
A BILL FOR AN ACT

RELATING TO ZERO EMISSION TRANSPORTATION.

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

1 SECTION 1. The legislature finds that the electric vehicle
2 charging system rebate program, established pursuant to Act 142,
3 Session Laws of Hawaii 2019, and amended by Act 75, Session Laws
4 of Hawaii 2021, provides rebates for the installation of
5 electric vehicle charging systems in priority locations,
6 including for multi-unit dwellings, workplaces, and commercial
7 areas, and in places that serve vehicle fleets. The rebate
8 program has proven to be very successful, with approximately one
9 hundred forty new charging systems installed or in the pipeline
10 that have been facilitated by the availability of these rebates.

11 The legislature further finds that the life-cycle costs of
12 zero-emission vehicles are lower than internal combustion
13 vehicles, including maintenance and fueling. According to the
14 National Travel Household Survey Workshop, while access to
15 public transit and other forms of mobility are increasing,
16 households below the poverty level used privately owned vehicles
17 for almost three-quarters of their trips. Increasing access to



1 zero-emission vehicles allows these families to lower daily and
2 monthly costs while decreasing exposure to vehicle emissions and
3 particulate matter and advancing the State's overall energy and
4 affordability goals.

5 The legislature also finds that the range of zero-emission
6 vehicles has increased. According to the United States
7 Department of Energy's Office of Energy Efficiency and Renewable
8 Energy, for the first time, the median range of all of the
9 electric vehicles offered for sale or lease in the United States
10 in 2020 was more than two hundred fifty miles per charge.

11 Charging infrastructure access throughout the State is expected
12 to increase through the use of federal funds such as the soon to
13 be released Infrastructure Investment and Jobs Act, and state
14 funds allocated through Act 75, Session Laws of Hawaii 2021.

15 The legislature additionally finds that it is critically
16 important to encourage behavior that promotes lower emissions,
17 reduces congestion, and enhances mobility, while encouraging the
18 adoption of zero-emission vehicles for private and public use.

19 An important step toward the decarbonization of ground
20 transportation is to support equal access to new technologies
21 and services, such as electric vehicles, which decrease the



1 energy intensity of mobility and have the potential to greatly
2 benefit low- to moderate-income and underserved populations who
3 would most benefit from the lower maintenance and life-cycle
4 costs.

5 Therefore, it is desirable to consolidate rebate programs
6 to reduce administrative costs and confusion on how to access
7 rebates.

8 The purpose of this Act is to establish a rebate program
9 within the public utilities commission for the purchase of zero-
10 emission vehicles and to enable low- and moderate-income
11 families greater access to zero-emission vehicles by providing a
12 rebate on the point-of-sale purchase price of zero-emission
13 vehicles.

14 SECTION 2. Chapter 269, Hawaii Revised Statutes, is
15 amended by adding a new section to part III to be appropriately
16 designated and to read as follows:

17 "§269- Low- to moderate-income zero-emission vehicle
18 rebate program. (a) The public utilities commission, in
19 consultation with zero-emission vehicle stakeholders and the
20 Hawaii state energy office, shall administer a low- to moderate-
21 income zero-emission vehicle rebate program that incentivizes



1 the purchase of new or used qualifying vehicles and may contract
2 with a third-party administrator pursuant to section 269-73 to
3 operate and manage the rebate program.

4 (b) The public utilities commission may specify design
5 features for the program, including procedures to prioritize
6 available moneys for specific qualifying vehicles and
7 limitations on the number of rebates available for each type of
8 qualifying vehicle.

9 (c) Rebates under the program shall be made from moneys
10 credited to or deposited in the zero-emission vehicle
11 subaccount. A rebate shall not be made unless there are
12 sufficient moneys available in the subaccount to make the
13 rebate.

14 (d) The public utilities commission shall prescribe the
15 rebate application procedure for purchasers and lessees.

16 (e) The rebate amount for qualifying vehicles under the
17 low- to moderate-income zero-emission vehicle rebate program
18 shall be set annually by the program administrator.

19 (f) An applicant may be eligible for a rebate if the
20 applicant meets one of the following criteria:



1 (1) The applicant is a Hawaii resident who is a member of
2 a household having an income equal to or less than the
3 income threshold set by the program administrator; or

4 (2) The applicant is a nonprofit organization registered
5 as a 501(c)(3) organization, either based in Hawaii or
6 with a current Hawaii-based affiliate, that provides
7 health, dental, social, financial, energy
8 conservation, or other assistive services to low- or
9 moderate-income households in Hawaii. Nonprofit
10 organizations shall be limited to five rebates per
11 entity per calendar year.

12 (g) To be eligible for a rebate, an applicant requesting a
13 rebate under the program shall:

14 (1) Purchase a qualifying vehicle or lease a qualifying
15 vehicle for a minimum term of twenty-four months;

16 (2) Provide proof of intent to use the qualifying vehicle
17 primarily on the public highways of the State, which
18 may be satisfied by providing proof of registration of
19 the qualifying vehicle in the State;

20 (3) Submit an application for a rebate to the program
21 administrator within six months after the date of



1 purchase of the qualifying vehicle or six months after
2 the date the lease of the qualifying vehicle begins;
3 and

4 (4) Retain registration of the qualifying vehicle for a
5 minimum of twenty-four consecutive months after the
6 date of purchase or the date the lease begins.

7 (h) Rebate recipients may be requested to participate in
8 ongoing research efforts.

9 (i) The program administrator shall work to ensure timely
10 payment of rebate program rebates with a goal of paying rebates
11 within sixty days of receiving a completed application with all
12 required supporting documentation for a low- to moderate-income
13 zero-emission vehicle rebate.

14 (j) The program administrator may offer expanded financing
15 mechanisms for program participants, including a loan or loan-
16 loss reserve credit enhancement program to increase consumer
17 access to new or used light-duty zero-emission vehicles.

18 (k) As used in this section:

19 "Light-duty motor vehicle" has the same meaning as in
20 section 26-6.



1 "Light-duty zero-emission vehicle" means a light-duty motor
2 vehicle that is also a zero-emission vehicle.

3 "Moped" has the same meaning as in section 291C-1.

4 "Motor scooter" has the same meaning as in section 291C-1.

5 "Motorcycle" has the same meaning as in section 291C-1.

6 "Neighborhood electric vehicle" has the same meaning as in
7 section 291C-1.

8 "New" means a qualifying vehicle that:

9 (1) Has not previously been sold to any person except a
10 distributor, wholesaler, or dealer for resale, except
11 where the vehicle has not left the dealer's possession
12 after the sale to a consumer;

13 (2) Has not previously been registered or titled in the
14 name of a consumer, except where the vehicle has not
15 left the dealer's possession after the sale to a
16 consumer; and

17 (3) Has not been driven more than five hundred miles.

18 "Program administrator" means the public utilities
19 commission or the third-party administrator contracted by the
20 public utilities commission pursuant to section 269-73 to
21 operate and manage the rebate program.



1 "Qualifying vehicle" means a motor vehicle that:

2 (1) Is a:

3 (A) New or used light-duty zero-emission vehicle
4 purchased from a new motor vehicle dealer or used
5 motor vehicle dealer as those terms are defined
6 in section 473-1.1;

7 (B) New neighborhood electric vehicle purchased from
8 an appropriate entity as identified by the
9 program administrator;

10 (C) New zero-emission motorcycle purchased from an
11 appropriate entity as identified by the program
12 administrator;

13 (D) New zero-emission motor scooter purchased from an
14 appropriate entity as identified by the program
15 administrator; or

16 (E) New zero-emission moped purchased from an
17 appropriate entity as identified by the program
18 administrator;

19 (2) Has a manufacturer's suggested retail price of less
20 than the maximum set by the program administrator;



(3) Is covered by a manufacturer's express warranty on the vehicle drive train, including the applicable energy storage system or battery pack, for at least twenty-four months from the date of purchase; and

(4) Is certified by the manufacturer to comply with all applicable federal safety standards issued by the National Highway Traffic Safety Administration as of the date of manufacture.

"Rebate program" means the low- to moderate-income zero-emission vehicle rebate program established pursuant to this section.

"Zero-emission moped" means a moped that:

- (1) Has zero evaporative emissions from its fuel system;
- and
- (2) Is powered by electricity.

"Zero-emission motor scooter" means a motor scooter that:

- (1) Has zero evaporative emissions from its fuel system;
- and
- (2) Is powered by electricity.

"Zero-emission motorcycle" means a motorcycle that:



1 (1) Has zero evaporative emissions from its fuel system;

2 and

3 (2) Is powered by electricity.

4 "Zero-emission vehicle" has the same meaning as in section
5 26-6."

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;



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

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

(5) 5 cents of the tax on each barrel shall be deposited into the zero-emission vehicle subaccount established pursuant to section 269-33(f).

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

SECTION 4. Section 269-33, Hawaii Revised Statutes, is amended to read as follows:

"§269-33 Public utilities commission special fund. (a)

There is established in the state treasury a public utilities commission special fund to be administered by the public utilities commission. The proceeds of the fund shall be used by the public utilities commission and the division of consumer



1 advocacy of the department of commerce and consumer affairs for
2 all expenses incurred in the administration of chapters 269,
3 271, 271G, 269E, and 486J, and for costs incurred by the
4 department of commerce and consumer affairs to fulfill the
5 department's limited oversight and administrative support
6 functions; provided that the expenditures of the public
7 utilities commission shall be in accordance with legislative
8 appropriations. On a quarterly basis, an amount not exceeding
9 thirty per cent of the proceeds remaining in the fund after the
10 deduction for central service expenses, pursuant to section 36-
11 27, shall be allocated by the public utilities commission to the
12 division of consumer advocacy and deposited in the compliance
13 resolution fund established pursuant to section 26-9(o);
14 provided that all moneys allocated by the public utilities
15 commission from the fund to the division of consumer advocacy
16 shall be in accordance with legislative appropriations.

17 (b) All moneys appropriated to, received, and collected by
18 the public utilities commission that are not otherwise pledged,
19 obligated, or required by law to be placed in any other special
20 fund or expended for any other purpose shall be deposited into
21 the public utilities commission special fund, including[7] but



1 not limited to~~[7]~~ all moneys received and collected by the
2 public utilities commission pursuant to sections 92-21, 243-3.5,
3 269-28, 269-30, 271-27, 271-36, 271G-19, 269E-6, 269E-14, and
4 607-5.

5 (c) The public utilities commission shall submit an update
6 as part of its annual report submitted pursuant to section 269-5
7 detailing all funds received and all moneys disbursed out of the
8 fund.

9 (d) All moneys in excess of \$1,000,000 remaining on
10 balance in the public utilities commission special fund on June
11 30 of each year shall lapse to the credit of the state general
12 fund; provided that this ceiling shall not apply to the
13 ~~[subaccount]~~ subaccounts established in ~~[subsection]~~ subsections
14 (e) ~~[7]~~ and (f).

15 (e) There is established within the public utilities
16 commission special fund an electric vehicle charging system
17 subaccount. The public utilities commission shall expend moneys
18 in the subaccount for the purposes of funding the electric
19 vehicle charging system rebate program established pursuant to
20 sections 269-72 and 269-73. The funds in this subaccount shall
21 not be subject to the special fund ceiling in subsection (d).



1 (f) There is established within the public utilities
2 commission special fund a zero-emission vehicle subaccount. The
3 public utilities commission shall expend moneys in the
4 subaccount for the purposes of sections 269- and 269-73. The
5 funds in this subaccount shall not be subject to the special
6 fund ceiling in subsection (d)."

7 SECTION 5. Section 269-73, Hawaii Revised Statutes, is
8 amended to read as follows:

9 **"[+]§269-73[+] Electric vehicle charging system[÷], low-**
10 **to moderate-income zero-emission vehicle; rebate [program÷]**
11 **programs; administrator; establishment.** (a) The public
12 utilities commission may contract with a third-party
13 administrator to operate and manage any programs established
14 under ~~[section]~~ sections 269-72[÷] and 269- . The
15 administrator shall not be deemed to be a "governmental body" as
16 defined in section 103D-104; provided that all moneys
17 transferred to the third-party administrator shall have been
18 appropriated by the legislature or shall be from funds provided
19 by the federal government or private funding sources. The
20 administrator shall not expend more than ten per cent of the
21 amounts appropriated for the rebate program or other reasonable



1 percentage determined by the public utilities commission for
2 administration of the programs established under [~~section~~]
3 sections 269-72[+] and 269-_____.

4 (b) The electric vehicle charging system rebate program
5 administrator shall be subject to regulation by the public
6 utilities commission under any provision applicable to a public
7 utility in sections 269-7, 269-8, 269-8.2, 269-8.5, 269-9,
8 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall report
9 to the public utilities commission on a regular basis.

10 Notwithstanding any other provision of law to the contrary, the
11 electric vehicle charging system rebate program administrator
12 shall not be an electric public utility or an electric public
13 utility affiliate.

14 (c) The low- to moderate-income zero-emission vehicle
15 rebate program administrator shall be subject to regulation by
16 the public utilities commission under any provision applicable
17 to a public utility in sections 269-7, 269-8, 269-8.2, 269-8.5,
18 269-9, 269-10, 269-13, 269-15, 269-19.5, and 269-28, and shall
19 report to the public utilities commission on a regular basis.

20 Notwithstanding any other provision of law to the contrary, the
21 low- to moderate-income zero-emission vehicle rebate program



1 administrator shall not be an electric public utility or an
2 electric public utility affiliate."

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on July 1, 2100.
6



H.B. NO. 2090 H.D. 2

Report Title:

Zero-emission Vehicles; Zero-emission Vehicle Rebate Program;
Public Utilities Commission

Description:

Establishes a zero-emission vehicle rebate program within the public utilities commission to enable low- and moderate-income families greater access to zero-emission vehicles by providing a rebate on the point-of-sale purchase price of zero-emission vehicles. Effective 7/1/2100. (HD2)

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