
A BILL FOR AN ACT

RELATING TO HAWAII'S CLEAN ENERGY INITIATIVE IN TRANSPORTATION
ENERGY.

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

1 PART I

2 SECTION 1. The Hawaii Clean Energy Initiative set goals
3 for energy efficiency; renewable and indigenous electricity
4 production; energy delivery and improvements to the electrical
5 grid; and diversification of energy sources for transportation
6 to enable energy efficiency and renewable energy resources to
7 meet seventy per cent of Hawaii's energy demand by 2030.

8 Hawaii's transportation systems are nearly completely
9 dependent on petroleum-based fuels for their operation. The
10 purpose of this Act is to begin the transformation of Hawaii's
11 transportation sector from almost completely dependent on
12 petroleum towards the use of efficient, stable, secure,
13 renewable, non-petroleum energy sources through the
14 establishment of:

15 (1) Transportation energy infrastructure capable of
16 supporting vehicles using alternative transportation
17 energy sources, including electricity and biofuels;



- 1 (2) Incentives to accelerate transformation to non-
- 2 petroleum energy sources;
- 3 (3) Requirements for transportation energy
- 4 diversification; and
- 5 (4) Plans and analysis.

6 PART II

7 TRANSPORTATION ENERGY INFRASTRUCTURE

8 SECTION 2. Section 226-18, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§226-18 Objectives and policies for facility systems--**

11 **energy.** (a) Planning for the State's facility systems with
12 regard to energy shall be directed toward the achievement of the
13 following objectives, giving due consideration to all:

- 14 (1) Dependable, efficient, and economical statewide energy
- 15 systems capable of supporting the needs of the people;
- 16 (2) Increased energy self-sufficiency where the ratio of
- 17 indigenous to imported energy use is increased;
- 18 (3) Greater energy security and diversification in the
- 19 face of threats to Hawaii's energy supplies and
- 20 systems; and
- 21 (4) Reduction, avoidance, or sequestration of greenhouse
- 22 gas emissions from energy supply and use.



1 (b) To achieve the energy objectives, it shall be the
2 policy of this State to ensure the short- and long-term
3 provision of adequate, reasonably priced, and dependable energy
4 services to accommodate demand.

5 (c) To further achieve the energy objectives, it shall be
6 the policy of this State to:

7 (1) Support research and development as well as promote
8 the use of renewable energy sources;

9 (2) Ensure that the combination of energy supplies and
10 energy-saving systems is sufficient to support the
11 demands of growth;

12 (3) Base decisions of least-cost supply-side and demand-
13 side energy resource options on a comparison of their
14 total costs and benefits when a least-cost is
15 determined by a reasonably comprehensive,
16 quantitative, and qualitative accounting of their
17 long-term, direct and indirect economic,
18 environmental, social, cultural, and public health
19 costs and benefits;

20 (4) Promote all cost-effective conservation of power and
21 fuel supplies through measures, including:



- 1 (A) Development of cost-effective demand-side
2 management programs;
- 3 (B) Education; and
- 4 (C) Adoption of energy-efficient practices and
5 technologies;
- 6 (5) Ensure, to the extent that new supply-side resources
7 are needed, that the development or expansion of
8 energy systems uses the least-cost energy supply
9 option and maximizes efficient technologies;
- 10 (6) Support research, development, ~~[and]~~ demonstration,
11 and utilization of energy efficiency, load management,
12 and other demand-side management programs, practices,
13 and technologies;
- 14 (7) Promote alternate fuels and transportation energy
15 efficiency ~~[by encouraging diversification of
16 transportation modes and infrastructure];~~
- 17 (8) Support actions that reduce, avoid, or sequester
18 greenhouse gases in utility, transportation, and
19 industrial sector applications;
- 20 (9) Support actions that reduce, avoid, or sequester
21 Hawaii's greenhouse gas emissions through agriculture
22 and forestry initiatives; and



1 (10) Provide priority handling and processing for all state
 2 and county permits required for renewable energy
 3 projects."

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

7 **"§235-A Electric vehicle charging; income tax credit. (a)**

8 There shall be allowed to each taxpayer subject to the taxes
 9 imposed by this chapter a tax credit for code compliant electric
 10 vehicle charging infrastructure installed and placed in service
 11 in the State that shall be deductible from the taxpayer's net
 12 income tax liability. The tax credit may be claimed for the
 13 taxable year in which the code compliant electric vehicle
 14 charging system is placed in service in the State.

15 (b) The amount of the credit shall be seventy per cent of
 16 the cost of the electric vehicle charging system or \$500 per
 17 electric vehicle charge point of the system, whichever is less.
 18 The cost of the electric vehicle charging system includes all
 19 costs to acquire, construct and install the electric vehicle
 20 charging system that are required to be capitalized under
 21 section 263 of the Internal Revenue Code to the electric vehicle
 22 charging system. The cost of the electric vehicle charging



1 system does not include costs that are properly allocable to
2 land or to a building and its structural components, including,
3 but not limited to costs related to the acquisition of land on
4 which the electric vehicle charging system is located, expenses
5 for permits, legal fees, project management, or engineering to
6 the extent such expenses are related to the land.

7 (c) If a deduction is taken under section 179 of the
8 Internal Revenue Code, no tax credit shall be allowed for that
9 portion of the cost for which the deduction is taken.

10 (d) The basis of eligible property for depreciation or
11 accelerated cost recovery system purposes for state income taxes
12 shall be reduced by the amount of credit allowable and claimed.
13 In the alternative, the taxpayer shall treat the amount of the
14 credit allowable and claimed as a taxable income item for the
15 taxable year in which it is properly recognized under the method
16 of accounting used to compute taxable income.

17 (e) The costs used to compute this tax credit may not be
18 used to compute any other tax credit.

19 (f) For the purposes of this section:

20 "Electric vehicle charge point" means the part of the
21 electric vehicle charging system that delivers electricity from
22 a source outside an electric vehicle into one electric vehicle.



1 "Electric vehicle charging system" means a system that is
2 designed in compliance with Article 625 of the National
3 Electrical Code and delivers electricity from a source outside
4 an electric vehicle into one or more electric vehicles. An
5 electric vehicle charging system may include several charge
6 points simultaneously connecting several electric vehicles to
7 the system.

8 (g) The director of taxation shall prepare any forms that
9 may be necessary to claim a tax credit under this section. The
10 director may also require the taxpayer to furnish reasonable
11 information to ascertain the validity of the claim for credit
12 made under this section and may adopt rules necessary to
13 effectuate the purposes of this section pursuant to chapter 91.

14 (h) If the tax credit under this section exceeds the
15 taxpayer's income tax liability, the excess of the credit over
16 liability may be used as a credit against the taxpayer's income
17 tax liability in subsequent years until exhausted. Every claim,
18 including amended claims, for a tax credit under this section
19 shall be filed on or before the end of the twelfth month
20 following the close of the taxable year for which the credit may
21 be claimed. Failure to comply with the foregoing provision
22 shall constitute a waiver of the right to claim the credit.



1 (i) This tax credit applies to electric vehicle charging
2 systems placed in service after July 1, 2009 and before January
3 1, 2016."

4 SECTION 4. Chapter 235, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 **"§235-A Alternative fuel refueling; income tax credit.**

8 (a) There shall be allowed to each taxpayer subject to the
9 taxes imposed by this chapter a tax credit for any alternative
10 fuel refueling infrastructure installed and placed in service in
11 the State that shall be deductible from the taxpayer's net
12 income tax liability. The tax credit may be claimed for the
13 taxable year in which the alternative fuel refueling
14 infrastructure is placed in service.

15 (b) The amount of the credit shall be thirty per cent of
16 the cost of the alternative fuel refueling infrastructure or
17 \$10,000, whichever is less. The cost of the alternative fuel
18 refueling infrastructure includes all costs to acquire,
19 construct and install the alternative fuel refueling
20 infrastructure that are required to be capitalized under section
21 263 of the Internal Revenue Code to the alternative fuel
22 refueling infrastructure. The cost of the alternative fuel



1 refueling infrastructure does not include costs that are
2 properly allocable to land or to a building and its structural
3 components, including, but not limited to costs related to the
4 acquisition of land on which the alternative fuel refueling
5 infrastructure is located, expenses for permits, legal fees,
6 project management, or engineering to the extent such expenses
7 are related to the land.

8 (c) If a deduction is taken under section 179 of the
9 Internal Revenue Code, no tax credit shall be allowed for that
10 portion of the cost for which the deduction is taken.

11 (d) The basis of eligible property for depreciation or
12 accelerated cost recovery system purposes for state income taxes
13 shall be reduced by the amount of credit allowable and claimed.
14 In the alternative, the taxpayer shall treat the amount of the
15 credit allowable and claimed as a taxable income item for the
16 taxable year in which it is properly recognized under the method
17 of accounting used to compute taxable income.

18 (e) The costs used to compute this tax credit may not be
19 used to compute any other tax credit.

20 (f) Recapture provisions shall conform with the recapture
21 provisions applied to "alternative fuel refueling property"
22 credits described in section 30C of the Internal Revenue Code.



1 (g) For the purposes of this section:
2 "Alternative fuel refueling infrastructure" means equipment
3 for the storage and dispensing of alternative fuels for the
4 refueling of alternative fuel vehicles, and shall conform with
5 the definition of "alternative fuel refueling property"
6 contained in section 30C of the Internal Revenue Code.

7 (h) The director of taxation shall prepare any forms that
8 may be necessary to claim a tax credit under this section. The
9 director may also require the taxpayer to furnish reasonable
10 information to ascertain the validity of the claim for credit
11 made under this section and may adopt rules necessary to
12 effectuate the purposes of this section pursuant to chapter 91.

13 (i) If the tax credit under this section exceeds the
14 taxpayer's income tax liability, the excess of the credit over
15 liability may be used as a credit against the taxpayer's income
16 tax liability in subsequent years until exhausted. Every claim,
17 including amended claims, for a tax credit under this section
18 shall be filed on or before the end of the twelfth month
19 following the close of the taxable year for which the credit may
20 be claimed. Failure to comply with the foregoing provision
21 shall constitute a waiver of the right to claim the credit.



1 (j) This tax credit applies to alternative fuel refueling
2 infrastructure placed in service after July 1, 2009 and before
3 January 1, 2016."

4 SECTION 5. The Hawaii Revised Statutes is amended by
5 adding a new section to be appropriately designated and to read
6 as follows:

7 **"SA-A Designation of parking spaces for electric vehicles.**

8 All commercial and public parking lots with at least 100 parking
9 spaces shall designate at least one prime (near the entrance)
10 spot exclusively for electric vehicles. An additional electric
11 vehicle parking location shall be required for each additional
12 100 parking spaces in the lot; the additional spaces shall be
13 located either near the building entrance or near electrical
14 service, at the discretion of the facility manager. Such spaces
15 shall be designated, clearly marked, and enforced by December
16 31, 2010.

17 For the purposes of this section, "electric vehicle" means
18 an electric vehicle or neighborhood electric vehicle with an
19 electric vehicle ("EV") license plate."

20 SECTION 6. Chapter 291, Hawaii Revised Statutes, is
21 amended by adding a new section to be appropriately designated
22 and to read as follows:



1 "§291-A **Parking spaces reserved for electric vehicles;**
2 **penalties.** (a) Beginning January 1, 2011, any person who
3 parks a non-electric vehicle in a space designated and marked as
4 reserved for electric vehicles shall receive a warning.

5 (b) Beginning July 1, 2011, any person who parks a non-
6 electric vehicle in a space designated and marked as reserved
7 for electric vehicles shall be guilty of a traffic infraction
8 under chapter 291D and shall be fined not less than \$50 nor more
9 than \$100 and pay any costs incurred by the court related to
10 assessing the fine.

11 (c) Any citation issued under this chapter may be mailed
12 to the violator pursuant to section 291C-165(b)."

13 SECTION 7. The Hawaii Revised Statutes is amended by
14 adding a new section to be appropriately designated and to read
15 as follows:

16 "§A-A **Requirement for electric vehicle charging**
17 **capability.** Electric vehicle charging capability shall be
18 required on all new single family housing units constructed
19 after January 1, 2015. Charging capability shall follow
20 standards adopted by SAE International."



1 SECTION 8. Section 269-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "public utility" to read
3 as follows:

4 "Public utility":

- 5 (1) Includes every person who may own, control,
6 operate, or manage as owner, lessee, trustee,
7 receiver, or otherwise, whether under a
8 franchise, charter, license, articles of
9 association, or otherwise, any plant or
10 equipment, or any part thereof, directly or
11 indirectly for public use, for the transportation
12 of passengers or freight, or the conveyance or
13 transmission of telecommunications messages, or
14 the furnishing of facilities for the transmission
15 of intelligence by electricity by land or water
16 or air within the State, or between points within
17 the State, or for the production, conveyance,
18 transmission, delivery, or furnishing of light,
19 power, heat, cold, water, gas, or oil, or for the
20 storage or warehousing of goods, or the disposal
21 of sewage; provided that the term shall include:



- 1 (A) Any person insofar as that person owns or
- 2 operates a private sewer company or sewer
- 3 facility; and
- 4 (B) Any telecommunications carrier or
- 5 telecommunications common carrier;
- 6 (2) Shall not include:
- 7 (A) Any person insofar as that person owns or
- 8 operates an aerial transportation
- 9 enterprise;
- 10 (B) Persons owning or operating taxicabs, as
- 11 defined in this section;
- 12 (C) Common carriers transporting only freight on
- 13 the public highways, unless operating within
- 14 localities or along routes or between points
- 15 that the public utilities commission finds
- 16 to be inadequately serviced without
- 17 regulation under this chapter;
- 18 (D) Persons engaged in the business of
- 19 warehousing or storage unless the commission
- 20 finds that regulation thereof is necessary
- 21 in the public interest;



1 (E) The business of any carrier by water to the
2 extent that the carrier enters into private
3 contracts for towage, salvage, hauling, or
4 carriage between points within the State and
5 the carriage is not pursuant to either an
6 established schedule or an undertaking to
7 perform carriage services on behalf of the
8 public generally;

9 (F) The business of any carrier by water,
10 substantially engaged in interstate or
11 foreign commerce, transporting passengers on
12 luxury cruises between points within the
13 State or on luxury round-trip cruises
14 returning to the point of departure;

15 (G) Any person who:
16 (i) Controls, operates, or manages plants
17 or facilities for the production,
18 transmission, or furnishing of power
19 primarily or entirely from non-fossil
20 fuel sources; ~~and~~

21 (ii) Provides, sells, or transmits all of
22 that power, except such power as is



- 1 used in its own internal operations,
2 directly to a public utility for
3 transmission to the public; and
4 (iii) Owns, controls, operates, or manages
5 plants or facilities primarily used to
6 charge or discharge a vehicle battery,
7 the purpose of which is to provide the
8 power for vehicle propulsion;
- 9 (H) A telecommunications provider only to the
10 extent determined by the commission pursuant
11 to section 269-16.9;
- 12 (I) Any person who controls, operates, or
13 manages plants or facilities developed
14 pursuant to chapter 167 for conveying,
15 distributing, and transmitting water for
16 irrigation and such other purposes that
17 shall be held for public use and purpose;
- 18 (J) Any person who owns, controls, operates, or
19 manages plants or facilities for the
20 reclamation of wastewater; provided that:
21 (i) The services of the facility shall be
22 provided pursuant to a service contract



1 between the person and a state or
2 county agency and at least ten per cent
3 of the wastewater processed is used
4 directly by the State or county which
5 has entered into the service contract;
6 (ii) The primary function of the facility
7 shall be the processing of secondary
8 treated wastewater that has been
9 produced by a municipal wastewater
10 treatment facility that is owned by a
11 state or county agency;
12 (iii) The facility shall not make sales of
13 water to residential customers;
14 (iv) The facility may distribute and sell
15 recycled or reclaimed water to entities
16 not covered by a state or county
17 service contract; provided that, in the
18 absence of regulatory oversight and
19 direct competition, the distribution
20 and sale of recycled or reclaimed water
21 shall be voluntary and its pricing fair
22 and reasonable. For purposes of this



1 subparagraph, "recycled water" and
2 "reclaimed water" mean treated
3 wastewater that by design is intended
4 or used for a beneficial purpose; and

5 (v) The facility shall not be engaged,
6 either directly or indirectly, in the
7 processing of food wastes; and

8 (K) Any person who owns, controls, operates, or
9 manages any seawater air conditioning
10 district cooling project; provided that at
11 least fifty per cent of the energy required
12 for the seawater air conditioning district
13 cooling system is provided by a renewable
14 energy resource, such as cold, deep
15 seawater."

16 PART III

17 TRANSPORTATION ENERGY INCENTIVES

18 SECTION 9. Chapter 237, Hawaii Revised Statutes, is
19 amended by adding a new section to be appropriately designated
20 and to read as follows:

21 **"§237-A Exemption of sale or lease of certain vehicles.**

22 (a) Beginning January 1, 2010, and expiring December 31,



1 2015, there shall be exempted from the measure of the taxes
2 imposed by this chapter all of the gross proceeds arising from
3 the sale or lease of new or used light duty motor vehicles
4 classified as alternative fuel vehicles and fuel economy leader
5 vehicles.

6 (b) As used in this section:

7 "Alternative fuel" means alcohol fuels; mixtures containing
8 eighty-five per cent or more by volume of alcohols with gasoline
9 or other fuels; natural gas; liquefied petroleum gas; hydrogen;
10 biodiesel; mixtures containing twenty per cent or more by volume
11 of biodiesel with diesel or other fuels; other fuels derived
12 from biological materials; and electricity provided by off-board
13 energy sources.

14 "Alternative fuel vehicle" means a vehicle capable of
15 operating on an alternative fuel.

16 "Fuel economy leader vehicle" means a vehicle that is
17 identified by the United States Environmental Protection Agency
18 as a "fuel economy leader" in its class and model year.

19 "Light duty motor vehicle" has the same meaning as
20 contained in 10 Code of Federal Regulations Part 490. It does
21 not include any vehicle incapable of traveling on highways or



1 any vehicle with a gross vehicle weight rating greater than
2 8,500 pounds."

3 SECTION 10. Section 238-9.5, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "§238-9.5 **Motor vehicle importation; report by dealers;**
6 **proof of payment.** (a) Every dealer, as defined in section 437-
7 1.1, shall submit a report to the director, on or before the
8 last day of each calendar month, for all motor vehicles
9 delivered by the dealer in the prior month as a courtesy
10 delivery. The report shall contain the name and address of the
11 dealer making the courtesy delivery, name and address of the
12 seller of the vehicle, type of motor vehicle, the landed value
13 of the vehicle, the name and address of the purchaser or
14 importer, the date of importation, and other information
15 relevant to the courtesy delivery as requested by the director.

16 As used in this section, "courtesy delivery" means the
17 preparation for delivery and the delivery by a dealer of a motor
18 vehicle imported into the State by a person who purchased the
19 motor vehicle from an out-of-state motor vehicle manufacturer or
20 an out-of-state dealer and does not apply to motor vehicles sold
21 by the in-state dealer.



1 (b) The director of taxation shall prepare forms necessary
2 for individuals importing motor vehicles into the State to prove
3 payment of, or exemption from, [~~the~~] any use tax necessary to
4 register the motor vehicle."

5 SECTION 11. Section 286-41, Hawaii Revised Statutes, is
6 amended to read as follows:

7 **"§286-41 Application for registration; full faith and**
8 **credit to current certificates; this part not applicable to**
9 **certain equipment.** (a) Every owner of a motor vehicle which is
10 to be operated upon the public highways shall, for each vehicle
11 owned, except as herein otherwise provided, apply to the
12 director of finance of the county where the vehicle is to be
13 operated, for the registration thereof. If a vehicle is moved
14 to another county and is to be operated upon the public highways
15 of that county, the existing certificate of registration shall
16 be valid until its expiration date, at which time the owner
17 shall apply to the director of finance of the county in which
18 the vehicle is then located for the registration of the vehicle,
19 whether or not the owner is domiciled in the county or the
20 owner's principal place of business is in that county, except
21 that this provision shall not apply to vehicles which are



1 temporarily transferred to another county for a period of not
2 more than three months.

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



1 (c) If the vehicle to be registered is specially
2 constructed, reconstructed, or rebuilt; is a special interest
3 vehicle; or is an imported vehicle, this fact shall be stated in
4 the application and upon the registration of the special
5 interest motor vehicle and imported motor vehicle, which has
6 been registered until that time in any other state or county,
7 and the owner shall surrender to the director of finance the
8 certificates of registration or other evidence of such form of
9 registration as may be in the applicant's possession or control.
10 The director of finance shall grant full faith and credit to the
11 currently valid certificates of title and registration
12 describing the vehicle, the ownership thereof, and any liens
13 noted thereon, issued by any title state or county in which the
14 vehicle was last registered. The acceptance by the director of
15 finance of a certificate of title or of registration issued by
16 another state or county, as provided in this subsection, in the
17 absence of knowledge that the certificate is forged, fraudulent,
18 or void, shall be a sufficient determination of the genuineness
19 and regularity of the certificate and of the truth of the
20 recitals therein, and no liability shall be incurred by any
21 officer or employee of the director of finance by reason of so
22 accepting the certificate.



1 (d) The owner of every motor vehicle of the current,
2 previous, and subsequent year model bought out-of-state,
3 subsequently brought into the State, and subject to the use tax
4 under chapter 238 shall provide with the application for
5 registration proof of payment of the use tax pursuant to
6 requirements established by the department of taxation. No
7 registration certificate shall be issued without proof of
8 payment of the use tax[-] unless the vehicle is an alternative
9 fuel vehicle or fuel economy leader vehicle exempt from the use
10 tax as provided in chapter 238.

11 (e) Notwithstanding any other law to the contrary, the
12 director of finance of the county in which the application for
13 registration is sought shall not require proof of insurance as a
14 condition to satisfy the requirements of this part. This
15 subsection shall apply only to the initial registration of any
16 motor vehicle.

17 (f) The provisions of this part requiring the registration
18 of motor vehicles shall not apply to:

- 19 (1) Special mobile equipment;
20 (2) Implements of husbandry temporarily drawn, moved, or
21 otherwise propelled upon the public highways; and



1 (3) Aircraft servicing vehicles which are being used
 2 exclusively on lands set aside to the department of
 3 transportation for airport purposes.

4 (g) Beginning January 1, 2010, and expiring December 31,
 5 2015, the motor vehicle registration fee and other fees, if any,
 6 assessed upon or associated with the registration of an electric
 7 vehicle in this State, including any fees associated with the
 8 issuance of an electric vehicle license plate, shall be waived."

9 SECTION 12. The Hawaii Revised Statutes is amended by
 10 adding a new section to be appropriately designated and to read
 11 as follows:

12 **"SA-A Transportation energy transformation grant fund.**

13 (a) There is established a special fund to be designated as the
 14 transportation energy transformation grant fund. Moneys
 15 transferred to the transportation energy transformation grant
 16 fund may be expended by the director to carry out the director's
 17 duties and obligations under this chapter. Disbursements from
 18 the transportation energy transformation grant fund shall not be
 19 subject to chapter 42F or 103D.

20 (b) As used in this chapter:

21 "Director" means the director of Business, Economic
 22 Development, and Tourism.



1 "Electric vehicle" has the same meaning as contained in
2 Title 26, Section 30, of the Internal Revenue Code, for 'new
3 qualified plug-in electric drive motor vehicle,' and means a
4 motor vehicle, including a plug-in hybrid electric vehicle:

5 (1) Which draws propulsion using a traction battery with
6 at least 4 kilowatt hours of capacity;

7 (2) Which uses an off-board source of energy to recharge
8 such battery;

9 (3) The original use of which commences with the taxpayer;
10 and

11 (4) Which is acquired for use or lease by the taxpayer and
12 not for resale.

13 "Fleet" means more than fifty light duty motor vehicles in
14 the state owned or operated by related entities.

15 "Integrated intelligently with the electrical grid" means
16 that the demand of the vehicle for electricity from the grid is
17 controlled to reduce the electrical demand on the grid during
18 peak demand times and maximize the use of renewable energy
19 sources or use of renewable energy potentially available off
20 peak that would otherwise be curtailed.

21 (c) The transportation energy transformation grant fund
22 may be used by the director to make transportation energy



1 transformation grants authorized under this chapter. The
2 transportation energy transformation grant fund shall also be
3 used by the director to pay for any administrative and
4 operational costs, including personnel costs and marketing
5 costs, associated with a transportation energy transformation
6 grant program. Any law to the contrary notwithstanding, the
7 director may use the moneys in the transportation energy
8 transformation grant fund to employ or retain, by contract or
9 otherwise, without regard to chapters 76 and 78, necessary
10 professional, expert, managerial, technical, and support
11 personnel to implement and carry out the purposes of this
12 article.

13 (d) Before June 30 of each calendar year, fifty per cent
14 of the grants shall be reserved for non fleet vehicles and no
15 more than ten per cent of the grants may be provided to any one
16 fleet.

17 (e) Subject to the availability of funds and the standards
18 in this chapter, grants for approved electric vehicles shall be
19 provided to purchasers of electric vehicles intended to be
20 integrated intelligently with the electrical grid and licensed
21 for use on Hawaii's highways, as follows:



- 1 (1) Beginning January 1, 2010, and expiring December 31,
2 2010: up to \$4000 per vehicle; limited to the first
3 500 vehicles.

- 4 (2) Beginning January 1, 2011, and expiring December 31,
5 2011: up to \$3500 per vehicle; limited to the first
6 1000 vehicles.

- 7 (3) Beginning January 1, 2012, and expiring December 31,
8 2013: up to \$2500 per vehicle; limited to the first
9 2000 vehicles per year.

- 10 (4) Beginning January 1, 2014, and expiring December 31,
11 2015: up to \$2000 per vehicle; limited to the first
12 2500 vehicles per year.

- 13 (5) Beginning January 1, 2016, and expiring December 31,
14 2021: up to \$500 per vehicle; limited to the first
15 10000 vehicles per year.

- 16 (f) The description, specifications, guidelines, and
17 requirements for intelligent integration with the electrical
18 grid shall be further developed and determined by the director
19 by rule. The director may amend, narrow, or expand the
20 definitions, descriptions, specifications, and requirements of
21 intelligent integration.



- 1 (g) A grant may be made to an applicant only if the
2 applicant:
- 3 (1) Has met the descriptions, specifications, guidelines,
4 and requirements established by the director for the
5 grant program;
- 6 (2) Has filed a completed application form, as determined
7 solely by the director, together with all supporting
8 documentation required by the director;
- 9 (3) Has, in the case of a fleet, filed completed grant
10 applications together for all vehicles in the fleet;
- 11 (4) Has completed the purchase or lease, licensing, and
12 registration of the vehicle, prior to applying for the
13 grant;
- 14 (5) Has provided any other information deemed necessary by
15 the director; and
- 16 (6) Has met all additional requirements needed to
17 implement the grant program as determined by the
18 director.
- 19 (h) The director shall include information on the
20 transportation energy transformation grant fund and statistical
21 information on program participation in the department's annual
22 report to the governor and the legislature."



1 SECTION 13. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$3,750,000, or so
3 much thereof as may be necessary, for fiscal year 2009-2010, to
4 develop and implement the transportation energy transformation
5 grant fund. The sum appropriated shall be expended by the
6 department of Business, Economic Development, and Tourism. The
7 appropriation shall not lapse at the end of the fiscal period
8 for which the appropriation is made; provided that any
9 unexpended and unencumbered money as of June 30, 2012, shall
10 lapse as of that date.

11 SECTION 14. Section 235-110.3, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§235-110.3** [~~Ethanol~~] **Biofuel facility tax credit.** (a)
14 Each year during the credit period, there shall be allowed to
15 each taxpayer subject to the taxes imposed by this chapter, [~~an~~
16 ~~ethanol~~] a biofuel facility tax credit that shall be applied to
17 the taxpayer's net income tax liability, if any, imposed by this
18 chapter for the taxable year in which the credit is properly
19 claimed.

20 For each qualified [~~ethanol~~] biofuel production facility,
21 the annual dollar amount of the [~~ethanol~~] biofuel facility tax
22 credit during the eight-year period shall be equal to thirty per



1 cent of its nameplate capacity if the nameplate capacity is
2 greater than five hundred thousand [~~but less than fifteen~~
3 ~~million~~] gallons. A taxpayer may claim this credit for the
4 first fifteen million gallons of capacity of each qualifying
5 [~~ethanol~~] biofuel facility; provided that:

6 (1) The claim for this credit by any taxpayer of a
7 qualifying [~~ethanol~~] biofuel production facility shall
8 not exceed one hundred per cent of the total of all
9 investments made by the taxpayer in the qualifying
10 [~~ethanol~~] biofuel production facility prior to and
11 during the credit period;

12 (2) The qualifying [~~ethanol~~] biofuel production facility
13 operated at a level of production of at least seventy-
14 five per cent of its nameplate capacity on an
15 annualized basis;

16 (3) The qualifying [~~ethanol~~] biofuel production facility
17 is in production on or before January 1, 2017; and

18 (4) No taxpayer that claims the credit under this section
19 shall claim any other tax credit under this chapter
20 for the same taxable year.

21 (b) As used in this section:



1 "Biofuel" means ethanol, biodiesel, diesel, jet fuel, or
2 other liquid fuel meeting the relevant fuel specifications of
3 ASTM International (formerly ASTM, the American Society for
4 Testing and Materials).

5 "Credit period" means a maximum period of eight years
6 beginning from the first taxable year in which the qualifying
7 [~~ethanol~~] biofuel production facility begins production even if
8 actual production is not at seventy-five per cent of nameplate
9 capacity.

10 "Investment" means a nonrefundable capital expenditure
11 related to the development and construction of any qualifying
12 [~~ethanol~~] biofuel production facility, including processing
13 equipment, waste treatment systems, pipelines, and liquid
14 storage tanks at the facility or remote locations, including
15 expansions or modifications. Capital expenditures shall be
16 those direct and certain indirect costs determined in accordance
17 with section 263A of the Internal Revenue Code, relating to
18 uniform capitalization costs, but shall not include expenses for
19 compensation paid to officers of the taxpayer, pension and other
20 related costs, rent for land, the costs of repairing and
21 maintaining the equipment or facilities, training of operating
22 personnel, utility costs during construction, property taxes,



1 costs relating to negotiation of commercial agreements not
2 related to development or construction, or service costs that
3 can be identified specifically with a service department or
4 function or that directly benefit or are incurred by reason of a
5 service department or function. For the purposes of determining
6 a capital expenditure under this section, the provisions of
7 section 263A of the Internal Revenue Code shall apply as it read
8 on March 1, 2004. For purposes of this section, investment
9 excludes land costs and includes any investment for which the
10 taxpayer is at risk, as that term is used in section 465 of the
11 Internal Revenue Code (with respect to deductions limited to
12 amount at risk).

13 "Nameplate capacity" means the qualifying [~~ethanol~~] biofuel
14 production facility's production design capacity, in gallons of
15 [~~motor fuel grade ethanol~~] biofuel per year.

16 "Net income tax liability" means net income tax liability
17 reduced by all other credits allowed under this chapter.

18 "Qualifying [~~ethanol~~] biofuel production" means [~~ethanol~~]
19 biofuel produced from renewable, organic feedstocks, or waste
20 materials, including municipal solid waste. All qualifying
21 production shall be fermented, distilled, gasified, or produced



1 by physical chemical conversion methods such as reformation and
2 catalytic conversion and dehydrated at the facility.

3 "Qualifying [~~ethanol~~] biofuel production facility" or
4 "facility" means a facility located in Hawaii which produces
5 [~~motor~~] fuel grade [~~ethanol meeting the minimum specifications~~
6 ~~by the American Society of Testing and Materials standard D-~~
7 ~~4806, as amended.~~] biofuel.

8 (c) In the case of a taxable year in which the cumulative
9 claims for the credit by the taxpayer of a qualifying [~~ethanol~~]
10 biofuel production facility exceeds the cumulative investment
11 made in the qualifying [~~ethanol~~] biofuel production facility by
12 the taxpayer, only that portion that does not exceed the
13 cumulative investment shall be claimed and allowed.

14 (d) The department of business, economic development, and
15 tourism shall:

- 16 (1) Maintain records of the total amount of investment
17 made by each taxpayer in a facility;
- 18 (2) Verify the amount of the qualifying investment;
- 19 (3) Total all qualifying and cumulative investments that
20 the department of business, economic development, and
21 tourism certifies; and



1 (4) Certify the total amount of the tax credit for each
2 taxable year and the cumulative amount of the tax
3 credit during the credit period.

4 Upon each determination, the department of business,
5 economic development, and tourism shall issue a certificate to
6 the taxpayer verifying the qualifying investment amounts, the
7 credit amount certified for each taxable year, and the
8 cumulative amount of the tax credit during the credit period.
9 The taxpayer shall file the certificate with the taxpayer's tax
10 return with the department of taxation. Notwithstanding the
11 department of business, economic development, and tourism's
12 certification authority under this section, the director of
13 taxation may audit and adjust certification to conform to the
14 facts.

15 If in any year, the annual amount of certified credits
16 reaches \$12,000,000 in the aggregate, the department of
17 business, economic development, and tourism shall immediately
18 discontinue certifying credits and notify the department of
19 taxation. In no instance shall the total amount of certified
20 credits exceed \$12,000,000 per year. Notwithstanding any other
21 law to the contrary, this information shall be available for
22 public inspection and dissemination under chapter 92F.



1 (e) If the credit under this section exceeds the
2 taxpayer's income tax liability, the excess of credit over
3 liability shall be refunded to the taxpayer; provided that no
4 refunds or payments on account of the tax credit allowed by this
5 section shall be made for amounts less than \$1. All claims for
6 a credit under this section must be properly filed on or before
7 the end of the twelfth month following the close of the taxable
8 year for which the credit may be claimed. Failure to comply
9 with the foregoing provision shall constitute a waiver of the
10 right to claim the credit.

11 (f) If a qualifying [~~ethanol~~] biofuel production facility
12 or an interest therein is acquired by a taxpayer prior to the
13 expiration of the credit period, the credit allowable under
14 subsection (a) for any period after such acquisition shall be
15 equal to the credit that would have been allowable under
16 subsection (a) to the prior taxpayer had the taxpayer not
17 disposed of the interest. If an interest is disposed of during
18 any year for which the credit is allowable under subsection (a),
19 the credit shall be allowable between the parties on the basis
20 of the number of days during the year the interest was held by
21 each taxpayer. In no case shall the credit allowed under



1 subsection (a) be allowed after the expiration of the credit
2 period.

3 ~~[(g) Once the total nameplate capacities of qualifying
4 ethanol production facilities built within the State reaches or
5 exceeds a level of forty million gallons per year, credits under
6 this section shall not be allowed for new ethanol production
7 facilities. If a new facility's production capacity would cause
8 the statewide ethanol production capacity to exceed forty
9 million gallons per year, only the ethanol production capacity
10 that does not exceed the statewide forty million gallon per year
11 level shall be eligible for the credit.]~~

12 ~~[(h)]~~ (g) Prior to construction of any new qualifying
13 ~~[ethanol]~~ biofuel production facility, the taxpayer shall
14 provide written notice of the taxpayer's intention to begin
15 construction of a qualifying ~~[ethanol]~~ biofuel production
16 facility. The information shall be provided to the department
17 of taxation and the department of business, economic
18 development, and tourism on forms provided by the department of
19 business, economic development, and tourism, and shall include
20 information on the taxpayer, facility location, facility
21 production capacity, anticipated production start date, and the
22 taxpayer's contact information. Notwithstanding any other law



1 to the contrary, this information shall be available for public
2 inspection and dissemination under chapter 92F.

3 ~~(i)~~ (h) The taxpayer shall provide written notice to the
4 director of taxation and the director of business, economic
5 development, and tourism within thirty days following the start
6 of production. The notice shall include the production start
7 date and expected ~~[ethanol]~~ biofuel fuel production for the next
8 twenty-four months. Notwithstanding any other law to the
9 contrary, this information shall be available for public
10 inspection and dissemination under chapter 92F.

11 ~~(j)~~ (i) If a qualifying ~~[ethanol]~~ biofuel production
12 facility fails to achieve an average annual production of at
13 least seventy-five per cent of its nameplate capacity for two
14 consecutive years, the stated capacity of that facility may be
15 revised by the director of business, economic development, and
16 tourism to reflect actual production for the purposes of
17 determining ~~[statewide production capacity under subsection (g)~~
18 ~~and]~~ allowable credits for that facility under subsection (a).
19 Notwithstanding any other law to the contrary, this information
20 shall be available for public inspection and dissemination under
21 chapter 92F.



1 [~~(k)~~] (j) Each calendar year during the credit period, the
2 taxpayer shall provide information to the director of business,
3 economic development, and tourism on the [~~number of~~] gallons [~~of~~
4 ~~ethanol~~] and type of biofuel produced and sold during the
5 previous calendar year, how much was sold in Hawaii versus
6 overseas, percentage of Hawaii-grown feedstocks and other
7 feedstocks used for [~~ethanol~~] biofuel production, the number of
8 employees of the facility, and the projected [~~number of~~] gallons
9 [~~of ethanol~~] and type of biofuel production for the succeeding
10 year.

11 [~~(l)~~] (k) In the case of a partnership, S corporation,
12 estate, or trust, the tax credit allowable is for every
13 qualifying [~~ethanol~~] biofuel production facility. The cost upon
14 which the tax credit is computed shall be determined at the
15 entity level. Distribution and share of credit shall be
16 determined pursuant to section 235-110.7(a).

17 [~~(m)~~] (l) Following each year in which a credit under this
18 section has been claimed, the director of business, economic
19 development, and tourism shall [~~submit a written~~] include in its
20 annual report to the governor and legislature [~~regarding the~~
21 ~~production and sale of ethanol. The report shall include~~] the
22 following:



- 1 (1) The number, location, and nameplate capacities of
- 2 qualifying [~~ethanol~~] biofuel production facilities in
- 3 the State;
- 4 (2) The total number of gallons of [~~ethanol~~] biofuel
- 5 produced and sold during the previous year; and
- 6 (3) The projected number of gallons of [~~ethanol~~] biofuel
- 7 production for the succeeding year.

8 [~~(n)~~] (m) The director of taxation shall prepare forms
 9 that may be necessary to claim a credit under this section.

10 Notwithstanding the department of business, economic
 11 development, and tourism's certification authority under this
 12 section, the director may audit and adjust certification to
 13 conform to the facts. The director may also require the
 14 taxpayer to furnish information to ascertain the validity of the
 15 claim for credit made under this section and may adopt rules
 16 necessary to effectuate the purposes of this section pursuant to
 17 chapter 91."

18 SECTION 15. Section 251-2, Hawaii Revised Statutes, is
 19 amended to read as follows:

20 "**§251-2 Rental motor vehicle and tour vehicle surcharge**
 21 **tax.** (a) There is levied and shall be assessed and collected
 22 each month a rental motor vehicle surcharge tax of \$2 a day,



1 except that for the period of September 1, 1999, to August 31,
2 2011, the tax shall be \$3 a day, or any portion of a day that a
3 rental motor vehicle is rented or leased. The rental motor
4 vehicle surcharge tax shall be levied upon the lessor; provided
5 that the tax shall not be levied on the lessor if:

6 (1) The lessor is renting the vehicle to replace a vehicle
7 of the lessee that is being repaired; and

8 (2) A record of the repair order for the vehicle is
9 retained either by the lessor for two years for
10 verification purposes or by a motor vehicle repair
11 dealer for two years as provided in section 437B-16.

12 (b) There is levied and shall be assessed and collected
13 each month a tour vehicle surcharge tax of:

14 (1) \$65 for each tour vehicle used or partially used
15 during the month that falls into the over twenty-five
16 passenger seat category; and

17 (2) \$15 for each tour vehicle used or partially used
18 during the month that falls into the eight to twenty-
19 five passenger seat category.

20 The tour vehicle surcharge tax shall be levied upon the
21 tour vehicle operator.



1 (c) For the period of January 1, 2010, through December
2 31, 2015, up to two hundred alternative fueled light duty motor
3 vehicles per rental car fleet shall be exempt from the rental
4 motor vehicle surcharge tax.

5 (d) For the purposes of this section:

6 "Alternative fuel" means alcohol fuels; mixtures containing
7 eighty-five per cent or more by volume of alcohols with gasoline
8 or other fuels; natural gas; liquefied petroleum gas; hydrogen;
9 biodiesel; mixtures containing twenty per cent or more by volume
10 of biodiesel with diesel or other fuels; other fuels derived
11 from biological materials; and electricity provided by off-board
12 energy sources.

13 "Alternative fuel vehicle" means a vehicle capable of
14 operating on an alternative fuel.

15 "Light duty motor vehicle" has the same meaning as
16 contained in 10 Code of Federal Regulations Part 490. It does
17 not include any vehicle incapable of traveling on highways or
18 any vehicle with a gross vehicle weight rating greater than
19 8,500 pounds.

20 "Related entities" has the same meaning as in Chapter 237.

21 "Rental car fleet" refers to all vehicles in the state
22 owned or operated by related entities."



PART IV

TRANSPORTATION ENERGY REQUIREMENTS

SECTION 16. Section 103D-412, Hawaii Revised Statutes, is amended to read as follows:

"§103D-412 ~~[Energy-efficient vehicles.]~~ Light duty motor vehicle requirements. (a) The procurement policy for all

agencies purchasing or leasing light duty motor vehicles shall be to ~~[obtain energy-efficient vehicles. All covered fleets are directed to procure increasing percentages of energy-efficient vehicles as part of their annual vehicle acquisition plans, which shall be as follows:~~

~~(1) In the fiscal year beginning July 1, 2006, at least twenty per cent of newly purchased light-duty vehicles acquired by each covered fleet shall be energy-efficient vehicles;~~

~~(2) In the fiscal year beginning July 1, 2007, at least thirty per cent of newly purchased light-duty vehicles acquired by each covered fleet shall be energy-efficient vehicles;~~

~~(3) In the fiscal year beginning July 1, 2008, at least forty per cent of newly purchased light-duty vehicles~~



1 ~~acquired by each covered fleet shall be energy-~~
2 ~~efficient vehicles; and~~
3 ~~(4) For each subsequent fiscal year, the percentage of~~
4 ~~energy-efficient vehicles newly purchased shall be~~
5 ~~five percentage points higher than the previous year,~~
6 ~~until at least seventy-five per cent of each covered~~
7 ~~fleet's newly purchased, light-duty vehicles are~~
8 ~~energy-efficient vehicles.]~~

9 reduce dependence on petroleum for transportation energy.
10 Beginning January 1, 2010, all state and county entities
11 shall, when purchasing new vehicles, seek vehicles with
12 reduced dependence on petroleum-based fuels, in the
13 following descending order of priority:

14 (1) The agency shall first evaluate any available electric
15 or plug-in hybrid electric vehicle and, if it meets
16 the needs of the agency, such vehicle shall be
17 selected.

18 (2) If an electric or plug-in hybrid electric vehicle that
19 meets the needs of the agency is not available, the
20 agency may select a hydrogen or fuel cell vehicle.



1 (3) If a hydrogen or fuel cell vehicle that meets the
2 needs of the agency is not available, the agency may
3 select an alternative fuel vehicle.

4 (4) If an alternative fuel vehicle that meets the needs of
5 the agency is not available, the agency may select a
6 hybrid electric vehicle.

7 (5) If a hybrid electric vehicle that meets the needs of
8 the agency is not available, the agency shall select a
9 vehicle that is identified by the United States
10 Environmental Protection Agency in its annual "Fuel
11 Economy Leaders" report as being among the top
12 performers for fuel economy in its class.

13 (b) For the purposes of this section:

14 "Agency" means a state agency, office, or department.

15 "Alternative fuel" [~~has the same meaning as contained in 10~~
16 ~~Code of Federal Regulations Part 490]~~ means alcohol fuels;
17 mixtures containing eighty-five per cent or more by volume of
18 alcohols with gasoline or other fuels; natural gas; liquefied
19 petroleum gas; hydrogen; biodiesel; mixtures containing twenty
20 per cent or more by volume of biodiesel with diesel or other
21 fuels; other fuels derived from biological materials; and
22 electricity provided by off-board energy sources.



1 "Covered fleet" has the same meaning as contained in 10
2 Code of Federal Regulations Part 490 Subpart C.

3 ~~["Energy-efficient vehicle" means a vehicle that:~~

4 ~~(1) Is capable of using an alternative fuel;~~

5 ~~(2) Is powered primarily through the use of an electric~~
6 ~~battery or battery pack that stores energy produced by~~
7 ~~an electric motor through regenerative braking to~~
8 ~~assist in vehicle operation;~~

9 ~~(3) Is propelled by power derived from one or more cells~~
10 ~~converting chemical energy directly into electricity~~
11 ~~by combining oxygen with hydrogen fuel that is stored~~
12 ~~on board the vehicle in any form;~~

13 ~~(4) Draws propulsion energy from onboard sources of stored~~
14 ~~energy generated from an internal combustion or heat~~
15 ~~engine using combustible fuel and a rechargeable~~
16 ~~energy storage system; or~~

17 ~~(5) Is on the list of "Most Energy Efficient Vehicles" in~~
18 ~~its class or is in the top one-fifth of the most~~
19 ~~energy-efficient vehicles in its class available in~~
20 ~~Hawaii as shown by vehicle fuel efficiency lists,~~
21 ~~rankings, or reports maintained by the United States~~
22 ~~Environmental Protection Agency.]~~



1 "Excluded vehicles" has the same meaning as provided in 10
2 Code of Federal Regulations Section 490.3.

3 [~~"Light-duty vehicle"~~] "Light duty motor vehicle" has the
4 same meaning as contained in 10 Code of Federal Regulations Part
5 490. It does not include any vehicle incapable of traveling on
6 highways or any vehicle with a gross vehicle weight rating
7 greater than 8,500 pounds.

8 [~~(c) Agencies may offset energy-efficient vehicle purchase~~
9 ~~requirements by successfully demonstrating percentage~~
10 ~~improvements in overall light-duty vehicle fleet mileage~~
11 ~~economy. The offsets shall be measured against the fleet~~
12 ~~average miles per gallon of petroleum-based gasoline and diesel~~
13 ~~fuel, using the fiscal year beginning July 1, 2006, as a~~
14 ~~baseline, on a percentage-by-percentage basis.~~

15 [~~(d) Agencies that use biodiesel fuel may offset the~~
16 ~~vehicle purchase requirements of this section at the rate of one~~
17 ~~vehicle for each four hundred fifty gallons of neat biodiesel~~
18 ~~fuel used. Neat biodiesel fuel is one hundred per cent~~
19 ~~biodiesel (B100) by volume.]~~

20 [~~(e)~~] (c) Agencies may apply to the chief procurement
21 officer for exemptions from the requirements of this section to
22 the extent that the vehicles required by this section are not



1 available or do not meet the specific needs of the agency. Life
2 cycle vehicle and fuel costs may be included in the
3 determination of whether a particular vehicle meets the needs of
4 the agency. Estimates of future fuel prices shall be based on
5 projections from the United States Energy Information
6 Administration.

7 ~~[(f)]~~ (d) Vehicles acquired from another state agency and
8 excluded vehicles are exempt from the requirements of this
9 section.

10 ~~[(g)]~~ (e) Nothing in this section is intended to interfere
11 with ~~[an agency's]~~ the ability of a covered fleet to comply with
12 ~~[federally-imposed]~~ the vehicle purchase mandates ~~[such as~~
13 ~~these]~~ required by 10 Code of Federal Regulations Part 490
14 Subpart C."

15 SECTION 17. Section 196-9(c), Hawaii Revised Statutes, is
16 amended to read as follows:

17 "(c) With regard to motor vehicles and transportation
18 fuel, each agency shall:

19 (1) Comply with Title 10, Code of Federal Regulations,
20 Part 490, Subpart C, "Mandatory State Fleet Program",
21 if applicable;



- 1 (2) Comply with all applicable state laws regarding
- 2 vehicle purchases;
- 3 (3) Once federal and state vehicle purchase mandates have
- 4 been satisfied, purchase the most fuel-efficient
- 5 vehicles that meet the needs of their programs;
- 6 provided that life cycle cost-benefit analysis of
- 7 vehicle purchases shall include projected fuel costs;
- 8 (4) Purchase alternative fuels and ethanol blended
- 9 gasoline when available;
- 10 (5) [~~Evaluate a purchase preference for~~] Purchase
- 11 biodiesel blends, [~~as applicable to agencies with~~
- 12 ~~diesel fuel purchases;~~] in accordance with chapter
- 13 103D;
- 14 (6) Promote efficient operation of vehicles;
- 15 (7) Use the most appropriate minimum octane fuel;
- 16 [~~provided that~~] vehicles shall use 87-octane fuel
- 17 unless the owner's manual for the vehicle states
- 18 otherwise or the engine experiences knocking or
- 19 pinging;
- 20 (8) [~~Beginning with fiscal year 2005-2006 as the baseline,~~
- 21 ~~collect~~] Collect and maintain, for [~~the life of~~] each
- 22 vehicle acquired, the following data:



- 1 (A) Vehicle acquisition cost;
- 2 (B) United States Environmental Protection Agency
- 3 rated fuel economy;
- 4 (C) Vehicle fuel configuration, such as gasoline,
- 5 diesel, flex-fuel gasoline/E85, and dedicated
- 6 propane;
- 7 (D) Actual in-use vehicle mileage;
- 8 (E) Actual in-use vehicle fuel consumption; and
- 9 (F) Actual in-use annual average vehicle fuel
- 10 economy[~~and~~].
- 11 (9) [~~Beginning with fiscal year 2005-2006 as the baseline~~
- 12 ~~with respect to each~~] Each agency that operates a
- 13 fleet of thirty or more vehicles[~~]~~ shall collect and
- 14 maintain, in addition to the data in paragraph (8),
- 15 the following:
- 16 (A) Information on the vehicles in the fleet,
- 17 including vehicle year, make, model, gross
- 18 vehicle weight rating, and vehicle fuel
- 19 configuration;
- 20 (B) Fleet fuel usage, by fuel;
- 21 (C) Fleet mileage; and



1 (D) Overall annual average fleet fuel economy and
2 average miles per gallon of gasoline and diesel."

3 SECTION 18. Section 103D-1012, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[+]§103D-1012[+] **Biofuel preference.** (a)

6 Notwithstanding any other law to the contrary, contracts for the
7 purchase of diesel fuel or boiler fuel shall be awarded to the
8 lowest responsible and responsive bidders, with preference given
9 to bids for biofuels or blends of biofuel and petroleum fuel.

10 (b) When purchasing fuel for use in diesel engines, the
11 preference shall be [~~five cents~~] twenty per cent per gallon of
12 one hundred per cent [~~biodiesel~~] biomass-based diesel. For
13 blends containing both [~~biodiesel~~] biomass-based diesel and
14 petroleum-based diesel, the preference shall be applied only to
15 the [~~biodiesel~~] biomass-based diesel portion of the blend.

16 (c) When purchasing fuel for use in boilers, the
17 preference shall be [~~five cents~~] twenty per cent per gallon of
18 one hundred per cent biofuel. For blends containing both
19 biofuel and petroleum-based boiler fuel, the preference shall be
20 applied only to the biofuel portion of the blend.

21 (d) As used in this section, "biodiesel" means a vegetable
22 oil-based fuel that meets ASTM International standard D6751,



1 "Standard Specification for Biodiesel (B100) Fuel Blend Stock
2 for Distillate Fuels", as amended.

3 (e) As used in this section, "biofuel" means fuel from
4 non-petroleum plant or animal based sources that can be used for
5 the generation of heat or power.

6 (f) As used in this section, "biomass-based diesel" means
7 biodiesel or diesel fuel substitute produced in Hawaii from
8 biomass, provided that the fuel is registered with the
9 Environmental Protection Agency for use in on-road engines and
10 meets ASTM International fuel specifications for use in diesel
11 engines.

12 (g) Beginning January 1, 2012, all state-owned diesel
13 vehicles and equipment are required to be fueled with blends of
14 biomass-based diesel, subject to the availability of the fuel,
15 and so long as the price is no greater than twenty per cent more
16 per gallon than the price of conventional diesel."

17 SECTION 19. Chapter 196, Hawaii Revised Statutes, is
18 amended by adding a new section to be appropriately designated
19 and to read as follows:

20 **"§196-A Alternative fuel vehicle requirement for private**
21 **fleets.** (a) Beginning January 1, 2012, each fleet operator
22 controlling more than fifty light duty motor vehicles in the



1 state shall, when replacing its light duty motor vehicles or
2 expanding its fleet, acquire increasing percentages of vehicles
3 capable of operating on non-petroleum energy sources, including
4 electric vehicles, flexible fuel vehicles, or other alternative
5 fuel vehicles.

6 (b) At least four per cent of all new light duty motor
7 vehicles acquired by a fleet operator in the state during
8 calendar year 2012 shall be alternative fuel vehicles. This
9 percentage shall increase by four per cent per year, reaching
10 seventy-six per cent in the calendar year 2030.

11 (c) For the purposes of this section:

12 "Acquire" means to take into possession or control, whether
13 by lease, purchase, or other arrangement.

14 "Alternative fuel" means alcohol fuels; mixtures containing
15 eighty-five per cent or more by volume of alcohols with gasoline
16 or other fuels; natural gas; liquefied petroleum gas; hydrogen;
17 biodiesel; mixtures containing twenty per cent or more by volume
18 of biodiesel with diesel or other fuels; other fuels derived
19 from biological materials; and electricity provided by off-board
20 energy sources.

21 "Alternative fuel vehicle" means a vehicle capable of
22 operating on an alternative fuel.



1 "Electric vehicle" means a vehicle powered by electricity.
2 It does not include a neighborhood electric vehicle or any
3 vehicle that is not designed to obtain electricity from sources
4 outside the vehicle.

5 "Fleet operator" means an entity controlling more than
6 fifty light duty motor vehicles for use in a business
7 enterprise, including vehicle rental, but does not include
8 vehicles held for retail sale.

9 "Light duty motor vehicle" has the same meaning as
10 contained in 10 Code of Federal Regulations Part 490. It does
11 not include any vehicle incapable of traveling on highways or
12 any vehicle with a gross vehicle weight rating greater than
13 8,500 pounds.

14 (d) A fleet operator and its affiliates may aggregate
15 their vehicle purchases.

16 (e) Fleet operators acquiring vehicles earlier than the
17 program start date or in excess of the number of vehicles
18 required will be able to accumulate alternative fuel vehicle
19 credits, which may be traded, sold, or banked for later use in
20 meeting vehicle acquisition requirements.

21 (f) Fleet operators shall file annual reports with the
22 energy resources coordinator. Reports shall be for each calendar



1 year, and shall conform to the format, content, and reporting
2 requirements specified by the energy resources coordinator.
3 Reports shall be filed by June 30 following the close of the
4 calendar year of the report.

5 (g) Fleet operators may apply to the energy resources
6 coordinator for exemptions from the requirements of this section
7 to the extent that the vehicles required by this section are not
8 available or do not meet the specific needs of the fleet. To be
9 eligible for an exemption, a fleet operator must be able to
10 demonstrate having made a good faith effort to comply with the
11 requirements.

12 (h) Any fleet operator or any other person violating the
13 requirements of this section may be subject to a fine of up to
14 \$1000 per nonconforming vehicle and up to \$50 per day per annual
15 report.

16 (i) The energy resources coordinator, in accordance with
17 chapter 91, shall adopt rules for the administration and
18 enforcement of this section."

19 SECTION 20. Chapter 196, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§196-A Alternative fuel light duty motor vehicle sales
2 requirement. (a) Beginning January 1, 2015, each motor
3 vehicle dealer with sales of more than fifty light duty motor
4 vehicles per year in Hawaii shall increase the percentages of
5 new and used light duty motor vehicle sales represented by
6 vehicles capable of operating on non-petroleum energy sources,
7 including electric vehicles, flexible fuel vehicles, or other
8 alternative fuel vehicles, as follows:

- 9 (1) Ten per cent of its annual light duty motor vehicle
10 sales for each calendar year between January 1, 2015
11 and December 31, 2019;
- 12 (2) Twenty per cent of its annual light duty motor vehicle
13 sales for each calendar year between January 1, 2020
14 and December 31, 2024;
- 15 (3) Fifty per cent of its annual light duty motor vehicle
16 sales for each calendar year between January 1, 2025
17 and December 31, 2029; and
- 18 (4) Seventy-five per cent of its annual light duty motor
19 vehicle sales for each calendar year after January 1,
20 2030.
- 21 (b) For the purposes of this section:



1 "Alternative fuel" means alcohol fuels; mixtures containing
2 eighty-five per cent or more by volume of alcohols with gasoline
3 or other fuels; natural gas; liquefied petroleum gas; hydrogen;
4 biodiesel; mixtures containing twenty per cent or more by volume
5 of biodiesel with diesel or other fuels; other fuels derived
6 from biological materials; and electricity provided by off-board
7 energy sources.

8 "Alternative fuel vehicle" means a vehicle capable of
9 operating on an alternative fuel.

10 "Electric vehicle" means a vehicle powered by electricity.
11 It does not include a neighborhood electric vehicle or any
12 vehicle that is not designed to obtain electricity from sources
13 outside the vehicle.

14 "Light-duty vehicle" has the same meaning as contained in
15 10 Code of Federal Regulations Part 490. It does not include
16 any vehicle incapable of traveling on highways or any vehicle
17 with a gross vehicle weight rating greater than 8500 pounds.

18 "Motor vehicle dealer" means a new motor vehicle dealer or
19 a used motor vehicle dealer, as such terms are defined in
20 Chapter 437.



1 "Sale" means the transfer of control, whether by lease,
2 sale, or other arrangement, for a period greater than six
3 months.

4 (c) Dealers may acquire credits for alternative fuel
5 vehicle sales earlier than or in excess of the required amounts.
6 These credits may be banked, sold, or transferred to the
7 dealer's affiliates or other motor vehicle dealers in the state.
8 Such credits may be used to offset an equivalent number of
9 required vehicle sales.

10 (d) Each dealer shall file an annual report with the
11 energy resources coordinator reporting on the number and type of
12 alternative fuel vehicles and non-alternative fuel light duty
13 motor vehicles sold during the previous calendar year, as well
14 as any vehicle credits sold, purchased, traded, or banked.
15 Reports shall be for each calendar year, and shall conform with
16 the format, content, and reporting requirements specified by the
17 energy resources coordinator. Reports shall be filed by June 30
18 following the close of the calendar year of the report.

19 (e) Any vehicle dealer not meeting the alternative fuel
20 vehicle percentage requirement shall include in its report an
21 explanation for not meeting the requirement.



1 (f) Motor vehicle dealers may apply to the energy
2 resources coordinator for exemptions from the requirements of
3 this section to the extent that the vehicles or credits required
4 by this section were not available. To be eligible for an
5 exemption, a motor vehicle dealer must be able to demonstrate
6 having made a good faith effort to comply with the requirements.

7 (g) Any motor vehicle dealer or any other person violating
8 the requirements of this section may be subject to a fine of up
9 to \$1000 per nonconforming vehicle and up to \$50 per day per
10 annual report.

11 (h) Failure to file the required reports or to comply with
12 the vehicle sales requirements of this section may be grounds
13 for referral to the motor vehicle industry board for
14 disciplinary action.

15 (i) The energy resources coordinator, in accordance with
16 chapter 91, shall adopt rules for the administration and
17 enforcement of this section."

18 SECTION 21. Section 437-28, Hawaii Revised Statutes, is
19 amended by amending subsection (a) to read as follows:

20 "(a) In addition to any other actions authorized by law,
21 the board, after notice and hearing as provided in chapter 91,
22 and subject to appeal to the circuit court of the circuit in



1 which the board has jurisdiction under the procedure and rules
2 prescribed by the laws of the State or the applicable rules of
3 the courts pertaining to appeals to circuit courts, may suspend,
4 revoke, fine, or deny the renewal of any license, or prior to
5 notice and hearing deny the issuance of any license for any
6 cause authorized by law, including but not limited to
7 circumstances where the board finds that the applicant or
8 holder, or any officer, director, general manager, trustee,
9 partner, or stockholder owning more than ten per cent interest
10 of the applicant or holder:

11 (1) Has intentionally made a false statement of a material
12 fact in the application for a license or in any other
13 statement required by this chapter or has obtained or
14 attempted to obtain a license by fraud or
15 misrepresentation;

16 (2) Has failed to comply with, observe, or adhere to any
17 provision of this chapter or any other law relating to
18 the sale, taxing, or licensing of motor vehicles or
19 any rule or order made pursuant to this chapter~~[+]~~, or
20 has been referred to the board by the state energy
21 resources coordinator for failing to comply with state
22 alternative fuel vehicle requirements;



- 1 (3) Has committed a fraudulent act in selling, purchasing,
2 or otherwise dealing in motor vehicles or has
3 misrepresented the terms and conditions of a sale,
4 purchase, or contract for sale or purchase of a motor
5 vehicle or any interest therein including an option to
6 purchase motor vehicles;
- 7 (4) Has engaged in business under a past or present
8 license issued pursuant to this chapter, in a manner
9 as to cause injury to the public or to those with whom
10 one is dealing;
- 11 (5) Has failed to comply with, observe, or adhere to any
12 law in any other respect on account whereof the board
13 may deem the applicant or holder to be an unfit or
14 improper person to hold a license;
- 15 (6) Has failed to meet or maintain the conditions and
16 requirements necessary to qualify for the issuance of
17 a license;
- 18 (7) Is insolvent or has filed or is the subject of
19 petition for bankruptcy, wage earner's plan, or
20 financial reorganization plan; or has made or proposes
21 to make an assignment for benefit of creditors;



- 1 (8) In the case of an individual applicant or holder of a
2 license, if the applicant or holder is not at least
3 eighteen years of age; in the case of a partnership
4 applicant or holder of a license, if any general or
5 limited partner thereof is not at least eighteen years
6 of age;
- 7 (9) Has charged more than the legal rate of interest on
8 the sale or purchase or attempted sale or purchase or
9 in arranging the sale or purchase of a motor vehicle
10 or any interest therein including an option to
11 purchase;
- 12 (10) Has violated any of the laws pertaining to false
13 advertising or to credit sales in the offering,
14 soliciting, selling, or purchasing, or arranging to
15 sell or purchase a motor vehicle or any interest
16 therein;
- 17 (11) Has wilfully failed or refused to perform any
18 unequivocal and indisputable obligation under any
19 written agreement involving the sale or purchase of a
20 motor vehicle or any interest therein including an
21 option to purchase;



- 1 (12) Has been denied the issuance of a license under this
- 2 chapter for substantial culpable cause or for having
- 3 had a license issued under this chapter suspended,
- 4 revoked, or the renewal thereof denied for substantial
- 5 culpable cause;
- 6 (13) Has entered or has attempted to enter or proposes to
- 7 enter into any contract or agreement contrary to this
- 8 chapter or any rule adopted thereunder;
- 9 (14) Has been or is engaged or proposes to engage in the
- 10 business of selling new motor vehicles as a dealer or
- 11 auction without a proper franchise therefor;
- 12 (15) Has at any time employed or utilized or attempted or
- 13 proposed to employ or utilize any person not licensed
- 14 under this chapter who is required to be so licensed;
- 15 (16) Has entered or attempted to enter any one-payment
- 16 contract, where the contract is required to be signed
- 17 by the purchaser prior to removal of the motor vehicle
- 18 for test driving from the seller's premises;
- 19 (17) Being a salesperson or dealer:
- 20 (A) Has required a purchaser of motor vehicles as a
- 21 condition of sale and delivery thereof to
- 22 purchase special features, appliances,



1 accessories, or equipment not desired or
2 requested by the purchaser; provided that this
3 prohibition shall not apply as to special
4 features, appliances, accessories, or equipment
5 which are ordinarily installed on the vehicle
6 when received or acquired by the dealer;

7 (B) Has represented and sold as an unused motor
8 vehicle any motor vehicle which has been operated
9 as a demonstrator, leased, or U-drive motor
10 vehicle;

11 (C) Has sold a new motor vehicle without providing or
12 securing for the purchaser the standard factory
13 new car warranty for the vehicle, unless the
14 dealer or salesperson clearly notes in writing on
15 the sales contract that the new motor vehicle is
16 sold without the standard factory warranty;

17 (D) Has sold a new motor vehicle covered by a
18 standard factory warranty without informing the
19 purchaser in writing that any repairs or other
20 work necessary on any accessories which were not
21 installed by the manufacturer of the vehicle may
22 not be obtainable in a geographic location other



1 than where the purchase occurred; provided that
2 the notice required by this section shall conform
3 to the plain language requirements of section
4 487A-1, regardless of the dollar amount of the
5 transaction;

6 (E) Has engaged in any improper business conduct,
7 including but not limited to employing,
8 contracting with, or compensating consumer
9 consultants; or

10 (F) Has sold or leased a new or used motor vehicle,
11 other than at auction, without written
12 documentation that contains the following
13 provision printed legibly in at least fourteen-
14 point bold typeface print, upon which the
15 salesperson or dealer shall appropriately
16 indicate the type of sale, and upon which both
17 the customer and salesperson or dealer shall
18 place their initials in the designated spaces,
19 prior to the signing of the contract of sale or
20 lease:



1 "This (IS) (IS NOT) a door-to-door sale. There
2 (IS A) (IS NO) 3-DAY RIGHT TO CANCEL on this
3 purchase.

4 _____ Customer's Initials

5 _____ Salesperson's or Dealer's Initials";

6 (18) Being an applicant or holder of a dealer's license:

7 (A) Has sold or proposed to sell new motor vehicles
8 without providing for the maintenance of a
9 reasonable inventory of parts for new vehicles or
10 without providing and maintaining adequate repair
11 facilities and personnel for new vehicles at
12 either the main licensed premises or at any
13 branch location;

14 (B) Has employed or proposed to employ any
15 salesperson who is not duly licensed under this
16 chapter; or

17 (C) Has sold or proposed to sell new motor vehicles
18 without being franchised therefor;

19 (19) Being an applicant or holder of an auction's license
20 has sold or proposed to sell new motor vehicles
21 without being franchised therefor;

22 (20) Being an applicant for a salesperson's license:



- 1 (A) Does not intend to be employed as a salesperson
- 2 for a licensed motor vehicle dealer; or
- 3 (B) Intends to be employed as a salesperson for more
- 4 than one dealer; or
- 5 (21) Being a manufacturer or distributor:
 - 6 (A) Has attempted to coerce or has coerced any dealer
 - 7 in the State to enter into any agreement with the
 - 8 manufacturer or distributor or any other party,
 - 9 to perform any act not required by or to refrain
 - 10 from performing any act not contrary to the
 - 11 reasonable requirements of the franchise
 - 12 agreement with the dealer, by threatening to
 - 13 cancel the franchise agreement or by threatening
 - 14 to refuse, at the expiration of the current
 - 15 franchise agreement, to enter into a new
 - 16 franchise agreement with the dealer;
 - 17 (B) Has attempted to coerce or has coerced any dealer
 - 18 in the State to enter into any agreement with the
 - 19 manufacturer or distributor or any other party,
 - 20 to perform any act not required by or to refrain
 - 21 from performing any act not contrary to the
 - 22 reasonable requirements of the franchise



1 agreement with the dealer, by awarding or
2 threatening to award a franchise to another
3 person for the sale of the same make of any motor
4 vehicle in the same sales area of responsibility
5 covered by the existing franchise agreement of
6 the dealer;

7 (C) Has attempted to or has canceled or failed to
8 renew the franchise agreement of any dealer in
9 the State without good faith, as defined herein.
10 Upon such a cancellation or failure to renew the
11 franchise agreement, the party canceling or
12 failing to renew the franchise agreement, at the
13 dealer's option, shall either:

14 (i) Compensate the dealer at the fair market
15 going business value for the dealer's
16 capital investment, which shall include but
17 not be limited to the going business value
18 of the business, goodwill, property, and
19 improvement owned or leased by the dealer
20 for the purpose of the franchise, inventory
21 of parts, and motor vehicles possessed by
22 the dealer in connection with the franchise,



1 plus reasonable attorney's fees incurred in
2 collecting compensation; provided that the
3 investment shall have been made with
4 reasonable and prudent judgment for the
5 purpose of the franchise agreement; or

6 (ii) Compensate the dealer for damages including
7 attorney's fees as aforesaid, resulting from
8 the cancellation or failure to renew the
9 franchise agreement.

10 As used in this paragraph, "good faith" means the duty
11 of each party to any franchise agreement to fully
12 comply with that agreement, or to act in a fair and
13 equitable manner towards each other;

14 (D) Has delayed delivery of or refused to deliver without
15 cause, any new motor vehicle to a dealer, franchised
16 to sell the new motor vehicle, within a reasonable
17 time after receipt of a written order for the vehicle
18 from the dealer. The delivery to another dealer of a
19 motor vehicle of the same model and similarly equipped
20 as the vehicle ordered by a dealer who has not
21 received delivery thereof, but who had placed the
22 written order for the vehicle prior to the order of



1 the dealer receiving the vehicle, shall be prima facie
2 evidence of a delayed delivery of, or refusal to
3 deliver, a new motor vehicle without cause. The
4 nondelivery of a new motor vehicle to a dealer within
5 sixty days after receipt of a written order for the
6 vehicle from a dealer shall also be prima facie
7 evidence of delayed delivery of, or refusal to
8 deliver, a new motor vehicle without cause; provided
9 that the delayed delivery of, or refusal to deliver, a
10 motor vehicle shall be deemed with cause if the
11 manufacturer establishes that the delay or refusal to
12 deliver is due to a shortage or curtailment of
13 material, labor, transportation, utility service,
14 labor or production difficulty, or other similar cause
15 beyond the reasonable control of the manufacturer;

16 (E) Has discriminated against any of their franchised
17 dealers in the State by directly or indirectly
18 charging the dealer more for a new motor vehicle or
19 services, parts, or accessories or a higher rate of
20 transportation for transporting the vehicle from the
21 manufacturing or assembly plant to the dealer or any
22 portion of the distance, than is charged to any other



1 of their franchised dealers in the State for the same
2 make, model, and year of a new motor vehicle or for
3 the same devices, parts, or accessories for the
4 similar transportation for the vehicle during the same
5 period. A manufacturer or distributor who provides or
6 causes to be provided greater transportation benefits
7 for a new motor vehicle as aforesaid to any of their
8 franchised dealers in the State than is provided to
9 any of their competing franchised dealers in the State
10 for the same or lesser price or charge than that
11 imposed upon the franchised dealer in the State during
12 the same period is deemed to have so discriminated
13 against the competing franchised dealer in the State.
14 Evidence of similar discriminatory practice against
15 franchised dealers in other states shall not
16 constitute a defense to or justification of the
17 commission of the discriminatory act against the
18 franchised dealer in the State. The intent and
19 purpose of this subparagraph is to eliminate
20 inequitable pricing policies set by manufacturers or
21 distributors which result in higher prices of new
22 motor vehicles to the consumer in the State. This



1 subparagraph shall be liberally interpreted to effect
2 its intent and purpose and in the application thereof,
3 the substance and effect and not the form of the acts
4 and transactions shall be primarily considered in
5 determining whether a discriminatory act has been
6 committed. Nothing contained in this subparagraph
7 shall prohibit establishing delivered prices or
8 destination charges to dealers in the State which
9 reasonably reflect the seller's total transportation
10 costs incurred in the manufacture or delivery of
11 products to the dealers, including costs that are
12 related to the geographical distances and modes of
13 transportation involved in shipments to this State, or
14 which meet those lower prices established by
15 competitors;

16 (F) Has required a dealer of new motor vehicles in the
17 State as a condition of sale and delivery of new motor
18 vehicles to purchase special features, appliances,
19 accessories, or equipment not desired or requested by
20 the dealer; provided that this prohibition shall not
21 apply to special features, appliances, accessories, or
22 equipment, except heaters, that are regularly



1 installed on that particular model or new motor
2 vehicles as "standard" equipment or to special
3 features, appliances, accessories, or equipment that
4 are an integral part of the new motor vehicles and
5 cannot be removed therefrom without substantial
6 expense. Nothing in this subparagraph shall make it
7 unlawful for a dealer to sell a vehicle that includes
8 a heater that has been installed as standard
9 equipment;

10 (G) Has failed to adequately and fairly compensate its
11 dealers for labor, parts, and other expenses incurred
12 by the dealer to perform under and comply with
13 manufacturer's warranty agreements. In no event shall
14 any manufacturer or distributor pay its dealers a
15 labor rate per hour for warranty work that is less
16 than that charged by the dealer to the retail
17 customers of the dealer nor shall the rates be more
18 than the retail rates. All claims made by the dealers
19 for compensation for delivery, preparation, and
20 warranty work shall be paid within thirty days after
21 approval and shall be approved or disapproved within
22 thirty days after receipt. When any claim is



- 1 disapproved, the dealer shall be notified in writing
2 of the grounds for disapproval;
- 3 (H) Has wilfully failed to affix the vehicle bumper impact
4 notice pursuant to section 437-4.5(a), or wilfully
5 misstated any information in the notice. Each failure
6 or misstatement is a separate offense;
- 7 (I) Has wilfully defaced, or removed the vehicle bumper
8 impact notice required by section 437-4.5(a) prior to
9 delivery of the vehicle to which the notice is
10 required to be affixed to the registered owner or
11 lessee. Each wilful defacement, alteration, or
12 removal is a separate offense; or
- 13 (J) Has required a dealer to refrain from participation in
14 the management of, investment in, or the acquisition
15 of, any other line of new motor vehicle or related
16 products; provided that the new motor vehicle dealer
17 maintains a reasonable line of credit for each make or
18 line of new motor vehicle, remains in compliance with
19 reasonable facilities and other franchise requirements
20 of the manufacturer or distributor, and makes no
21 unauthorized change in the principal management of the
22 dealer."



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PART V

TRANSPORTATION ENERGY PLANS AND STUDIES

SECTION 22. The department of accounting and general services shall develop an implementation plan for installation of electric vehicle charging stations at State-owned parking facilities.

SECTION 23. Section 286-172, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Subject to authorization granted by the chief justice with respect to the traffic records of the violations bureaus of the district courts and of the circuit courts, the director of transportation shall furnish information contained in the statewide traffic records system in response to:

- (1) Any request from a state, a political subdivision of a state, or a federal department or agency, or any other authorized person pursuant to rules adopted by the director of transportation under chapter 91;
- (2) Any request from a person having a legitimate reason, as determined by the director, as provided under the rules adopted by the director under paragraph (1), to obtain the information for verification of vehicle



1 ownership, traffic safety programs, or for research or
2 statistical reports; [~~or~~]

3 (3) Any request from the energy resources coordinator, to
4 track the number and type of vehicles in use and the
5 effectiveness of efforts to increase the efficiency
6 and diversify the fuel needs of Hawaii's
7 transportation sector; or

8 [~~(3)~~] (4) Any request from a person required or authorized
9 by law to give written notice by mail to owners of
10 vehicles."

11 SECTION 24. Section 92F-19, Hawaii Revised Statutes, is
12 amended to read as follows:

13 **"§92F-19 Limitations on disclosure of government records**
14 **to other agencies.** (a) No agency may disclose or authorize
15 disclosure of government records to any other agency unless the
16 disclosure is:

17 (1) Necessary for the performance of the requesting
18 agency's duties and functions and is also:

19 (A) Compatible with the purpose for which the
20 information was collected or obtained; or



- 1 (B) Consistent with the conditions or reasonable
- 2 expectations of use and disclosure under which
- 3 the information was provided;
- 4 (2) To the state archives for the purposes of historical
- 5 preservation, administrative maintenance, or
- 6 destruction;
- 7 (3) To another agency, another state, or the federal
- 8 government, or foreign law enforcement agency or
- 9 authority, if the disclosure is:
 - 10 (A) For the purpose of a civil or criminal law
 - 11 enforcement activity authorized by law; and
 - 12 (B) Pursuant to:
 - 13 (i) A written agreement or written request, or
 - 14 (ii) A verbal request, made under exigent
 - 15 circumstances, by an officer or employee of
 - 16 the requesting agency whose identity has
 - 17 been verified, provided that such request is
 - 18 promptly confirmed in writing;
- 19 (4) To a criminal law enforcement agency of this State,
- 20 another state, or the federal government, or a foreign
- 21 criminal law enforcement agency or authority, if the
- 22 information is limited to an individual's name and



- 1 other identifying particulars, including present and
2 past places of employment;
- 3 (5) To a foreign government pursuant to an executive
4 agreement, compact, treaty, or statute;
- 5 (6) To the legislature, or a county council, or any
6 committee or subcommittee thereof;
- 7 (7) Pursuant to an order of a court of competent
8 jurisdiction;
- 9 (8) To authorized officials of another agency, another
10 state, or the federal government for the purpose of
11 auditing or monitoring an agency program that receives
12 federal, state, or county funding;
- 13 (9) To the offices of the legislative auditor, the
14 legislative reference bureau, or the ombudsman of this
15 State for the performance of their respective
16 functions;
- 17 (10) To the department of human resources development,
18 county personnel agencies, or line agency personnel
19 offices for the performance of their respective duties
20 and functions, including employee recruitment and
21 examination, classification and compensation reviews,
22 the administration and auditing of personnel



1 transactions, the administration of training and
2 safety, workers' compensation, and employee benefits
3 and assistance programs, and for labor relations
4 purposes;

5 (11) To the department of business, economic development,
6 and tourism for the performance of their statutory
7 responsibilities; or

8 [~~(11)~~] (12) Otherwise subject to disclosure under this
9 chapter.

10 (b) An agency receiving government records pursuant to
11 subsection (a) shall be subject to the same restrictions on
12 disclosure of the records as the originating agency."

13 SECTION 25. Section 226-17, Hawaii Revised Statutes, is
14 amended by amending subsection (b) to read as follows:

15 "(b) To achieve the transportation objectives, it shall be
16 the policy of this State to:

17 (1) Design, program, and develop a multi-modal system in
18 conformance with desired growth and physical
19 development as stated in this chapter;

20 (2) Coordinate state, county, federal, and private
21 transportation activities and programs toward the
22 achievement of statewide objectives;



- 1 (3) Encourage a reasonable distribution of financial
2 responsibilities for transportation among
3 participating governmental and private parties;
- 4 (4) Provide for improved accessibility to shipping,
5 docking, and storage facilities;
- 6 (5) Promote a reasonable level and variety of mass
7 transportation services that adequately meet statewide
8 and community needs;
- 9 (6) Encourage transportation systems that serve to
10 accommodate present and future development needs of
11 communities;
- 12 (7) Encourage a variety of carriers to offer increased
13 opportunities and advantages to interisland movement
14 of people and goods;
- 15 (8) Increase the capacities of airport and harbor systems
16 and support facilities to effectively accommodate
17 transshipment and storage needs;
- 18 (9) Encourage the development of transportation systems
19 and programs which would assist statewide economic
20 growth and diversification;



- 1 (10) Encourage the design and development of transportation
2 systems sensitive to the needs of affected communities
3 and the quality of Hawaii's natural environment;
- 4 (11) Encourage safe and convenient use of low-cost, energy-
5 efficient, non-polluting means of transportation;
- 6 (12) Coordinate intergovernmental land use and
7 transportation planning activities to ensure the
8 timely delivery of supporting transportation
9 infrastructure in order to accommodate planned growth
10 objectives; and
- 11 (13) [~~Encourage diversification of transportation modes and
12 infrastructure~~] Include transportation energy demand
13 estimates in State-wide and County-wide long-range
14 land transportation plans that utilize travel demand
15 forecasting models in order to promote alternate fuels
16 and energy efficiency."

17 SECTION 26. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 27. This Act shall take effect upon its approval.

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INTRODUCED BY:

Jim Board

Kingan

John

Carin G.

Barbara Manumoto

JAN 23 2009



Report Title:

Hawaii Clean Energy Initiative In Transportation Energy

Description:

Establishes transportation energy initiatives necessary for the transition of Hawaii's transportation energy sector from almost completely dependent on petroleum towards the use of efficient, stable, secure, renewable, non-petroleum energy sources by 2030.

