

STAND. COM. REP. NO.

1543

Honolulu, Hawaii

MAR 24 , 2023

RE: S.B. No. 1534  
S.D. 2  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1534, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Create a mileage-based road usage charge to replace state motor fuel taxes for electric vehicles, to be developed by the Department of Transportation;
- (2) Eliminate the annual state vehicle registration surcharge for electric vehicles;
- (3) Allow electric vehicle owners a choice of paying a registration surcharge or a per-mile road usage charge until June 30, 2028;
- (4) Amend certain requirements for motor vehicle registration applications and certificates of inspection; and
- (5) Appropriate funds for the initial implementation of the mileage-based road usage charge.

2023-2890 SB1534 HD2 HSCR HMSO



Your Committee received testimony in support of this measure from the Department of Transportation, Hawai'i State Energy Office, Big Island Electric Vehicle Association, Uluono Initiative, and five individuals. Your Committee received comments on this measure from the Hawai'i Automobile Dealers Association and Tax Foundation of Hawaii.

Your Committee finds that the majority of the funding for the State's maintenance and improvements to roadways derives from the fuel tax. However, because of increasing vehicle fuel efficiency and the increasing adoption of electric vehicles, fuel tax revenue has trended downward and is expected to continue to decline in the coming years. This measure provides a mechanism to require vehicles that do not contribute to the fuel tax revenues to contribute to the maintenance of the roadways in the State.

Your Committee has amended this measure by:

- (1) Placing a cap of \$50 on the state mileage-based road usage charge;
- (2) Clarifying that the funding source for the appropriation is the State Highway Fund; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of \$1,300,000 and an effective date of June 30, 2025, for all provisions in this measure, except for the appropriation.

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 S.B. No. 1534, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 1534, S.D. 2, H.D. 2.



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



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MARK M. NAKASHIMA, Chair



