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## A BILL FOR AN ACT

RELATING TO ZERO-EMISSION VEHICLES.

**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 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 levels resulting in the  
8       displacement of coastal businesses and residences; damage to  
9       marine ecosystems and the natural environment; and an increase  
10      in the incidences of infectious diseases, asthma, and other  
11      human health-related problems.

12       The legislature further finds that the State has committed  
13      to both eliminating imported fuels from both the electricity and  
14      ground transportation sectors and abiding by the 2015 Paris  
15      Agreement's goal to limit the amount of global warming to less  
16      than 1.5 degrees Celsius.



1       The legislature acknowledges that meeting the State's clean  
2 energy goals and commitments necessitates the rapid transition  
3 to vehicles that utilize local, renewable energy sources.

4       The legislature further acknowledges that rental motor  
5 vehicles represent the largest passenger vehicle fleet in Hawaii  
6 and are responsible for a significant amount of carbon  
7 emissions.

8       The legislature finds that incorporating large numbers of  
9 zero-emission vehicles into rental motor vehicle fleets would:  
10 significantly reduce carbon emissions; increase the number of  
11 zero-emission vehicles entering the secondary market, making  
12 them more affordable to more Hawaii residents; and demonstrate  
13 to all who visit the State that Hawaii is a leader in clean  
14 energy and sustainable transportation.

15       The purpose of this Act is to:

- 16       (1) Require rental motor vehicle lessors operating in  
17       Hawaii to expedite the incorporation of zero-emission  
18       vehicles into their fleets;
- 19       (2) Create a rental motor vehicle emissions surcharge tax  
20       on rental motor vehicles with internal combustion  
21       engines; and



(3) Create a Hawaii zero-emission vehicle infrastructure special fund and a grant program that utilizes the proceeds from the rental motor vehicle emissions surcharge tax to promote the development of the refueling infrastructure necessary to enable the large-scale adoption of zero-emission vehicles.

SECTION 2. Chapter 251, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§251-A Rental motor vehicle emissions surcharge tax; established. (a) Beginning on January 1, 2019, there is levied and shall be assessed and collected each month a rental motor vehicle emissions surcharge tax of \$1 for each day, or portion of a day, that a rental motor vehicle is rented or leased. The surcharge tax shall be levied upon the lessor.

(b) The rental motor vehicle emissions surcharge tax shall not be levied on:

- (1) Any motor vehicles qualifying in full or part as zero-emission vehicles pursuant to section 437D-A; and
- (2) Rental motor vehicles rented out as car-sharing vehicles pursuant to section 251-2.5."



SECTION 3. Chapter 437D, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

"§437D-A Zero-emission vehicles. (a) All lessors of rental motor vehicles in the State shall incorporate zero-emission light duty passenger vehicles into their rental motor vehicle fleets according to the following schedule:

(1) No less than ten per cent by July 1, 2021;

(2) No less than twenty-five per cent by July 1, 2023; and

(3) No less than fifty per cent by July 1, 2025.

(b) To certify compliance with this section, beginning in 2021, each rental motor vehicle lessor in the State shall prepare and deliver a report to the director annually by December 1 that includes the make, model, license plate number, and fuel type of each rental motor vehicle in the lessor's fleet.

(c) Lessors with fewer than the required number of zero-emission vehicles in their rental motor vehicle fleet as set forth in subsection (a) shall pay a fine of \$1,000 per month for each vehicle below the required amount.



1        (d) The requirements set forth in this section shall apply  
2        only to lessors owning and operating more than two hundred light  
3        duty passenger vehicles as rental motor vehicles statewide.

4        (e) For the purposes of this section:

5        "Battery electric vehicle" means a vehicle with four or  
6        more wheels that draws propulsion exclusively from a battery  
7        that can be recharged from an external source of energy.

8        "Hydrogen fuel cell vehicle" means a vehicle with four or  
9        more wheels that draws propulsion from electricity generated by  
10       passing hydrogen through a fuel cell.

11       "Light duty passenger vehicle" means a vehicle below eight  
12       thousand five hundred pounds gross weight.

13       "Plug-in hybrid electric vehicle" means a vehicle with four  
14       or more wheels that draws propulsion from a battery, but which  
15       also has an internal combustion engine that may be used to  
16       either propel the vehicle directly, or to produce electricity to  
17       recharge the battery.

18       "Rental motor vehicle" has the same meaning as defined in  
19       section 251-1, notwithstanding section 487D-3.



1       "Zero-emission vehicle" means a battery electric vehicle, a  
2 plug-in hybrid electric vehicle, or a hydrogen fuel cell  
3 vehicle; provided that:

4       (1) A plug-in hybrid electric vehicle with sixteen or more  
5 kilowatt hours of battery storage qualifies as a full  
6 zero-emission vehicle; and

7       (2) A plug-in hybrid electric vehicle with less than  
8 sixteen kilowatt hours of battery storage qualifies as  
9 a partial zero-emission vehicle.

10 The number of kilowatt hours of battery storage is to be  
11 calculated by dividing the total kilowatt hours of energy  
12 storage in the battery by sixteen, rounded to the nearest tenth.

13       §437D-B Hawaii zero-emission vehicle infrastructure  
14 special fund; grant program; established. (a) There is  
15 established the Hawaii zero-emission vehicle infrastructure  
16 special fund to be administered by the department of  
17 transportation. All moneys received from any surcharge taxes  
18 assessed pursuant to section 251-A or any fines imposed under  
19 section 437D-A shall be deposited into the special fund and  
20 shall be used to develop, administer, and market the Hawaii  
21 zero-emission vehicle infrastructure grant program.



1        (b) There is established in the department of  
2 transportation the Hawaii zero-emission vehicle infrastructure  
3 grant program to promote the development of fueling  
4 infrastructure for zero-emission vehicles throughout the State,  
5 and to facilitate and demonstrate financially sustainable  
6 business models for the infrastructure.

7        (c) Any public agency or private organization shall be  
8 eligible to apply to the department of transportation for use of  
9 grant program funds on a competitive basis; provided that the  
10 department shall give priority to proposals that facilitate the  
11 large-scale integration of zero-emission vehicles into rental  
12 motor vehicle fleets.

13        (d) All costs related to the development of zero-emission  
14 vehicle fueling infrastructure are eligible for funding,  
15 including planning, engineering, construction, and the purchase  
16 and installation of equipment; provided that costs associated  
17 with ongoing operations of fueling infrastructure shall not be  
18 eligible.

19        (e) Any recipient of funding shall be required to match at  
20 least twenty per cent of the grant program moneys received.



1        (f) For the purposes of the section, "zero-emission  
2 vehicle" has the same meaning as defined in section 437D-A."

3        SECTION 4. New statutory material is underscored.

4        SECTION 5. This Act shall take effect on January 1, 2019.

5  
INTRODUCED BY:                     *scm*                    

JAN 22 2018





# H.B. NO. 2273

**Report Title:**

Zero-Emission Vehicles; Rental Cars; Inventory; Fleet

**Description:**

Requires rental motor vehicle lessors to incorporate zero-emission vehicles into their fleets. Creates a rental motor vehicle emissions surcharge tax on rental motor vehicles with internal combustion engines. Creates a Hawaii zero-emissions vehicle infrastructure special fund and grant program to promote development of zero-emission vehicle infrastructure.

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

