party administrator shall not expend more than ten per
2 cent of the amounts appropriated for the rebate program, or any
3 other reasonable percentage determined by the department of
4 transportation, for administration of the electric bicycle and
5 electric moped rebate program."

6 SECTION 3. Section 243-3.5, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

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

17 (1) 5 cents of the tax on each barrel shall be deposited
18 into the environmental response revolving fund
19 established under section 128D-2;



1 (2) 4 cents of the tax on each barrel shall be deposited
2 into the energy security special fund established
3 under section 201-12.8;

4 (3) 8 cents of the tax on each barrel shall be deposited
5 into the energy systems development special fund
6 established under section 304A-2169.1; ~~and~~

7 ~~{}~~(4) ~~{}~~ 3 cents of the tax on each barrel shall be deposited
8 into the electric vehicle charging system subaccount
9 established pursuant to section 269-33(e) ~~{}~~; and

10 (5) _____ cents of the tax on each barrel shall be
11 deposited into the electric bicycle and electric moped
12 subaccount established pursuant to section 264-122(d).

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

15 SECTION 4. Section 264-122, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "~~{}~~**\$264-122**~~{}~~ **Highway development special fund.** (a)

18 There is established in the state treasury the highway
19 development special fund to be administered by the department,
20 into which shall be deposited:



- 1 (1) Transfers of county impact fees assessed under part
2 VIII of chapter 46 and this part to pay for state
3 highway improvements;
- 4 (2) Interest from investment of deposits; and
- 5 (3) Legislative and county appropriations.
- 6 (b) Moneys in the highway development special fund shall
7 be used for the following purposes:
- 8 (1) Capital costs of qualifying proposed state highway
9 improvements;
- 10 (2) Reevaluation of the need, geographic limitations,
11 amount, and use of impact fees;
- 12 (3) Transfers to reimburse other special funds for
13 expenditures which otherwise might have been funded
14 with moneys in the highway development special fund;
- 15 (4) Transfers under sections 36-27 and 36-30;
- 16 (5) Refunds under section 264-125; and
- 17 (6) The department's costs to implement this part,
18 including but not limited to costs to administer the
19 highway development special fund.



1 (c) The department may establish accounts in the highway
2 development special fund as necessary to implement this part and
3 rules adopted by the department.

4 (d) There is established within the highway development
5 special fund an electric bicycle and electric moped subaccount.
6 The portion of the environmental response, energy, and food
7 security tax specified under section 243-3.5 shall be deposited
8 into the subaccount. The department shall expend moneys in the
9 subaccount for the purposes of funding the electric bicycle and
10 electric moped rebate program established pursuant to section
11 196- ."

12 SECTION 5. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 6. This Act shall take effect on January 1, 2050;
15 provided that section 3 shall be repealed on December 31, 2027,
16 and section 243-3.5(a), Hawaii Revised Statutes, shall be
17 reenacted in the form in which it read on the day prior to the
18 effective date of this Act.



Report Title:

Electric Bicycle and Electric Moped Rebate Program; Subaccount;
Barrel Tax

Description:

Establishes the electric bicycle and electric moped rebate program and subaccount to encourage the purchase and use of electric bicycles and electric mopeds. Allocates a portion of the barrel tax for the rebate program. Effective 1/1/2050.
(HD1)

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