

STAND. COM. REP. NO. 2347

Honolulu, Hawaii

FEB 13 2014

RE: S.B. No. 2324
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs, to which was referred S.B. No. 2324 entitled:

"A BILL FOR AN ACT RELATING TO ELECTRIC VEHICLES,"

beg leave to report as follows:

The purpose and intent of this measure is to establish an annual electric vehicle user fee, fifty percent of which shall be deposited in the state highway fund and fifty percent of which shall be deposited in the appropriate county highway fund.

Your Committees received testimony in support of this measure from the Department of Transportation. Your Committees received testimony in opposition to this measure from two individuals. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; Department of Customer Services of the City and County of Honolulu; EAN Holdings, LLC; and Tax Foundation of Hawaii.

Your Committees find that taxes on gasoline and diesel fuels are currently one of the main means of funding the repair and maintenance of state and county roadways in the State. For example, the owner of a vehicle in the City and County of Honolulu that drives 12,500 miles per year at thirty miles per gallon of fuel will pay approximately \$140 in combined state and county fuel taxes. On the other hand, owners of electric vehicles pay substantially less in taxes than owners of conventional gasoline and diesel vehicles because they do not need to purchase liquid



fuel for their vehicles, yet electric vehicles also contribute to wear and tear of state and county roads.

As technological advances improve the fuel economy of all motor vehicles, it will be necessary to establish a vehicle miles-traveled tax to replace the liquid fuel tax. In the interest of fairness, your Committees believe it is appropriate to create an electric vehicle user fee to offset the difference in taxes as an interim measure until a suitable mechanism for collecting a vehicle miles-traveled tax can be implemented.

Your Committees have amended this measure by:

- (1) Requiring that the electric vehicle user fee be deposited entirely into the state highway fund;
- (2) Authorizing lessors of rental motor vehicles to pass on a portion of the electric vehicle user fee actually paid on the vehicle being rented to a lessee; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2324, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2324, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and International Affairs and
Public Safety,
Intergovernmental and Military
Affairs,



WILL ESPERO, Chair



J. KALANI ENGLISH, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Transportation and International Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2324	TIA/PSM, WAM	02/04/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
ESPERO, Will	/			
GABBARD, Mike				/
KAHELE, Gilbert	/			
KEITH-AGARAN, Gilbert S.C.	/			
KOUCHI, Ronald D.	/			
SOLOMON, Malama	/			
SLOM, Sam			/	
TOTAL	7		1	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes

