
A BILL FOR AN ACT

RELATING TO ELECTRIC VEHICLES.

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

1 SECTION 1. The legislature finds that taxes on gasoline
2 and diesel fuels are currently one of the main means of funding
3 the repair and maintenance of state and county roadways in the
4 State. For example, the owner of a vehicle in the city and
5 county of Honolulu that drives twelve thousand five hundred
6 miles per year at thirty miles per gallon of fuel will pay
7 approximately \$140 in combined state and county fuel taxes. On
8 the other hand, owners of electric vehicles pay substantially
9 less in taxes than owners of conventional gasoline and diesel
10 vehicles because they do not need to purchase liquid fuel for
11 their vehicles.

12 The legislature further finds that as technological
13 advances improve the fuel economy of all motor vehicles, it will
14 be necessary to establish a vehicle miles-traveled tax to
15 replace the liquid fuel tax. In the interest of fairness, the
16 legislature believes it is appropriate to create an electric
17 vehicle user fee to offset the difference in taxes, as an



1 interim measure, until a suitable mechanism for collecting a
2 vehicle miles-traveled tax can be implemented.

3 The purpose of this Act is to establish an annual electric
4 vehicle user fee.

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

8 "§249- Electric vehicle user fee. (a) All electric
9 vehicles in the State shall be subject to a \$100 annual user
10 fee.

11 (b) The electric vehicle user fee shall be paid each year
12 together with all other taxes and fees levied by this chapter on
13 a staggered basis, as established by each county pursuant to
14 section 286-51, so that the electric vehicle user fee is due and
15 payable at the same time and shall be collected with state and
16 county fees.

17 (c) The electric vehicle user fee shall be deemed
18 delinquent if not paid with the state registration fee and the
19 county registration fee. The respective counties shall collect
20 this fee and transfer one hundred per cent of the moneys
21 collected under this section to the State to be deposited into
22 the state highway fund established under section 248-8.



1 (d) For the purposes of this section, "electric vehicle"
2 has the same meaning as in section 291-71."

3 SECTION 3. Section 248-8, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§248-8 Special funds in treasury of State.** (a) There
6 are created in the treasury of the State three special funds to
7 be known, respectively, as the state highway fund, the airport
8 revenue fund, and the boating special fund. ~~[All]~~ Fees
9 collected pursuant to section 249- and all taxes collected
10 under chapter 243 in each calendar year, except the "county of
11 Hawaii fuel tax", "city and county of Honolulu fuel tax",
12 "county of Maui fuel tax", and "county of Kauai fuel tax", shall
13 be deposited in the state highway fund; provided that:

14 (1) All taxes collected under chapter 243 with respect to
15 gasoline or other aviation fuel sold for use in or
16 used for airplanes shall be set aside in the airport
17 revenue fund; and

18 (2) All taxes collected under chapter 243 with respect to
19 liquid fuel sold for use in or used for small boats
20 shall be deposited in the boating special fund.

21 (b) As used in this section, "small boats" means all
22 vessels and other watercraft except those operated in overseas



1 transportation beyond the State, and ocean-going tugs and
2 dredges.

3 (c) The chairperson of the board of land and natural
4 resources, from July 1, 1992, and every three years thereafter,
5 shall establish standards or formulas that will as equitably as
6 possible establish the total taxes collected under chapter 243
7 in each fiscal year that are derived from the sale of liquid
8 fuel for use in or used for small boats. The amount so
9 determined shall be deposited in the boating special fund.

10 (d) An amount equal to 0.3 per cent of the highway fuel
11 tax but not more than \$250,000 collected under chapter 243 shall
12 be allocated each fiscal year to the special land and
13 development fund for purposes of the management, maintenance,
14 and development of trails and trail accesses under the
15 jurisdiction of the department of land and natural resources
16 established under section 198D-2."

17 SECTION 4. Section 437D-8.4, Hawaii Revised Statutes, is
18 amended by amending subsection (a) to read as follows:

19 "(a) Notwithstanding any law to the contrary, a lessor may
20 visibly pass on to a lessee:

21 (1) The general excise tax attributable to the
22 transaction;



- 1 (2) The vehicle license [~~and~~] fee, registration fee [~~and~~],
2 weight taxes, and electric vehicle user fee, prorated
3 at 1/365th of the annual vehicle license and
4 registration fee [~~and~~], weight taxes, and electric
5 vehicle user fee actually paid on the particular
6 vehicle being rented for each full or partial twenty-
7 four-hour rental day that the vehicle is rented;
8 provided the total of all vehicle license and
9 registration fees charged to all lessees shall not
10 exceed the annual vehicle license and registration fee
11 actually paid for the particular vehicle rented;
- 12 (3) The rental motor vehicle surcharge tax as provided in
13 section 251-2 attributable to the transaction;
- 14 (4) The county surcharge on state tax under section
15 46-16.8; provided that the lessor itemizes the tax for
16 the lessee; and
- 17 (5) The rents or fees paid to the department of
18 transportation under concession contracts negotiated
19 pursuant to chapter 102, service permits granted
20 pursuant to title 19, Hawaii Administrative Rules, or
21 rental motor vehicle customer facility charges
22 established pursuant to section 261-7; provided that:



- 1 (A) The rents or fees are limited to amounts that can
2 be attributed to the proceeds of the particular
3 transaction;
- 4 (B) The rents or fees shall not exceed the lessor's
5 net payments to the department of transportation
6 made under concession contract or service permit;
- 7 (C) The lessor submits to the department of
8 transportation and the department of commerce and
9 consumer affairs a statement, verified by a
10 certified public accountant as correct, that
11 reports the amounts of the rents or fees paid to
12 the department of transportation pursuant to the
13 applicable concession contract or service permit:
14 (i) For all airport locations; and
15 (ii) For each airport location;
- 16 (D) The lessor submits to the department of
17 transportation and the department of commerce and
18 consumer affairs a statement, verified by a
19 certified public accountant as correct, that
20 reports the amounts charged to lessees:
21 (i) For all airport locations;
22 (ii) For each airport location; and



- 1 (iii) For each lessee;
- 2 (E) The lessor includes in these reports the
- 3 methodology used to determine the amount of fees
- 4 charged to each lessee; and
- 5 (F) The lessor submits the above information to the
- 6 department of transportation and the department
- 7 of commerce and consumer affairs within three
- 8 months of the end of the preceding annual
- 9 accounting period or contract year as determined
- 10 by the applicable concession agreement or service
- 11 permit.

12 The respective departments, in their sole discretion,

13 may extend the time to submit the statement required

14 in this subsection. If the director determines that

15 an examination of the lessor's information is

16 inappropriate under this subsection and the lessor

17 fails to correct the matter within ninety days, the

18 director may conduct an examination and charge a

19 lessor an examination fee based upon the cost per hour

20 per examiner for evaluating, investigating, and

21 verifying compliance with this subsection, as well as

22 additional amounts for travel, per diem, mileage, and



1 other reasonable expenses incurred in connection with
2 the examination, which shall relate solely to the
3 requirements of this subsection, and which shall be
4 billed by the departments as soon as feasible after
5 the close of the examination. The cost per hour shall
6 be \$40 or as may be established by rules adopted by
7 the director. The lessor shall pay the amounts billed
8 within thirty days following the billing. All moneys
9 collected by the director shall be credited to the
10 compliance resolution fund."

11 SECTION 5. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Electric Vehicle User Fee; Highway Fund

Description:

Establishes a \$100 annual electric vehicle user fee, which shall be deposited in the state highway fund. Effective July 1, 2050.
(SB2324 HD1)

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