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# A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1       SECTION 1. The legislature finds that Hawaii is dependent  
2 on imported petroleum for over ninety per cent of its  
3 transportation energy needs. This dependency on imported oil  
4 leaves the State extremely vulnerable to a foreign oil embargo,  
5 a disruption in supply, or other types of energy emergencies.  
6 Hawaii's energy security can be increased by diversifying its  
7 transportation fuel requirements so that the State will be more  
8 reliant on alternative fuels and fuel efficient vehicles.

9       The purpose of this Act is to provide incentives for the  
10 purchase and use of alternative fuel vehicles and hybrid  
11 vehicles in Hawaii by providing owners of these types of  
12 vehicles:

- 13       (1) Access to high occupancy vehicle lanes;
- 14       (2) Free on-street parking; and
- 15       (3) A one-time tax credit for the purchase of a new or  
16 used alternative fuel vehicle or hybrid motor vehicle.



1 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§235- Alternative fuel vehicle or hybrid motor vehicle

5 tax credit. (a) There shall be allowed to each taxpayer  
6 subject to the tax imposed by this chapter, a one-time tax  
7 credit for the purchase of a new or used alternative fuel  
8 vehicle or hybrid motor vehicle, that shall be deductible from  
9 the taxpayer's net income tax liability imposed by this chapter  
10 for the taxable year in which the tax credit is properly  
11 claimed; provided that a husband and wife filing separate  
12 returns for a taxable year for which a joint return could have  
13 been filed by them shall claim only the tax credit to which they  
14 would have been entitled had a joint return been filed.

15 (b) The amount of the tax credit shall be \$ \_\_\_\_\_ ;  
16 provided that no refund or payment on account of the tax credit  
17 allowed by this section shall be made for amounts less than \$1.

18 (c) To qualify for the income tax credit, the taxpayer  
19 shall provide adequate proof, as determined by the department,  
20 of the purchase of an alternative fuel vehicle or hybrid motor  
21 vehicle and any other required costs or information necessary to  
22 claim a tax credit under this section.

1        (d) If the tax credit under this section exceeds the  
2 taxpayer's net income tax liability under this chapter, any  
3 excess of the tax credit may be used as a credit against the  
4 taxpayer's income tax liability in subsequent taxable years  
5 until exhausted.

6        (e) Every claim, including amended claims, for the tax  
7 credit under this section shall be filed on or before the end of  
8 the twelfth month following the close of the taxable year for  
9 which the tax credit may be claimed. Failure to meet the filing  
10 requirements of this subsection shall constitute a waiver of the  
11 right to claim the tax credit.

12        (f) The director:

13        (1) Shall prepare forms necessary to claim a tax credit  
14 under this section;

15        (2) Shall require proof of the claim for the tax credit;  
16 and

17        (3) May adopt rules pursuant to chapter 91 to effectuate  
18 the purposes of this section.

19        (g) The department shall report to the legislature  
20 annually, no later than twenty days prior to the convening of  
21 every regular session, on the number of taxpayers claiming the



1 tax credit and the total cost of the tax credit to the State  
2 during the past year.

3 (h) As used in this section:

4 "Alternative fuel" means the same as defined under section  
5 243-1.

6 "Alternative fuel vehicle" means a motor vehicle that is  
7 designed to operate on at least one alternative fuel.

8 "Hybrid motor vehicle" means a motor vehicle with a hybrid  
9 propulsion system that uses a combination of electricity and a  
10 traditional fuel.

11 "Traditional fuel" means gasoline or other petroleum-based  
12 motor fuel commonly used on the highways of the State."

13 SECTION 3. Chapter 291C, part XI, Hawaii Revised Statutes,  
14 is amended by adding a new section to be appropriately  
15 designated and to read as follows:

16 "§291C- Parking of alternative fuel vehicles or hybrid  
17 motor vehicles. If a fee is required to park in an available  
18 and designated parking stall on any publicly owned or controlled  
19 roadway or street, a driver of an alternative fuel vehicle or  
20 hybrid motor vehicle may park the motor vehicle free of charge;  
21 provided that the parking stall is clearly designated and marked  
22 as street parking under law or ordinance, and the driver shall



1 follow all other laws, rules, and ordinances relating to motor  
2 vehicle parking."

3 SECTION 4. Section 291C-1, Hawaii Revised Statutes, is  
4 amended by adding four new definitions to be appropriately  
5 inserted and to read as follows:

6 "Alternative fuel" means the same as defined under section  
7 243-1.

8 "Alternative fuel vehicle" means a motor vehicle that is  
9 designed to operate on at least one alternative fuel.

10 "Hybrid motor vehicle" means a motor vehicle with a hybrid  
11 propulsion system that uses a combination of electricity and a  
12 traditional fuel.

13 "Traditional fuel" means gasoline or other petroleum-based  
14 motor fuel commonly used on the highways of the State."

15 SECTION 5. Section 291C-53, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

17 "(a) The director of transportation by rules adopted in  
18 accordance with chapter 91, and the counties by ordinance, may  
19 regulate or prohibit the use of any controlled-access roadway or  
20 highway within their respective jurisdictions by any class or  
21 kind of traffic [~~which~~] that is found to be incompatible with  
22 the normal and safe movement of traffic. Persons operating




1 motorcycles [~~which~~] that are otherwise permitted on a  
 2 controlled-access roadway or highway shall be permitted to use  
 3 any high occupancy vehicle lane designated on [~~such~~] a roadway  
 4 or highway. Persons operating alternative fuel vehicles or  
 5 hybrid motor vehicles shall be permitted to use any high  
 6 occupancy vehicle lane designated on a roadway or highway,  
 7 regardless if the vehicle is only carrying one person. For the  
 8 purposes of this subsection, "high occupancy vehicle lane" means  
 9 a designated lane of a laned roadway where the use of such  
 10 designated lane is restricted to vehicles carrying at least two  
 11 persons and to other vehicles as provided in this section, by  
 12 rules adopted in accordance with chapter 91, or by county  
 13 ordinance. Notwithstanding any law to the contrary, no person  
 14 shall operate a neighborhood electric vehicle on any controlled-  
 15 access roadway or highway."

16 SECTION 6. Statutory material to be repealed is bracketed  
 17 and stricken. New statutory material is underscored.

18 SECTION 7. This Act shall take effect upon its approval;  
 19 provided that section 2 of this Act shall apply to taxable years  
 20 beginning after December 31, 2006.

21

INTRODUCED BY: 

**Report Title:**

Alternative Fuel Vehicles; Hybrid Motor Vehicles; Incentives

**Description:**

Establishes incentives for individuals to purchase and use alternative fuel vehicles and hybrid motor vehicles in Hawaii.

