

JAN 25 2017

A BILL FOR AN ACT

RELATING TO CLEAN TRANSPORTATION.

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

1 SECTION 1. The legislature finds that climate change
2 caused by greenhouse gas emissions from burning fossil fuels
3 poses a serious threat to the economic well-being, public
4 health, natural resources, and the environment of Hawaii. The
5 potential adverse impacts of climate change include the
6 exacerbation of air quality problems; a reduction in the quality
7 and supply of water; a rise in sea level resulting in the
8 displacement of coastal businesses and residences; damage to
9 marine ecosystems and the natural environment and an increase in
10 the incidence of infectious diseases, asthma, and other human
11 health-related problems.

12 The legislature also agrees with the United Nations
13 Framework Convention on Climate Change, agreed to by one hundred
14 ninety-four nations during the 2016 Paris Agreement, that in
15 order to avoid the worst consequences of climate change, it will
16 be necessary to limit global temperature rise to two degrees
17 Celsius. In order to achieve this goal, Hawaii must



1 dramatically and expeditiously reduce greenhouse gas emissions
2 from the ground transportation sector.

3 The legislature further finds that Hawaii's dependency on
4 imported fossil fuels drains the State's economy of billions of
5 dollars each year, that the volatile nature of imported fuels
6 creates significant uncertainty and risk to the economy, and
7 that a stronger, more resilient local economy depends on a
8 transition to multi-modal transportation systems powered by
9 renewable local energy resources.

10 The purpose of this Act is to create a special clean
11 transportation fee that:

- 12 (1) Stabilizes gasoline and highway diesel prices to
13 insulate the State's economy from sudden,
14 unpredictable fuel price increases;
- 15 (2) Creates a predictable and gradual increase in gasoline
16 and highway diesel prices to provide greater long-term
17 fuel cost predictability that incentivizes a shift to
18 electric and renewable fuel powered vehicles;
- 19 (3) Provides a substantial revenue stream to develop
20 electric charging and renewable fuel infrastructure to



- 1 enable the large-scale adoption of electric and
2 renewable fuel-powered vehicles;
- 3 (4) Provides a substantial revenue stream to fund a zero
4 emissions vehicle rebate program to incentivize the
5 purchase of battery electric vehicles and hydrogen
6 fuel cell electric vehicles; and
- 7 (5) Provides an additional revenue stream to the state
8 highway fund to help offset the increasing costs of
9 maintaining state highways.

10 SECTION 2. Chapter 243, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 **"PART . CLEAN TRANSPORTATION PROGRAM**

14 **§243-A Definitions.** Whenever used in this part:

15 "Clean transportation fee" means a special fee charged on
16 gasoline and diesel highway fuel used to stabilize consumer fuel
17 prices, provide funds to develop clean transportation fueling
18 infrastructure and help subsidize the purchase of zero emission
19 vehicles.



1 "Index fuel price" means the third weekly average all
2 grades conventional gasoline price published by the United
3 States Energy Information Administration of each month.

4 "Trendline fuel price" means a price in United States
5 dollars per gallon used in conjunction with the index fuel price
6 to calculate the clean transportation fee. The trendline fuel
7 price shall be equal to \$3.00 plus 2 cents multiplied by the
8 number of months since the trendline fuel price went into
9 effect.

10 "Zero emissions vehicles" means private or commercial
11 vehicles powered by electric batteries or hydrogen fuel cells.

12 **§243-B Clean transportation fee, calculation.** (a) Every
13 distributor shall, in addition to any other taxes provided by
14 law, pay a clean transportation fee to the department of
15 taxation for each gallon of gasoline or diesel oil refined,
16 manufactured, produced, or compounded by the distributor and
17 sold or used by the distributor in the State or imported by the
18 distributor, or acquired by the distributor from persons who are
19 not licensed distributors, and sold or used by the distributor
20 in the State. Any person who sells or uses any gasoline or
21 diesel, knowing that the distributor from whom it was originally



1 purchased has not paid and is not paying the clean
2 transportation fee thereon, shall pay such fee as would have
3 applied to such sale or use by the distributor.

4 (b) For each month, the amount of the clean transportation
5 fee shall be calculated as seventy-five per cent of the
6 difference between the trendline fuel price and index fuel
7 price; provided that the fee shall never be less than 10 cents.

8 (c) The clean transportation fee shall be imposed as
9 follows:

10 (1) For each gallon of gasoline or diesel oil sold for use
11 on public highways, the amount of the clean
12 transportation fee as calculated according to
13 subsection (b); and

14 (2) For each gallon of biofuel or biodiesel, the amount of
15 the clean transportation fee as calculated according
16 to subsection (b) multiplied by the ratio of gasoline
17 or diesel oil in each gallon of liquid fuel sold.

18 **§243-C Clean transportation fee; disposition.** The clean
19 transportation fee shall be deposited by the director of
20 taxation into the state treasury, and shall, by the director of
21 finance, be dispositioned accordingly:



- 1 (1) Thirty per cent to the state highway fund;
- 2 (2) Thirty per cent to the zero emissions vehicle
- 3 infrastructure fund created pursuant to section 243-D;
- 4 (3) Thirty per cent to the zero emissions vehicle rebate
- 5 special fund, created pursuant to section 243-E for
- 6 rebates on passenger vehicles; and
- 7 (4) Ten per cent to the zero emissions vehicle rebate
- 8 special fund, created pursuant to section 243-E, for
- 9 rebates on commercial vehicles.

10 **§243-D Zero emissions vehicle infrastructure fund.** There
11 is established within the department of business, economic
12 development, and tourism the zero emissions vehicle
13 infrastructure special fund to be administered by the office of
14 energy. Moneys from the clean transportation fee shall be
15 deposited into the special fund pursuant to section 243-C.
16 Moneys deposited in the special fund shall be used to help
17 expedite the development of electric charging and hydrogen
18 fueling infrastructure throughout the State to enable and
19 promote the use of zero emissions vehicles.

20 **§243-E Zero emissions vehicle rebate special fund.** There
21 is established within the department of business, economic



1 development, and tourism a special fund to be known as the zero
2 emissions vehicle rebate special fund to be administered and
3 expended by the office of energy. Moneys from the clean
4 transportation fee shall be deposited into the special fund
5 pursuant to section 243-C. Moneys in the fund shall be expended
6 for the payment of rebates for the purchase of new zero
7 emissions vehicles within the State on a first-come, first-
8 served basis as long as funding is available at the following
9 rates:

- 10 (1) For private passenger vehicles the available rebate
11 shall be:
 - 12 (A) \$2,500 for new battery electric vehicles with a
13 manufacturer suggested retail price below
14 \$50,000;
 - 15 (B) \$2,500 for all hydrogen fuel cell electric
16 vehicles; and
 - 17 (C) \$100 for each kilowatt hour of storage for plug-
18 in hybrid electric vehicles with batteries of at
19 least five kilowatt hours of energy storage;
20 provided that the total rebate shall not exceed
21 \$2,500; and



- 1 (2) For all commercial battery electric vehicles or
2 commercial hydrogen fuel cell electric vehicles the
3 available rebate shall be:
- 4 (A) \$2,500 for vehicles weighing less than 6,000
5 pounds;
- 6 (B) \$5,000 for vehicles weighing 6,000 to less than
7 10,000 pounds;
- 8 (C) \$7,500 for vehicles weighing 10,000 to less than
9 14,000 pounds;
- 10 (D) \$10,000 for vehicles weighing 14,000 to less than
11 16,000 pounds;
- 12 (E) \$12,500 for vehicles weighing 16,000 to less than
13 19,500;
- 14 (F) \$15,000 for vehicles weighing 19,500 to less than
15 26,000 pounds;
- 16 (G) \$20,000 for vehicles weighing 26,000 to less than
17 33,000 pounds; and
- 18 (H) \$25,000 for all vehicles weighing 33,000 pounds
19 or more."



S.B. NO. 1187

1 SECTION 3. Chapter 243, Hawaii Revised Statutes, is
2 amended by designating sections 243-1 to 243-16, as part I,
3 entitled "General Provisions".

4 SECTION 4. In codifying the new sections added by section
5 2 of this Act, the revisor of statutes shall substitute
6 appropriate section numbers for the letters used in designating
7 the new sections in this Act.

8 SECTION 5. This Act shall take effect on July 1, 2017.
9

INTRODUCED BY:

Marianne R. Hironaka

Will E. Lee

John S. ...

David ...

Breanne ...

Paul E. ...

Michelle ...

Clarence ...



S.B. NO. 1187

Report Title:

Clean Transportation Fee; Zero Emissions Vehicle Infrastructure Special Fund; Zero Emissions Vehicle Rebate Special Fund; Fuel Tax

Description:

Establishes a clean transportation fee to be paid from a tax on fuel sales. Establishes the zero emissions vehicle infrastructure special fund to be funded by a percentage of the clean transportation fee for the purpose of expediting the development of electric charging and hydrogen fueling infrastructure throughout the State to enable and promote the use of zero emissions vehicles. Establishes the zero emissions vehicle rebate special fund to provide rebates for the purchase of new zero emissions vehicles within the State so long as funds are available.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

