

JAN 28 2009

S.B. NO. 1612

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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION ENERGY.

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

1

PART I.

2

TRANSPORTATION ENERGY INFRASTRUCTURE

3

SECTION 1. Chapter 196, Hawaii Revised Statutes, is

4

amended by adding a new section to be appropriately designated

5

and to read as follows:

6

"§196-A Requirement for electric vehicle charging

7

capability. Beginning January 1, 2015, every new single family

8

residential dwelling constructed in the State shall include

9

electric vehicle charging capability. Electric vehicle charging

10

capability shall comply with the applicable standards

11

established by SAE International."

12

SECTION 2. Chapter 291, Hawaii Revised Statutes, is

13

amended by adding two new sections to be appropriately

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designated and to read as follows:

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"§291-A Designation of parking spaces for electric

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vehicles. All commercial and public parking lots with at least

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one hundred parking spaces shall designate at least one parking

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space exclusively for electric vehicles. An additional electric



1 vehicle parking location shall be required for each additional  
2 one hundred parking spaces in the parking lot; provided that the  
3 designated parking spaces shall be located either near the  
4 building entrance or near electrical service, at the discretion  
5 of the facility manager. Electric vehicle parking spaces shall  
6 be designated, clearly marked, and enforced no later than  
7 December 31, 2010.

8 For the purposes of this section, "electric vehicle" means  
9 an electric vehicle, as defined in section 196-B, or  
10 neighborhood electric vehicle, as defined in section 286-2, with  
11 an electric vehicle license plate.

12 **§291-B Parking spaces reserved for electric vehicles;**  
13 **penalties.** (a) Beginning January 1, 2011, any person who parks  
14 a non-electric vehicle in a space designated and marked as  
15 reserved for electric vehicles shall receive a warning.

16 (b) Beginning July 1, 2011, any person who parks a non-  
17 electric vehicle in a space designated and marked as reserved  
18 for electric vehicles shall be guilty of a traffic infraction  
19 under chapter 291D and shall be fined not less than \$50 but not  
20 more than \$100 and shall pay any costs incurred by the court  
21 related to assessing the fine.



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

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

6        ""Public utility":

7        (1) Includes every person who may own, control, operate,  
8            or manage as owner, lessee, trustee, receiver, or  
9            otherwise, whether under a franchise, charter,  
10           license, articles of association, or otherwise, any  
11           plant or equipment, or any part thereof, directly or  
12           indirectly for public use, for the transportation of  
13           passengers or freight, or the conveyance or  
14           transmission of telecommunications messages, or the  
15           furnishing of facilities for the transmission of  
16           intelligence by electricity by land or water or air  
17           within the State, or between points within the State,  
18           or for the production, conveyance, transmission,  
19           delivery, or furnishing of light, power, heat, cold,  
20           water, gas, or oil, or for the storage or warehousing  
21           of goods, or the disposal of sewage; provided that the  
22           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 enterprise;
- 9           (B) Persons owning or operating taxicabs, as defined  
10                   in this section;
- 11          (C) Common carriers transporting only freight on the  
12                   public highways, unless operating within  
13                   localities or along routes or between points that  
14                   the public utilities commission finds to be  
15                   inadequately serviced without regulation under  
16                   this chapter;
- 17          (D) Persons engaged in the business of warehousing or  
18                   storage unless the commission finds that  
19                   regulation thereof is necessary in the public  
20                   interest;
- 21          (E) The business of any carrier by water to the  
22                   extent that the carrier enters into private



1 contracts for towage, salvage, hauling, or  
2 carriage between points within the State and the  
3 carriage is not pursuant to either an established  
4 schedule or an undertaking to perform carriage  
5 services on behalf of the public generally;

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

12 (G) Any person who:  
13 (i) Controls, operates, or manages plants or  
14 facilities for the production, transmission,  
15 or furnishing of power primarily or entirely  
16 from nonfossil fuel sources; ~~and~~  
17 (ii) Provides, sells, or transmits all of that  
18 power, except such power as is used in its  
19 own internal operations, directly to a  
20 public utility for transmission to the  
21 public; and



1                    (iii) Owns, controls, operates, or manages plants  
2                    or facilities used primarily to charge or  
3                    discharge vehicle batteries, that provide  
4                    power for vehicle propulsion;

5                    (H) A telecommunications provider only to the extent  
6                    determined by the commission pursuant to section  
7                    269-16.9;

8                    (I) Any person who controls, operates, or manages  
9                    plants or facilities developed pursuant to  
10                    chapter 167 for conveying, distributing, and  
11                    transmitting water for irrigation and such other  
12                    purposes that shall be held for public use and  
13                    purpose;

14                    (J) Any person who owns, controls, operates, or  
15                    manages plants or facilities for the reclamation  
16                    of wastewater; provided that:

17                    (i) The services of the facility shall be  
18                    provided pursuant to a service contract  
19                    between the person and a state or county  
20                    agency and at least ten per cent of the  
21                    wastewater processed is used directly by the

1 State or county which has entered into the  
2 service contract;

3 (ii) The primary function of the facility shall  
4 be the processing of secondary treated  
5 wastewater that has been produced by a  
6 municipal wastewater treatment facility that  
7 is owned by a state or county agency;

8 (iii) The facility shall not make sales of water  
9 to residential customers;

10 (iv) The facility may distribute and sell  
11 recycled or reclaimed water to entities not  
12 covered by a state or county service  
13 contract; provided that, in the absence of  
14 regulatory oversight and direct competition,  
15 the distribution and sale of recycled or  
16 reclaimed water shall be voluntary and its  
17 pricing fair and reasonable. For purposes  
18 of this subparagraph, "recycled water" and  
19 "reclaimed water" mean treated wastewater  
20 that by design is intended or used for a  
21 beneficial purpose; and







1 SECTION 4. Chapter 196, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§196-B Transportation energy transformation grant fund.

5 (a) There is established in the state treasury a special fund  
6 to be designated as the transportation energy transformation  
7 grant fund into which shall be deposited appropriations made by  
8 the legislature to the fund. Moneys in the transportation  
9 energy transformation grant fund may be expended by the director  
10 to carry out the director's duties and obligations under this  
11 chapter. Disbursements from the transportation energy  
12 transformation grant fund shall not be subject to chapter 42F or  
13 103D.

14 (b) As used in this section:

15 "Director" means the director of business, economic  
16 development, and tourism.

17 "Electric vehicle" has the same meaning as section  
18 30(c)(1), of the Internal Revenue Code, and includes a plug-in  
19 hybrid electric vehicle, that:

20 (1) Draws energy for propulsion from a traction battery  
21 with at least four kilowatt hours of capacity; and



1        (2) Uses an off-board source of energy to recharge a  
2                    battery as specified in paragraph (1);

3        "Fleet" means more than fifty light duty motor vehicles in  
4 the State owned or operated by related entities.

5        "Integrated intelligently with the electrical grid" means  
6 that the demand of the vehicle for electricity from the grid is  
7 controlled to reduce the electrical demand on the grid during  
8 peak demand times and maximize the use of renewable energy  
9 sources or use of renewable energy potentially available off-  
10 peak that would otherwise be curtailed.

11        (c) The transportation energy transformation grant fund  
12 shall be used by the director to make transportation energy  
13 transformation grants authorized under this section. The  
14 transportation energy transformation grant fund shall also be  
15 used by the director to pay for any administrative and  
16 operational costs, including personnel costs and marketing  
17 costs, associated with a transportation energy transformation  
18 grant program. Any law to the contrary notwithstanding, the  
19 director may use the moneys in the transportation energy  
20 transformation grant fund to employ or retain, by contract or  
21 otherwise, without regard to chapters 76 and 78, necessary  
22 professional, expert, managerial, technical, and support



1 personnel to implement and carry out the purposes of this  
2 chapter.

3 (d) Prior to June 30 of each calendar year, fifty per cent  
4 of the grants made from the transportation energy transformation  
5 grant fund shall be reserved for non-fleet vehicles; provided  
6 that no more than ten per cent of the grants may be provided to  
7 any one fleet.

8 (e) Subject to the availability of funds and the standards  
9 in this section, grants for approved electric vehicles shall be  
10 provided to purchasers of electric vehicles intended to be  
11 integrated intelligently with the electrical grid and licensed  
12 for use on highways in the State, as follows:

13 (1) Beginning January 1, 2010, and expiring December 31,  
14 2010: up to \$4,000 per vehicle limited to the first  
15 five hundred vehicles that are approved;

16 (2) Beginning January 1, 2011, and expiring December 31,  
17 2011: up to \$3,500 per vehicle limited to the first  
18 one thousand vehicles that are approved;

19 (3) Beginning January 1, 2012, and expiring December 31,  
20 2013: up to \$2,500 per vehicle limited to the first  
21 two thousand vehicles per year that are approved;



1       (4) Beginning January 1, 2014, and expiring December 31,  
2           2015: up to \$2,000 per vehicle limited to the first  
3           two thousand five hundred vehicles that are approved  
4           per year; and

5       (5) Beginning January 1, 2016, and expiring December 31,  
6           2021: up to \$500 per vehicle limited to the first ten  
7           thousand vehicles that are approved per year.

8       (f) The director shall adopt rules, pursuant to chapter  
9       91, that establish the descriptions, specifications, guidelines,  
10       and requirements for intelligent integration with the electrical  
11       grid. The director may amend, narrow, or expand the  
12       definitions, descriptions, specifications, and requirements of  
13       intelligent integration.

14       (g) A grant shall only be made to applicants that:

15       (1) Meet the descriptions, specifications, guidelines, and  
16       requirements established by rule;

17       (2) File a completed application form, as determined  
18       solely by the director, together with all supporting  
19       documentation required by the director;

20       (3) File completed grant applications together for all  
21       vehicles in a fleet, if applicable;



1       (4) Complete the purchase or lease, licensing, and  
2       registration of the vehicle, prior to applying for the  
3       grant;

4       (5) Provide all other information deemed necessary by the  
5       director; and

6       (6) Comply with all additional requirements needed to  
7       implement the grant program, as determined by the  
8       director.

9       (h) The director shall submit an annual report on the  
10      transportation energy transformation grant fund and statistical  
11      information on program participation to the governor and the  
12      legislature no later than twenty days prior to the convening of  
13      each regular session beginning with the regular session of  
14      2010."

15       SECTION 5. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$3,750,000 or so much  
17 thereof as may be necessary for fiscal year 2009-2010 to be  
18 deposited into the transportation energy transformation grant  
19 fund.

20       SECTION 6. There is appropriated out of the transportation  
21 energy transformation grant fund the sum of \$3,750,000 or so  
22 much thereof as may be necessary for fiscal year 2009-2010 to



1 implement the purposes of the transportation energy  
2 transformation grant fund.

3 The sum appropriated shall be expended by the department of  
4 business, economic development, and tourism for the purposes of  
5 section 4 of this Act.

6 This appropriation shall not lapse at the end of the fiscal  
7 year for which the appropriation is made; provided that all  
8 moneys from the appropriation that are unencumbered as of June  
9 30, 2012, shall lapse as of that date.

10 SECTION 7. Chapter 235, Hawaii Revised Statutes, is  
11 amended by adding two new sections to be appropriately  
12 designated and to read as follows:

13 "§235-A Electric vehicle charging; income tax credit. (a)  
14 There shall be allowed to each taxpayer subject to the taxes  
15 imposed by this chapter a tax credit for code-compliant electric  
16 vehicle charging infrastructure installed and placed in service  
17 in the State that shall be deductible from the taxpayer's net  
18 income tax liability. The tax credit may be claimed for the  
19 taxable year in which the code-compliant electric vehicle  
20 charging system is placed in service in the State.

21 (b) The amount of the credit shall be seventy per cent of  
22 the cost of the electric vehicle charging system or \$500 per



1 electric vehicle charge point of the system, whichever is less.  
2 The cost of the electric vehicle charging system includes all  
3 costs to acquire, construct, and install the electric vehicle  
4 charging system that are required to be capitalized under  
5 section 263 of the Internal Revenue Code to the electric vehicle  
6 charging system. The cost of the electric vehicle charging  
7 system does not include costs that are properly allocable to  
8 land or to a building and its structural components, including  
9 but not limited to, costs related to the acquisition of land on  
10 which the electric vehicle charging system is located, expenses  
11 for permits, legal fees, project management, or engineering to  
12 the extent such expenses are related to the land.

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

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



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

3       (f) For the purposes of this section:

4       "Electric vehicle charge point" means the part of the  
5 electric vehicle charging system that delivers electricity from  
6 a source outside an electric vehicle into one electric vehicle.

7       "Electric vehicle charging system" means a system that is  
8 designed in compliance with Article 625 of the National  
9 Electrical Code and delivers electricity from a source outside  
10 an electric vehicle into one or more electric vehicles. An  
11 electric vehicle charging system may include several charge  
12 points simultaneously connecting several electric vehicles to  
13 the system.

14       (g) The director of taxation shall prepare any forms that  
15 may be necessary to claim a tax credit under this section. The  
16 director may also require the taxpayer to furnish reasonable  
17 information to ascertain the validity of the claim for credit  
18 made under this section and may adopt rules necessary to  
19 effectuate the purposes of this section pursuant to chapter 91.

20       (h) If the tax credit under this section exceeds the  
21 taxpayer's income tax liability, the excess of the credit over  
22 liability may be used as a credit against the taxpayer's income





1 tax liability in subsequent years until exhausted. Every claim,  
2 including amended claims, for a tax credit under this section  
3 shall be filed on or before the end of the twelfth month  
4 following the close of the taxable year for which the credit may  
5 be claimed. Failure to comply with the foregoing provision  
6 shall constitute a waiver of the right to claim the credit.

7 (i) This tax credit applies to electric vehicle charging  
8 systems placed in service after July 1, 2009, and before January  
9 1, 2016.

10 **§235-B Alternative fuel refueling; income tax credit.** (a)

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

18 (b) The amount of the credit shall be thirty per cent of  
19 the cost of the alternative fuel refueling infrastructure or  
20 \$10,000, whichever is less. The cost of the alternative fuel  
21 refueling infrastructure includes all costs to acquire,  
22 construct and install the alternative fuel refueling



1 infrastructure that are required to be capitalized under section  
2 263 of the Internal Revenue Code to the alternative fuel  
3 refueling infrastructure. The cost of the alternative fuel  
4 refueling infrastructure does not include costs that are  
5 properly allocable to land or to a building and its structural  
6 components, including, but not limited to costs related to the  
7 acquisition of land on which the alternative fuel refueling  
8 infrastructure is located, expenses for permits, legal fees,  
9 project management, or engineering to the extent such expenses  
10 are related to the land.

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

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

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



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

4        (g) For the purposes of this section:

5        "Alternative fuel refueling infrastructure" means equipment  
6 for the storage and dispensing of alternative fuels for the  
7 refueling of alternative fuel vehicles, and shall conform with  
8 the definition of "alternative fuel refueling property"  
9 contained in section 30C of the Internal Revenue Code.

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

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



1 be claimed. Failure to comply with the foregoing provision  
2 shall constitute a waiver of the right to claim the credit.

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

6 SECTION 8. Chapter 237, Hawaii Revised Statutes, is  
7 amended by adding a new section to be appropriately designated  
8 and to read as follows:

9 "§237-A Exemption of sale or lease of certain vehicles.

10 (a) Beginning January 1, 2010, and expiring December 31, 2015,  
11 there shall be exempted from the measure of the taxes imposed by  
12 this chapter all of the gross proceeds arising from the sale or  
13 lease of a new or used light duty motor vehicle that is  
14 classified as an alternative fuel vehicle or a fuel economy  
15 leader vehicle.

16 (b) As used in this section:

17 "Alternative fuel" means alcohol fuels, mixtures containing  
18 eighty-five per cent or more by volume of alcohols with gasoline  
19 or other fuels, natural gas, liquefied petroleum gas, hydrogen,  
20 biodiesel, mixtures containing twenty per cent or more by volume  
21 of biodiesel with diesel or other fuels, other fuels derived



1 from biological materials, and electricity provided by off-board  
2 energy sources.

3 "Alternative fuel vehicle" means a vehicle capable of  
4 operating on an alternative fuel.

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

8 "Light duty motor vehicle" has the same meaning as  
9 contained in 10 Code of Federal Regulations Part 490; provided  
10 that it does not include any vehicle incapable of traveling on  
11 highways or any vehicle with a gross vehicle weight rating  
12 greater than eight thousand five hundred pounds."

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

15 **"§226-18 Objectives and policies for facility systems--**  
16 **energy.** (a) Planning for the State's facility systems with  
17 regard to energy shall be directed toward the achievement of the  
18 following objectives, giving due consideration to all:

- 19 (1) Dependable, efficient, and economical statewide energy  
20 systems capable of supporting the needs of the people;  
21 (2) Increased energy self-sufficiency where the ratio of  
22 indigenous to imported energy use is increased;



1           (3) Greater energy security and diversification in the  
2           face of threats to Hawaii's energy supplies and  
3           systems; and

4           (4) Reduction, avoidance, or sequestration of greenhouse  
5           gas emissions from energy supply and use.

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

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

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

14          (2) Ensure that the combination of energy supplies and  
15          energy-saving systems is sufficient to support the  
16          demands of growth;

17          (3) Base decisions of least-cost supply-side and demand-  
18          side energy resource options on a comparison of their  
19          total costs and benefits when a least-cost is  
20          determined by a reasonably comprehensive,  
21          quantitative, and qualitative accounting of their  
22          long-term, direct and indirect economic,



- 1 environmental, social, cultural, and public health  
2 costs and benefits;
- 3 (4) Promote all cost-effective conservation of power and  
4 fuel supplies through measures, including:
- 5 (A) Development of cost-effective demand-side  
6 management programs;
- 7 (B) Education; and
- 8 (C) Adoption of energy-efficient practices and  
9 technologies;
- 10 (5) Ensure, to the extent that new supply-side resources  
11 are needed, that the development or expansion of  
12 energy systems uses the least-cost energy supply  
13 option and maximizes efficient technologies;
- 14 (6) Support research, development, ~~[and]~~ demonstration,  
15 and utilization of energy efficiency, load management,  
16 and other demand-side management programs, practices,  
17 and technologies;
- 18 (7) Promote alternate fuels and transportation energy  
19 efficiency ~~[by encouraging diversification of~~  
20 ~~transportation modes and infrastructure]~~;



- 1           (8) Support actions that reduce, avoid, or sequester
- 2           greenhouse gases in utility, transportation, and
- 3           industrial sector applications;
- 4           (9) Support actions that reduce, avoid, or sequester
- 5           Hawaii's greenhouse gas emissions through agriculture
- 6           and forestry initiatives; and
- 7           (10) Provide priority handling and processing for all state
- 8           and county permits required for renewable energy
- 9           projects."

10           SECTION 10. Section 235-110.3, Hawaii Revised Statutes, is  
11 amended to read as follows:

12           "§235-110.3 ~~[Ethanol]~~ Biofuel facility tax credit. (a)  
13 Each year during the credit period, there shall be allowed to  
14 each taxpayer subject to the taxes imposed by this chapter, ~~[an~~  
15 ~~ethanol]~~ a biofuel facility tax credit that shall be applied to  
16 the taxpayer's net income tax liability, if any, imposed by this  
17 chapter for the taxable year in which the credit is properly  
18 claimed.

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





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

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

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

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

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

20 (b) As used in this section:

21 "Biofuel" means ethanol, biodiesel, diesel, jet fuel, or  
22 other liquid fuel meeting the relevant fuel specifications of



1 ASTM International (formerly ASTM, the American Society for  
2 Testing and Materials).

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

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



1 can be identified specifically with a service department or  
2 function or that directly benefit or are incurred by reason of a  
3 service department or function. For the purposes of determining  
4 a capital expenditure under this section, the provisions of  
5 section 263A of the Internal Revenue Code shall apply as it read  
6 on March 1, 2004. For purposes of this section, investment  
7 excludes land costs and includes any investment for which the  
8 taxpayer is at risk, as that term is used in section 465 of the  
9 Internal Revenue Code (with respect to deductions limited to  
10 amount at risk).

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

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

16 "Qualifying [~~ethanol~~] biofuel production" means [~~ethanol~~]  
17 biofuel produced from renewable, organic feedstocks, or waste  
18 materials, including municipal solid waste. All qualifying  
19 production shall be fermented, distilled, gasified, or produced  
20 by physical chemical conversion methods such as reformation and  
21 catalytic conversion and dehydrated at the facility.



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

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

12 (d) The department of business, economic development, and  
13 tourism shall:

- 14 (1) Maintain records of the total amount of investment  
15 made by each taxpayer in a facility;
- 16 (2) Verify the amount of the qualifying investment;
- 17 (3) Total all qualifying and cumulative investments that  
18 the department of business, economic development, and  
19 tourism certifies; and
- 20 (4) Certify the total amount of the tax credit for each  
21 taxable year and the cumulative amount of the tax  
22 credit during the credit period.



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

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

20           (e) If the credit under this section exceeds the  
21 taxpayer's income tax liability, the excess of credit over  
22 liability shall be refunded to the taxpayer; provided that no



1 refunds or payments on account of the tax credit allowed by this  
2 section shall be made for amounts less than \$1. All claims for  
3 a credit under this section must be properly filed on or before  
4 the end of the twelfth month following the close of the taxable  
5 year for which the credit may be claimed. Failure to comply  
6 with the foregoing provision shall constitute a waiver of the  
7 right to claim the credit.

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

21 ~~[(g) Once the total nameplate capacities of qualifying~~  
22 ~~ethanol production facilities built within the State reaches or~~



1 ~~exceeds a level of forty million gallons per year, credits under~~  
2 ~~this section shall not be allowed for new ethanol production~~  
3 ~~facilities. If a new facility's production capacity would cause~~  
4 ~~the statewide ethanol production capacity to exceed forty~~  
5 ~~million gallons per year, only the ethanol production capacity~~  
6 ~~that does not exceed the statewide forty million gallon per year~~  
7 ~~level shall be eligible for the credit.]~~

8       ~~[(h)]~~ (g) Prior to construction of any new qualifying  
9 ~~[ethanol]~~ biofuel production facility, the taxpayer shall  
10 provide written notice of the taxpayer's intention to begin  
11 construction of a qualifying ~~[ethanol]~~ biofuel production  
12 facility. The information shall be provided to the department  
13 of taxation and the department of business, economic  
14 development, and tourism on forms provided by the department of  
15 business, economic development, and tourism, and shall include  
16 information on the taxpayer, facility location, facility  
17 production capacity, anticipated production start date, and the  
18 taxpayer's contact information. Notwithstanding any other law  
19 to the contrary, this information shall be available for public  
20 inspection and dissemination under chapter 92F.

21       ~~[(i)]~~ (h) The taxpayer shall provide written notice to the  
22 director of taxation and the director of business, economic



1 development, and tourism within thirty days following the start  
2 of production. The notice shall include the production start  
3 date and expected [~~ethanol~~] biofuel fuel production for the next  
4 twenty-four months. Notwithstanding any other law to the  
5 contrary, this information shall be available for public  
6 inspection and dissemination under chapter 92F.

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

18 [~~(k)~~] (j) Each calendar year during the credit period, the  
19 taxpayer shall provide information to the director of business,  
20 economic development, and tourism on the number of gallons [~~of~~  
21 ~~ethanol~~] and type of biofuel produced and sold during the  
22 previous calendar year, how much was sold in Hawaii versus





1 overseas, percentage of Hawaii-grown feedstocks and other  
2 feedstocks used for [~~ethanol~~] biofuel production, the number of  
3 employees of the facility, and the projected number of gallons  
4 [~~of ethanol~~] and type of biofuel production for the succeeding  
5 year.

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

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

18 (1) The number, location, and nameplate capacities of  
19 qualifying [~~ethanol~~] biofuel production facilities in  
20 the State;

21 (2) The total number of gallons of [~~ethanol~~] biofuel  
22 produced and sold during the previous year; and



1           (3) The projected number of gallons of [~~ethanol~~] biofuel  
2                           production for the succeeding year.

3           [~~(n)~~] (m) The director of taxation shall prepare forms  
4 that may be necessary to claim a credit under this section.  
5 Notwithstanding the department of business, economic  
6 development, and tourism's certification authority under this  
7 section, the director may audit and adjust certification to  
8 conform to the facts. The director may also require the  
9 taxpayer to furnish information to ascertain the validity of the  
10 claim for credit made under this section and may adopt rules  
11 necessary to effectuate the purposes of this section pursuant to  
12 chapter 91."

13           SECTION 11. Section 238-9.5, Hawaii Revised Statutes, is  
14 amended to read as follows:

15           "**§238-9.5 Motor vehicle importation; report by dealers;**  
16 **proof of payment.** (a) Every dealer, as defined in section 437-  
17 1.1, shall submit a report to the director, on or before the  
18 last day of each calendar month, for all motor vehicles  
19 delivered by the dealer in the prior month as a courtesy  
20 delivery. The report shall contain the name and address of the  
21 dealer making the courtesy delivery, name and address of the  
22 seller of the vehicle, type of motor vehicle, the landed value



1 of the vehicle, the name and address of the purchaser or  
2 importer, the date of importation, and other information  
3 relevant to the courtesy delivery as requested by the director.

4 As used in this section, "courtesy delivery" means the  
5 preparation for delivery and the delivery by a dealer of a motor  
6 vehicle imported into the State by a person who purchased the  
7 motor vehicle from an out-of-state motor vehicle manufacturer or  
8 an out-of-state dealer and does not apply to motor vehicles sold  
9 by the in-state dealer.

10 (b) The director of taxation shall prepare forms necessary  
11 for individuals importing motor vehicles into the State to prove  
12 payment of the use tax necessary to register the motor vehicle.

13 (c) The tax imposed by this chapter shall not apply to an  
14 alternative fuel vehicle or fuel economy leader vehicle that is  
15 exempted pursuant to chapter 237."

16 SECTION 12. Section 251-2, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "**§251-2 Rental motor vehicle and tour vehicle surcharge**  
19 **tax.** (a) There is levied and shall be assessed and collected  
20 each month a rental motor vehicle surcharge tax of \$2 a day,  
21 except that for the period of September 1, 1999, to August 31,  
22 2011, the tax shall be \$3 a day, or any portion of a day that a



1 rental motor vehicle is rented or leased. The rental motor  
2 vehicle surcharge tax shall be levied upon the lessor; provided  
3 that the tax shall not be levied on the lessor if:

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

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

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

12 (1) \$65 for each tour vehicle used or partially used  
13 during the month that falls into the over twenty-five  
14 passenger seat category; and

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

18 The tour vehicle surcharge tax shall be levied upon the  
19 tour vehicle operator.

20 (c) For the period beginning January 1, 2010, and ending  
21 December 31, 2015, up to two hundred alternative fuel light duty



1 motor vehicles per rental car fleet shall be exempt from the  
2 rental motor vehicle surcharge tax.

3 (d) For the purposes of this section:

4 "Alternative fuel" has the same meaning as defined in  
5 section 237-A.

6 "Alternative fuel vehicle" has the same meaning as defined  
7 in section 237-A.

8 "Light duty motor vehicle" has the same meaning as defined  
9 in section 237-A.

10 "Rental car fleet" refers to all vehicles in the State  
11 owned or operated by related entities, as that term is defined  
12 in section 237-23.5."

13 SECTION 13. Section 286-41, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 **"§286-41 Application for registration; full faith and**  
16 **credit to current certificates; this part not applicable to**  
17 **certain equipment.** (a) Every owner of a motor vehicle which is  
18 to be operated upon the public highways shall, for each vehicle  
19 owned, except as herein otherwise provided, apply to the  
20 director of finance of the county where the vehicle is to be  
21 operated, for the registration thereof. If a vehicle is moved  
22 to another county and is to be operated upon the public highways



1 of that county, the existing certificate of registration shall  
2 be valid until its expiration date, at which time the owner  
3 shall apply to the director of finance of the county in which  
4 the vehicle is then located for the registration of the vehicle,  
5 whether or not the owner is domiciled in the county or the  
6 owner's principal place of business is in that county, except  
7 that this provision shall not apply to vehicles which are  
8 temporarily transferred to another county for a period of not  
9 more than three months.

10 (b) Application for the registration of a vehicle shall be  
11 made upon the appropriate form furnished by the director of  
12 finance and shall contain the name, occupation, and address of  
13 the owner and legal owner; and, if the applicant is a member of  
14 the United States naval or military forces, the applicant shall  
15 give the organization and station. All applications shall also  
16 contain a description of the vehicle, including the name of the  
17 maker, the type of fuel for the use of which it is adapted  
18 (e.g., gasoline, diesel oil, liquefied petroleum gas), the  
19 serial or motor number, and the date first sold by the  
20 manufacturer or dealer, and such further description of the  
21 vehicle as is called for in the form, and such other information  
22 as may be required by the director of finance, to establish



1 legal ownership. A person applying for initial registration of  
2 a neighborhood electric vehicle shall certify in writing that a  
3 notice of the operational restrictions applying to the vehicle  
4 as provided in section 291C-134 [~~are~~] is contained on a  
5 permanent notice attached to or painted on the vehicle in a  
6 location that is in clear view of the driver.

7 (c) If the vehicle to be registered is specially  
8 constructed, reconstructed, or rebuilt; is a special interest  
9 vehicle; or is an imported vehicle, this fact shall be stated in  
10 the application and upon the registration of the special  
11 interest motor vehicle and imported motor vehicle, which has  
12 been registered until that time in any other state or county,  
13 and the owner shall surrender to the director of finance the  
14 certificates of registration or other evidence of such form of  
15 registration as may be in the applicant's possession or control.  
16 The director of finance shall grant full faith and credit to the  
17 currently valid certificates of title and registration  
18 describing the vehicle, the ownership thereof, and any liens  
19 noted thereon, issued by any title state or county in which the  
20 vehicle was last registered. The acceptance by the director of  
21 finance of a certificate of title or of registration issued by  
22 another state or county, as provided in this subsection, in the



1 absence of knowledge that the certificate is forged, fraudulent,  
2 or void, shall be a sufficient determination of the genuineness  
3 and regularity of the certificate and of the truth of the  
4 recitals therein, and no liability shall be incurred by any  
5 officer or employee of the director of finance by reason of so  
6 accepting the certificate.

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

17 (e) Notwithstanding any other law to the contrary, the  
18 director of finance of the county in which the application for  
19 registration is sought shall not require proof of insurance as a  
20 condition to satisfy the requirements of this part. This  
21 subsection shall apply only to the initial registration of any  
22 motor vehicle.





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

- 3 (1) Special mobile equipment;  
4 (2) Implements of husbandry temporarily drawn, moved, or  
5 otherwise propelled upon the public highways; and  
6 (3) Aircraft servicing vehicles which are being used  
7 exclusively on lands set aside to the department of  
8 transportation for airport purposes.

9 (g) Beginning January 1, 2010, and expiring December 31,  
10 2015, the motor vehicle registration fee and other fees, if any,  
11 assessed upon or associated with the registration of an electric  
12 vehicle in this State, including any fees associated with the  
13 issuance of an electric vehicle license plate, shall be waived."

14 PART III.

15 TRANSPORTATION ENERGY REQUIREMENTS

16 SECTION 14. Chapter 196, Hawaii Revised Statutes, is  
17 amended by adding two new sections to be appropriately  
18 designated and to read as follows:

19 "§196-C Alternative fuel vehicle requirement for private  
20 fleets. (a) Beginning January 1, 2012, each fleet operator  
21 controlling more than fifty light duty motor vehicles in the  
22 State, when replacing its light duty motor vehicles or expanding



1 its fleet, shall acquire increasing percentages of vehicles  
2 capable of operating on non-petroleum energy sources, including  
3 electric vehicles, flexible fuel vehicles, or other alternative  
4 fuel vehicles.

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

10 (c) As used in this section:

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

13 "Alternative fuel" has the same meaning as defined in  
14 section 237-A.

15 "Alternative fuel vehicle" has the same meaning as defined  
16 in section 237-A.

17 "Electric vehicle" means a vehicle powered by electricity;  
18 provided that it does not include a neighborhood electric  
19 vehicle or any vehicle that is not designed to obtain  
20 electricity from sources outside the vehicle.

21 "Fleet operator" means an entity controlling more than  
22 fifty light duty motor vehicles for use in a business



1 enterprise, including vehicle rental, but does not include  
2 vehicles held for retail sale.

3 "Light duty motor vehicle" has the same meaning as defined  
4 in section 237-A.

5 (d) A fleet operator and its affiliates may aggregate  
6 their vehicle purchases.

7 (e) A fleet operator acquiring vehicles earlier than the  
8 program start date or in excess of the number of vehicles  
9 required shall be able to accumulate alternative fuel vehicle  
10 credits, which may be traded, sold, or banked for later use in  
11 meeting vehicle acquisition requirements.

12 (f) Each fleet operator shall file an annual report with  
13 the energy resources coordinator. Reports shall be for each  
14 calendar year and shall conform to the format, content, and  
15 reporting requirements specified by the energy resources  
16 coordinator. Reports shall be filed no later than June 30  
17 following the close of the calendar year of the report.

18 (g) A fleet operator may apply to the energy resources  
19 coordinator for an exemption from the requirements of this  
20 section to the extent that the vehicles required by this section  
21 are not available or do not meet the specific needs of the  
22 fleet. To be eligible for an exemption, a fleet operator must



1 be able to demonstrate having made a good faith effort to comply  
2 with the requirements.

3 (h) Any fleet operator or any other person violating the  
4 requirements of this section may be subject to a fine of up to  
5 \$1,000 for each nonconforming vehicle and up to \$50 for each day  
6 that an annual report is late.

7 (i) The energy resources coordinator shall adopt rules,  
8 pursuant to chapter 91, for the administration and enforcement  
9 of this section.

10 §196-D Alternative fuel light duty motor vehicle sales  
11 requirement. (a) Beginning January 1, 2015, each motor vehicle  
12 dealer with sales of more than fifty light duty motor vehicles  
13 per year in the State shall increase the percentage of new and  
14 used light duty motor vehicles capable of operating on non-  
15 petroleum energy sources, including electric vehicles, flexible  
16 fuel vehicles, or other alternative fuel vehicles that it offers  
17 for sale in the State by no less than per cent each year.

18 (b) For the purposes of this section:

19 "Alternative fuel" has the same meaning as defined in  
20 section 237-A.

21 "Alternative fuel vehicle" has the same meaning as defined  
22 in section 237-A.



1       "Electric vehicle" has the same meaning as defined in  
2 section 196-C.

3       "Light-duty motor vehicle" has the same meaning as defined  
4 in section 237-A.

5       "Motor vehicle dealer" means a new motor vehicle dealer or  
6 a used motor vehicle dealer, as those terms are defined in  
7 section 437-1.1.

8       "Sale" means the transfer of control, whether by lease,  
9 sale, or other arrangement, for a period greater than six  
10 months.

11       (c) A motor vehicle dealer may acquire credits for  
12 alternative fuel vehicles offered for sale or sold earlier than  
13 or in excess of the required amounts. These credits may be  
14 banked, sold, or transferred to the dealer's affiliates or other  
15 motor vehicle dealers in the State. Credits may be used to  
16 offset an equivalent number of required vehicles offered for  
17 sale.

18       (d) Each motor vehicle dealer shall file an annual report  
19 with the energy resources coordinator reporting on the number  
20 and type of alternative fuel vehicles and non-alternative fuel  
21 light duty motor vehicles sold or offered for sale during the  
22 previous calendar year, as well as any vehicle credits sold,



1 purchased, traded, or banked. Reports shall be for each  
2 calendar year and shall conform to format, content, and  
3 reporting requirements specified by the energy resources  
4 coordinator. Reports shall be filed no later than June 30  
5 following the close of the calendar year of the report.

6 (e) Any motor vehicle dealer not meeting the alternative  
7 fuel vehicle percentage requirement shall include in its report  
8 an explanation for not meeting the requirement.

9 (f) A motor vehicle dealer may apply to the energy  
10 resources coordinator for exemptions from the requirements of  
11 this section to the extent that the vehicles or credits required  
12 by this section were not available. To be eligible for an  
13 exemption, the motor vehicle dealer must be able to demonstrate  
14 having made a good faith effort to comply with the requirements.

15 (g) Any motor vehicle dealer or any other person violating  
16 the requirements of this section may be subject to a fine of up  
17 to \$1,000 for each nonconforming vehicle and up to \$50 for each  
18 day that an annual report is late.

19 (h) Failure to file the required reports or to comply with  
20 the vehicle sales requirements of this section may be grounds  
21 for referral to the motor vehicle industry board for  
22 disciplinary action.



1        (i) The energy resources coordinator shall adopt rules,  
2 pursuant to chapter 91, for the administration and enforcement  
3 of this section."

4        SECTION 15. Section 103D-412, Hawaii Revised Statutes, is  
5 amended to read as follows:

6        "§103D-412 [~~Energy-efficient vehicles.~~] Light duty motor  
7 vehicle requirements. (a) The procurement policy for all  
8 agencies purchasing or leasing light duty motor vehicles shall  
9 be to [~~obtain energy-efficient vehicles. All covered fleets are~~  
10 ~~directed to procure increasing percentages of energy efficient~~  
11 ~~vehicles as part of their annual vehicle acquisition plans,~~  
12 ~~which shall be as follows:~~

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

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

21        ~~(3) In the fiscal year beginning July 1, 2008, at least~~  
22        ~~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, when  
11 purchasing new vehicles, shall select vehicles with reduced  
12 dependence on petroleum-based fuels, in the following descending  
13 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, the 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 [~~contained in 10~~  
16       ~~Code of Federal Regulations Part 490.~~] as defined in section  
17       237-A.

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

20       ~~["Energy efficient vehicle" means a vehicle that:~~

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



- 1       ~~(2) Is powered primarily through the use of an electric~~  
2       ~~battery or battery pack that stores energy produced by~~  
3       ~~an electric motor through regenerative braking to~~  
4       ~~assist in vehicle operation;~~
- 5       ~~(3) Is propelled by power derived from one or more cells~~  
6       ~~converting chemical energy directly into electricity~~  
7       ~~by combining oxygen with hydrogen fuel that is stored~~  
8       ~~on board the vehicle in any form;~~
- 9       ~~(4) Draws propulsion energy from onboard sources of stored~~  
10       ~~energy generated from an internal combustion or heat~~  
11       ~~engine using combustible fuel and a rechargeable~~  
12       ~~energy storage system; or~~
- 13       ~~(5) Is on the list of "Most Energy Efficient Vehicles" in~~  
14       ~~its class or is in the top one fifth of the most~~  
15       ~~energy efficient vehicles in its class available in~~  
16       ~~Hawaii as shown by vehicle fuel efficiency lists,~~  
17       ~~rankings, or reports maintained by the United States~~  
18       ~~Environmental Protection Agency.]~~

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



1 "Light-duty motor vehicle" has the same meaning as  
2 [~~contained in 10 Code of Federal Regulations Part 490.~~] defined  
3 in section 237-A.

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

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

16 ~~(e)]~~ (c) Agencies may apply to the chief procurement  
17 officer for exemptions from the requirements of this section to  
18 the extent that the vehicles required by this section are not  
19 available or do not meet the specific needs of the agency. Life  
20 cycle vehicle and fuel costs may be included in the  
21 determination of whether a particular vehicle meets the needs of  
22 the agency. Estimates of future fuel prices shall be based on



1 projections made by the United States Energy Information  
2 Administration.

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

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

11 SECTION 16. Section 103D-1012, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "[~~f~~] §103D-1012 [~~f~~] **Biofuel preference.** (a)

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

18 (b) When purchasing fuel for use in diesel engines, the  
19 preference shall be [~~five cents~~] twenty per cent per gallon of  
20 one hundred per cent [~~bio-diesel~~] biomass-based diesel. For  
21 blends containing both [~~bio-diesel~~] biomass-based diesel and



1 petroleum-based diesel, the preference shall be applied only to  
2 the [~~biodiesel~~] biomass-based diesel portion of the blend.

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

8 (d) As used in this section, "biodiesel" means a vegetable  
9 oil-based fuel that meets ASTM International standard D6751,  
10 "Standard Specification for Biodiesel (B100) Fuel Blend Stock  
11 for Distillate Fuels", as amended.

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

15 (f) As used in this section, "biomass-based diesel" means  
16 biodiesel or diesel fuel substitute produced in Hawaii from  
17 biomass, provided that the fuel is registered with the  
18 Environmental Protection Agency for use in on-road engines and  
19 meets ASTM International fuel specifications for use in diesel  
20 engines.

21 (g) Beginning January 1, 2012, all state-owned diesel  
22 vehicles and equipment are required to be fueled with blends of



1 biomass-based diesel, subject to the availability of the fuel,  
2 and so long as the price is no greater than twenty per cent more  
3 per gallon than the price of conventional diesel."

4 SECTION 17. Section 196-9, Hawaii Revised Statutes, is  
5 amended by amending subsection (c) to read as follows:

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

- 8 (1) Comply with Title 10, Code of Federal Regulations,  
9 Part 490, Subpart C, "Mandatory State Fleet Program",  
10 if applicable;
- 11 (2) Comply with all applicable state laws regarding  
12 vehicle purchases;
- 13 (3) Once federal and state vehicle purchase mandates have  
14 been satisfied, purchase the most fuel-efficient  
15 vehicles that meet the needs of their programs;  
16 provided that life cycle cost-benefit analysis of  
17 vehicle purchases shall include projected fuel costs;
- 18 (4) Purchase alternative fuels and ethanol blended  
19 gasoline when available;
- 20 (5) ~~[Evaluate a purchase preference for]~~ Purchase  
21 biodiesel blends, ~~[as applicable to agencies with~~



- 1           ~~diesel fuel purchases,]~~ in accordance with chapter  
2           103D;
- 3           (6) Promote efficient operation of vehicles;
- 4           (7) Use the most appropriate minimum octane fuel;
- 5           ~~[provided that]~~ vehicles shall use 87-octane fuel  
6           unless the owner's manual for the vehicle states  
7           otherwise or the engine experiences knocking or  
8           pinging;
- 9           (8) ~~[Beginning with fiscal year 2005-2006 as the baseline,~~  
10          ~~collect]~~ Collect and maintain, for ~~[the life of]~~ each  
11          vehicle acquired, the following data:
- 12          (A) Vehicle acquisition cost;
- 13          (B) United States Environmental Protection Agency  
14          rated fuel economy;
- 15          (C) Vehicle fuel configuration, such as gasoline,  
16          diesel, flex-fuel gasoline/E85, and dedicated  
17          propane;
- 18          (D) Actual in-use vehicle mileage;
- 19          (E) Actual in-use vehicle fuel consumption; and
- 20          (F) Actual in-use annual average vehicle fuel  
21          economy; and



- 1           (9) ~~[Beginning with fiscal year 2005-2006 as the baseline~~  
2           ~~with]~~ With respect to each agency that operates a  
3           fleet of thirty or more vehicles, collect and  
4           maintain, in addition to the data in paragraph (8),  
5           the following:
- 6           (A) Information on the vehicles in the fleet,  
7           including vehicle year, make, model, gross  
8           vehicle weight rating, and vehicle fuel  
9           configuration;
- 10          (B) Fleet fuel usage, by fuel;
- 11          (C) Fleet mileage; and
- 12          (D) Overall annual average fleet fuel economy and  
13          average miles per gallon of gasoline and diesel."

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

16           "(a) In addition to any other actions authorized by law,  
17 the board, after notice and hearing as provided in chapter 91,  
18 and subject to appeal to the circuit court of the circuit in  
19 which the board has jurisdiction under the procedure and rules  
20 prescribed by the laws of the State or the applicable rules of  
21 the courts pertaining to appeals to circuit courts, may suspend,  
22 revoke, fine, or deny the renewal of any license, or prior to





1 notice and hearing deny the issuance of any license for any  
2 cause authorized by law, including but not limited to  
3 circumstances where the board finds that the applicant or  
4 holder, or any officer, director, general manager, trustee,  
5 partner, or stockholder owning more than ten per cent interest  
6 of the applicant or holder:

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

12 (2) Has failed to comply with, observe, or adhere to any  
13 provision of this chapter or any other law relating to  
14 the sale, taxing, or licensing of motor vehicles or  
15 any rule or order made pursuant to this chapter[7], or  
16 has been referred to the board by the energy resources  
17 coordinator for failing to comply with alternative  
18 fuel vehicle requirements;

19 (3) Has committed a fraudulent act in selling, purchasing,  
20 or otherwise dealing in motor vehicles or has  
21 misrepresented the terms and conditions of a sale,  
22 purchase, or contract for sale or purchase of a motor



- 1           vehicle or any interest therein including an option to  
2           purchase motor vehicles;
- 3           (4) Has engaged in business under a past or present  
4           license issued pursuant to this chapter, in a manner  
5           as to cause injury to the public or to those with whom  
6           one is dealing;
- 7           (5) Has failed to comply with, observe, or adhere to any  
8           law in any other respect on account whereof the board  
9           may deem the applicant or holder to be an unfit or  
10          improper person to hold a license;
- 11          (6) Has failed to meet or maintain the conditions and  
12          requirements necessary to qualify for the issuance of  
13          a license;
- 14          (7) Is insolvent or has filed or is the subject of  
15          petition for bankruptcy, wage earner's plan, or  
16          financial reorganization plan; or has made or proposes  
17          to make an assignment for benefit of creditors;
- 18          (8) In the case of an individual applicant or holder of a  
19          license, if the applicant or holder is not at least  
20          eighteen years of age; in the case of a partnership  
21          applicant or holder of a license, if any general or



1 limited partner thereof is not at least eighteen years  
2 of age;

3 (9) Has charged more than the legal rate of interest on  
4 the sale or purchase or attempted sale or purchase or  
5 in arranging the sale or purchase of a motor vehicle  
6 or any interest therein including an option to  
7 purchase;

8 (10) Has violated any of the laws pertaining to false  
9 advertising or to credit sales in the offering,  
10 soliciting, selling, or purchasing, or arranging to  
11 sell or purchase a motor vehicle or any interest  
12 therein;

13 (11) Has wilfully failed or refused to perform any  
14 unequivocal and indisputable obligation under any  
15 written agreement involving the sale or purchase of a  
16 motor vehicle or any interest therein including an  
17 option to purchase;

18 (12) Has been denied the issuance of a license under this  
19 chapter for substantial culpable cause or for having  
20 had a license issued under this chapter suspended,  
21 revoked, or the renewal thereof denied for substantial  
22 culpable cause;



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



1 which are ordinarily installed on the vehicle  
2 when received or acquired by the dealer;

3 (B) Has represented and sold as an unused motor  
4 vehicle any motor vehicle which has been operated  
5 as a demonstrator, leased, or U-drive motor  
6 vehicle;

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

13 (D) Has sold a new motor vehicle covered by a  
14 standard factory warranty without informing the  
15 purchaser in writing that any repairs or other  
16 work necessary on any accessories which were not  
17 installed by the manufacturer of the vehicle may  
18 not be obtainable in a geographic location other  
19 than where the purchase occurred; provided that  
20 the notice required by this section shall conform  
21 to the plain language requirements of section



1 487A-1, regardless of the dollar amount of the  
2 transaction;

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

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

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

21 \_\_\_\_\_ Customer's Initials \_\_\_\_\_ Salesperson's  
22 \_\_\_\_\_ or Dealer's Initials";



- 1           (18) Being an applicant or holder of a dealer's license:
- 2                 (A) Has sold or proposed to sell new motor vehicles
- 3                         without providing for the maintenance of a
- 4                         reasonable inventory of parts for new vehicles or
- 5                         without providing and maintaining adequate repair
- 6                         facilities and personnel for new vehicles at
- 7                         either the main licensed premises or at any
- 8                         branch location;
- 9                 (B) Has employed or proposed to employ any
- 10                         salesperson who is not duly licensed under this
- 11                         chapter; or
- 12                 (C) Has sold or proposed to sell new motor vehicles
- 13                         without being franchised therefor;
- 14           (19) Being an applicant or holder of an auction's license
- 15                         has sold or proposed to sell new motor vehicles
- 16                         without being franchised therefor;
- 17           (20) Being an applicant for a salesperson's license:
- 18                 (A) Does not intend to be employed as a salesperson
- 19                         for a licensed motor vehicle dealer; or
- 20                 (B) Intends to be employed as a salesperson for more
- 21                         than one dealer; or
- 22           (21) Being a manufacturer or distributor:



- 1           (A) Has attempted to coerce or has coerced any dealer  
2           in the State to enter into any agreement with the  
3           manufacturer or distributor or any other party,  
4           to perform any act not required by or to refrain  
5           from performing any act not contrary to the  
6           reasonable requirements of the franchise  
7           agreement with the dealer, by threatening to  
8           cancel the franchise agreement or by threatening  
9           to refuse, at the expiration of the current  
10          franchise agreement, to enter into a new  
11          franchise agreement with the dealer;
- 12          (B) Has attempted to coerce or has coerced any dealer  
13          in the State to enter into any agreement with the  
14          manufacturer or distributor or any other party,  
15          to perform any act not required by or to refrain  
16          from performing any act not contrary to the  
17          reasonable requirements of the franchise  
18          agreement with the dealer, by awarding or  
19          threatening to award a franchise to another  
20          person for the sale of the same make of any motor  
21          vehicle in the same sales area of responsibility





1 covered by the existing franchise agreement of  
2 the dealer;

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

10 (i) Compensate the dealer at the fair market  
11 going business value for the dealer's  
12 capital investment, which shall include but  
13 not be limited to the going business value  
14 of the business, goodwill, property, and  
15 improvement owned or leased by the dealer  
16 for the purpose of the franchise, inventory  
17 of parts, and motor vehicles possessed by  
18 the dealer in connection with the franchise,  
19 plus reasonable attorney's fees incurred in  
20 collecting compensation; provided that the  
21 investment shall have been made with



1 reasonable and prudent judgment for the  
2 purpose of the franchise agreement; or  
3 (ii) Compensate the dealer for damages including  
4 attorney's fees as aforesaid, resulting from  
5 the cancellation or failure to renew the  
6 franchise agreement.

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

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



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



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



1 pricing policies set by manufacturers or  
2 distributors which result in higher prices of new  
3 motor vehicles to the consumer in the State.

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

20 (F) Has required a dealer of new motor vehicles in  
21 the State as a condition of sale and delivery of  
22 new motor vehicles to purchase special features,



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

15 (G) Has failed to adequately and fairly compensate  
16 its dealers for labor, parts, and other expenses  
17 incurred by the dealer to perform under and  
18 comply with manufacturer's warranty agreements.  
19 In no event shall any manufacturer or distributor  
20 pay its dealers a labor rate per hour for  
21 warranty work that is less than that charged by  
22 the dealer to the retail customers of the dealer



1 nor shall the rates be more than the retail  
2 rates. All claims made by the dealers for  
3 compensation for delivery, preparation, and  
4 warranty work shall be paid within thirty days  
5 after approval and shall be approved or  
6 disapproved within thirty days after receipt.

7 When any claim is disapproved, the dealer shall  
8 be notified in writing of the grounds for  
9 disapproval;

10 (H) Has wilfully failed to affix the vehicle bumper  
11 impact notice pursuant to section 437-4.5(a), or  
12 wilfully misstated any information in the notice.  
13 Each failure or misstatement is a separate  
14 offense;

15 (I) Has wilfully defaced, or removed the vehicle  
16 bumper impact notice required by section 437-  
17 4.5(a) prior to delivery of the vehicle to which  
18 the notice is required to be affixed to the  
19 registered owner or lessee. Each wilful  
20 defacement, alteration, or removal is a separate  
21 offense; or







1 SECTION 20. Section 92F-19, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) No agency may disclose or authorize disclosure of  
4 government records to any other agency unless the disclosure is:

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

7 (A) Compatible with the purpose for which the  
8 information was collected or obtained; or

9 (B) Consistent with the conditions or reasonable  
10 expectations of use and disclosure under which  
11 the information was provided;

12 (2) To the state archives for the purposes of historical  
13 preservation, administrative maintenance, or  
14 destruction;

15 (3) To another agency, another state, or the federal  
16 government, or foreign law enforcement agency or  
17 authority, if the disclosure is:

18 (A) For the purpose of a civil or criminal law  
19 enforcement activity authorized by law; and

20 (B) Pursuant to:

21 (i) A written agreement or written request, or





1           (9) To the offices of the legislative auditor, the  
2           legislative reference bureau, or the ombudsman of this  
3           State for the performance of their respective  
4           functions;

5           (10) To the department of human resources development,  
6           county personnel agencies, or line agency personnel  
7           offices for the performance of their respective duties  
8           and functions, including employee recruitment and  
9           examination, classification and compensation reviews,  
10          the administration and auditing of personnel  
11          transactions, the administration of training and  
12          safety, workers' compensation, and employee benefits  
13          and assistance programs, and for labor relations  
14          purposes; [e]

15          (11) To the department of business, economic development,  
16          and tourism for the performance of their statutory  
17          responsibilities; or

18          [~~(11)~~] (12) Otherwise subject to disclosure under this  
19          chapter."

20          SECTION 21. Section 226-17, Hawaii Revised Statutes, is  
21          amended by amending subsection (b) to read as follows:



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

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

6           (2) Coordinate state, county, federal, and private  
7 transportation activities and programs toward the  
8 achievement of statewide objectives;

9           (3) Encourage a reasonable distribution of financial  
10 responsibilities for transportation among  
11 participating governmental and private parties;

12           (4) Provide for improved accessibility to shipping,  
13 docking, and storage facilities;

14           (5) Promote a reasonable level and variety of mass  
15 transportation services that adequately meet statewide  
16 and community needs;

17           (6) Encourage transportation systems that serve to  
18 accommodate present and future development needs of  
19 communities;

20           (7) Encourage a variety of carriers to offer increased  
21 opportunities and advantages to interisland movement  
22 of people and goods;



- 1           (8) Increase the capacities of airport and harbor systems  
2           and support facilities to effectively accommodate  
3           transshipment and storage needs;
- 4           (9) Encourage the development of transportation systems  
5           and programs which would assist statewide economic  
6           growth and diversification;
- 7           (10) Encourage the design and development of transportation  
8           systems sensitive to the needs of affected communities  
9           and the quality of Hawaii's natural environment;
- 10          (11) Encourage safe and convenient use of low-cost, energy-  
11          efficient, non-polluting means of transportation;
- 12          (12) Coordinate intergovernmental land use and  
13          transportation planning activities to ensure the  
14          timely delivery of supporting transportation  
15          infrastructure in order to accommodate planned growth  
16          objectives; and
- 17          (13) [~~Encourage diversification of transportation modes and~~  
18          ~~infrastructure~~] Include transportation energy demand  
19          estimates in state-wide and county-wide long-range  
20          land transportation plans that utilize travel demand  
21          forecasting models in order to promote alternate fuels  
22          and energy efficiency."



1 SECTION 22. Section 286-172, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

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

8 (1) Any request from a state, a political subdivision of a  
9 state, or a federal department or agency, or any other  
10 authorized person pursuant to rules adopted by the  
11 director of transportation under chapter 91;

12 (2) Any request from a person having a legitimate reason,  
13 as determined by the director, as provided under the  
14 rules adopted by the director under paragraph (1), to  
15 obtain the information for verification of vehicle  
16 ownership, traffic safety programs, or for research or  
17 statistical reports; [ø]

18 (3) Any request from a person required or authorized by  
19 law to give written notice by mail to owners of  
20 vehicles[-]; or

21 (4) Any request from the energy resources coordinator to  
22 track the number and type of vehicles in use and the



1           effectiveness of efforts to increase the efficiency of  
 2           and diversify the fuel needs of Hawaii's  
 3           transportation sector."

PART V.

MISCELLANEOUS PROVISIONS

6           SECTION 23. In codifying the new sections added by this  
 7 Act, the revisor of statutes shall substitute appropriate  
 8 section numbers for the letters used in designating the new  
 9 sections in this Act.

10          SECTION 24. Statutory material to be repealed is bracketed  
 11 and stricken. New statutory material is underscored.

12          SECTION 25. This Act shall take effect on July 1, 2009.

13

INTRODUCED BY:

4. Kalam Eghoh

Arvid Y Ige

By the

Will Eyo



Transportation Energy

**Description:**

Establishes a comprehensive approach to increasing the use of alternative fuel vehicles in the State, including state procurement of alternative fuel vehicles, tax incentives, and infrastructure requirements.

