

JAN 25 2023

A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that as fuel tax revenues
2 decrease, the department of transportation recommends the
3 adoption of a per-mile road usage charge system to provide
4 sustainable funding for the State's road infrastructure. The
5 legislature also finds that with its existing vehicle inspection
6 program, Hawaii is well-positioned to transition to a per-mile
7 road usage charge system at low administrative costs. The
8 legislature additionally finds that replacing the registration
9 surcharge on electric vehicles with a mileage-based road user
10 fee is a minimally disruptive first step to transition the State
11 to a per-mile road usage charge system as recommended by the
12 department of transportation. With the increase in public
13 support for fuel-efficient electric and alternative fuel
14 vehicles, the shift to fees based on vehicle miles traveled is
15 fair to all drivers within the State and ensures that the owners
16 of alternative fuel vehicles pay a fair share of Hawaii's
17 roadway maintenance costs.



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1 The legislature further finds that it is important to not
2 incentivize the department of transportation to increase overall
3 commuting and vehicle miles traveled to boost revenues from road
4 usage fees, which would increase cost and reduce quality of life
5 for residents. Therefore, a concerted strategy must be
6 developed and implemented to enable commuters to reduce overall
7 vehicle miles traveled and provide commuters who do not drive
8 themselves more affordable options such as efficient public
9 transit, electric mobility, bicycling, and walking, which will
10 improve outcomes and reduce the number of cars on the road,
11 traffic, and costs.

12 Therefore, the purpose of this Act is to:

- 13 (1) Ensure fairness for everyone using public roads, and
14 sufficient revenues to maintain them, by replacing the
15 \$50 annual fee for electric vehicles with a mileage-
16 based road user fee; and
- 17 (2) Ensure a lower cost of transportation for all
18 residents by amending the composition of the state
19 highway safety council and renaming it as the Hawaii
20 highway safety council to establish strategies,



1 metrics, and benchmarks to reduce vehicle miles
2 traveled and the cost of transportation.

3 SECTION 2. Chapter 249, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§249- State mileage-based road user fee. (a) All
7 electric vehicles in the State, except for vehicles that qualify
8 for any of the exemptions in sections 249-4, 249-5.5, 249-6, and
9 249-6.5, in addition to all other fees and taxes levied by this
10 chapter, shall be subject to an annual state mileage-based road
11 user fee. The fee shall be levied by the county director of
12 finance at the rate of cents per mile traveled during the
13 year, based on a comparison of the electric vehicle's current
14 odometer reading with the odometer reading of the previous year,
15 as noted on the electric vehicle's certificate of inspection
16 pursuant to section 286-26(e). The fee shall be capped at the
17 amount that the average non-electric vehicle in the State paid
18 in fuel tax for the previous year.

19 (b) The fee shall be paid each year together with all
20 other taxes and fees levied by this chapter on a staggered basis
21 as established by each county pursuant to section 286-51, and



1 the state mileage-based road user fee shall also be staggered so
2 that the state mileage-based road user fee is due and payable at
3 the same time and shall be collected together with the county
4 registration fee. The state mileage-based road user fee shall
5 be deemed delinquent if not paid with the county registration
6 fee. The respective counties shall collect this fee together
7 with the vehicle registration tax collected for the county and
8 shall transfer the moneys collected under this section to the
9 state director of finance for deposit into the state highway
10 fund established under section 248-8.

11 (c) For the purposes of this section, "electric vehicle"
12 means a vehicle, with four or more wheels, that draws propulsion
13 energy from a battery with at least four kilowatt hours of
14 energy storage capacity that can be recharged from an external
15 source of electricity."

16 SECTION 3. Chapter 286, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§286- Hawaii highway safety and modernization council.

20 (a) There is established the Hawaii highway safety and
21 modernization council. The council shall be placed in the



1 department of transportation for administrative purposes. The
2 following or their designated representatives shall be members
3 of the council:

- 4 (1) The chairpersons of the senate and house of
5 representatives standing committees whose purview is
6 transportation, who shall serve as co-chairpersons;
7 (2) The chief justice;
8 (3) The attorney general;
9 (4) The director of health;
10 (5) The superintendent of education;
11 (6) The head of the charter school commission;
12 (7) The chairperson of the University of Hawaii at Manoa
13 department of urban and regional planning;
14 (8) The co-chairpersons of the Hawaii climate change
15 mitigation and adaptation commission;
16 (9) The director of the office of planning and sustainable
17 development;
18 (10) The executive director of the state energy office;
19 (11) The state arborist; and
20 (12) The chairperson of each county highway safety council
21 established under section 286-6.



1 The council shall also include not more than twelve other
2 persons who shall be appointed by the governor for a three-year
3 term as follows:

4 (1) One member from an organization representing senior
5 citizens;

6 (2) One member from an organization representing
7 bicyclists;

8 (3) One member from an organization with a focus on micro-
9 mobility;

10 (4) One member from an organization with a focus on
11 transportation, planning, and improvement;

12 (5) One member from an organization with a focus on
13 reducing the cost of transportation for low-income
14 communities;

15 (6) One member from an organization representing labor and
16 construction;

17 (7) One member from an organization representing trucking
18 and cargo carriers;

19 (8) One member from an organization with a focus on the
20 electrification of transportation;



1 (9) One member from an organization with a focus on
2 expanding trees, foliage, and reducing urban heat; and

3 (10) Up to three members on the basis of their interest in
4 transportation safety, modernization, and related
5 state goals.

6 (b) The members of the council shall serve without
7 compensation but shall be reimbursed for expenses, including
8 travel expenses, necessary for the performance of their duties.

9 (c) The Hawaii highway safety and modernization council
10 shall:

11 (1) Develop goals, metrics, benchmarks, and strategies to
12 reduce the cost of transportation and vehicle miles
13 traveled, improve safety, and achieve other state
14 goals related to ground transportation pursuant to
15 section 264-143;

16 (2) Ensure transparency and oversight in programs,
17 projects, decisions, and spending related to ground
18 transportation in the department of transportation,
19 including the implementation and progress of the state
20 mileage-based road user fee;



- 1 (3) Review projects in development and make
2 recommendations for how each might be improved, if
3 warranted, to better meet state goals before the
4 project plans and designs are finalized;
- 5 (4) Advise the department, governor, legislature, and
6 public on matters relating to the programs and
7 activities of the State in the field of transportation
8 safety and modernization, and make recommendations;
9 and
- 10 (5) Provide an annual report that reflects the work,
11 responsibilities, and recommendations of the Hawaii
12 highway safety and modernization council.
- 13 (d) The department of transportation shall provide regular
14 updates on ground transportation plans, projects, progress, and
15 any other relevant information requested by the Hawaii highway
16 safety and modernization council. The department of
17 transportation shall include in its annual report to the
18 legislature and general public, the annual report of the Hawaii
19 highway safety and modernization council, which it shall also
20 make available to the public on the department of
21 transportation's website."



1 SECTION 4. Section 249-31, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) All vehicles and motor vehicles in the State as
4 defined in section 249-1, including antique motor vehicles,
5 except as otherwise provided in sections 249-4, 249-6, and
6 249-31.5, shall be subject to a \$46 annual vehicle registration
7 fee; provided that ~~[electric vehicles and]~~ alternative fuel
8 vehicles shall pay an annual vehicle registration surcharge fee
9 of \$50, which shall be assessed and collected beginning with the
10 first registration renewal for every ~~[electric vehicle and]~~
11 alternative fuel vehicle and shall be deposited into the state
12 highway fund established under section 248-8. The fee shall be
13 paid each year together with all other taxes and fees levied by
14 this chapter on a staggered basis as established by each county
15 as authorized by section 286-51, and the state registration for
16 that county shall likewise be staggered so that the state
17 registration fee is due and payable at the same time and shall
18 be collected together with the county fee. The state
19 registration fee shall be deemed delinquent if not paid with the
20 county registration fee. The respective counties shall collect
21 this fee together with the vehicle registration tax collected



1 for the county and shall transfer the moneys collected under
2 this section to the State.

3 For the purposes of this subsection, "alternative fuel
4 vehicle" means a vehicle equipped to be powered by a non-
5 petroleum-based fuel, but excludes an electric, electricity-
6 recharged, or hybrid electric motor vehicle."

7 SECTION 5. Section 286-26, Hawaii Revised Statutes, is
8 amended by amending subsection (e) to read as follows:

9 "(e) Upon application for a certificate of inspection to
10 be issued for a vehicle or moped, an inspection as prescribed by
11 the director under subsection (g) shall be conducted on the
12 vehicle or moped, and if the vehicle or moped is found to be in
13 a safe operating condition, a certificate of inspection shall be
14 issued upon payment of a fee to be determined by the director.
15 The certificate shall state the effective date, the termination
16 date, the name of the issuing insurance carrier, and the policy
17 number of the motor vehicle insurance identification card for
18 the inspected motor vehicle as specified by section 431:10C-107
19 or state the information contained in the proof of insurance
20 card as specified by section 431:10G-106. For an electric
21 vehicle, the certificate shall also state the odometer reading



1 of the vehicle on the date that the vehicle was inspected. A
2 sticker, authorized by the director, shall be affixed to the
3 vehicle or moped at the time a certificate of inspection is
4 issued. An inspection sticker which has been lost, stolen, or
5 destroyed shall be replaced without reinspection by the
6 inspection station that issued the original inspection sticker
7 upon presentation of the current certificate of inspection;
8 provided that the current certificate of inspection and
9 inspection sticker shall not have expired at the time the
10 replacement is requested. The director shall adopt rules to
11 determine the fee for replacement of lost, stolen, or destroyed
12 inspection stickers.

13 As used in this subsection, "electric vehicle" means a
14 vehicle that draws propulsion energy from a battery with at
15 least four kilowatt hours of energy storage capacity that can be
16 recharged from an external source of electricity."

17 SECTION 6. Section 286-41, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Application for the registration of a vehicle shall
20 be made upon the appropriate form furnished by the director of
21 finance and shall contain the name, occupation, and address of



1 the owner and legal owner; and, if the applicant is a member of
2 the United States naval or military forces, the applicant shall
3 give the organization and station. All applications shall also
4 contain a description of the vehicle, including the name of the
5 maker; the type of fuel for the use of which it is adapted, such
6 as gasoline, diesel oil, liquefied petroleum gas[+], or
7 electricity; the serial or motor number; the date first sold by
8 the manufacturer or dealer; a further description of the vehicle
9 as is called for in the form; and other information as may be
10 required by the director of finance, to establish legal
11 ownership. A person applying for initial registration of a
12 neighborhood electric vehicle shall certify in writing that a
13 notice of the operational restrictions applying to the vehicle
14 as provided in section 291C-134 are contained on a permanent
15 notice attached to or painted on the vehicle in a location that
16 is in clear view of the driver."

17 SECTION 7. Section 286-5, Hawaii Revised Statutes, is
18 repealed.

19 ~~["§286-5 State highway safety council. There is~~
20 ~~established the Hawaii highway safety council. The director of~~
21 ~~transportation shall serve as its chairperson. The following or~~



1 ~~their designated representatives shall be members of the~~
 2 ~~council: the chief justice, the attorney general, the director~~
 3 ~~of health, the superintendent of education, the president of~~
 4 ~~the University of Hawaii, the chairperson of each of the county~~
 5 ~~highway safety councils established under section 286-6, and not~~
 6 ~~more than twenty other persons who shall be appointed by the~~
 7 ~~governor on the basis of their interest in highway safety.~~

8 ~~The state highway safety council shall advise the governor~~
 9 ~~on matters relating to the programs and activities of the State~~
 10 ~~in the field of highway safety.~~

11 ~~The members of the council shall serve without pay but~~
 12 ~~shall be entitled to reimbursement for necessary expenses while~~
 13 ~~attending meetings and while in discharge of their duties."]~~

14 SECTION 8. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 9. This Act shall take effect on July 1, 2023;
 17 provided that sections 2, 4, 5, and 6 of this Act shall take
 18 effect on January 1, 2025.

19

INTRODUCED BY:




S.B. NO. 1534

Report Title:

Department of Transportation; Electric Vehicles; Alternative Fuel Vehicle; Mileage-Based Road User Fee; Hawaii Highway Safety and Modernization Council

Description:

Replaces the \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles. Establishes the Hawaii Highway Safety and Modernization Council effective 7/1/2023; provided that implementation of user fees take effect 1/1/2025.

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