

JAN 27 2021

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 the human-induced
2 global climate crisis requires thoughtful but bold response on
3 multiple fronts to make Hawaii communities resilient to the
4 impacts of storms, floods, fire, and sea-level rise that
5 threaten the very survivability of these fragile islands.
6 Hawaii has historically played a critical leadership role in the
7 areas of labor, justice, equity, and the environment. The
8 legislature passed the nation's first one hundred per cent
9 renewable electricity requirement, adopted a statewide carbon
10 neutrality goal, and was the first state to commit to the goals
11 of the 2015 Paris Climate Agreement. Hawaii's one hundred per
12 cent renewable electricity goal has been emulated by other
13 states and territories, demonstrating that Hawaii's actions on
14 climate change can influence broader actions beyond the islands'
15 shores.

16 The legislature further finds that Hawaii is nearly one
17 hundred per cent dependent on imported petroleum for its ground



1 transportation needs. Hawaii residents, businesses, and
2 visitors spent over \$1,700,000,000 on gasoline in 2019, and the
3 combustion of that fuel released over ten billion pounds of
4 climate-changing carbon dioxide into the atmosphere. While
5 carbon pollution from Hawaii's electricity sector has decreased
6 over the past decade, carbon pollution from Hawaii's ground
7 transportation sector has increased ten per cent. Existing
8 policy measures have not been effective in substantially
9 reducing carbon pollution from Hawaii's ground transportation
10 sector.

11 Electric vehicles play an integral role in Hawaii's clean
12 energy future. Electric vehicles are much less expensive to
13 power per mile than their gasoline counterparts. By using
14 stored electrical energy, electric vehicles can take advantage
15 of intermittent solar, wind, and other clean energy resources.
16 With the continued growth of an intelligent electricity grid,
17 electric vehicles become an essential component to electricity
18 load and clean energy resource balancing. They also provide
19 clean mobility solutions for Hawaii residents and visitors.

20 While there is growing interest in electric vehicles among
21 Hawaii residents, the lack of adequate vehicle charging



1 infrastructure presents a major barrier to adoption. The
2 International Energy Agency has found that "the availability of
3 chargers emerged as one of the key factors for contributing to
4 the market penetration of electric vehicles." Unlike gasoline
5 car owners, charging behavior for electric vehicle owners
6 indicates that more than eighty per cent of electric vehicle
7 drivers charge their cars at home or work. In addition, a large
8 share of the Hawaii population lives in high density, multi-
9 family dwellings. The vast majority of parking facilities are
10 not currently being built to accommodate electric vehicle
11 chargers.

12 The purpose of this Act is to establish a market-based
13 electric vehicle infrastructure incentive program consisting of
14 one-time taxes on the purchase of high-end gasoline-powered
15 vehicles for purposes of funding the electric vehicle charging
16 system rebate program established under sections 269-72 and
17 269-73, Hawaii Revised Statutes. The program is to be self-
18 financing and is not intended to increase expenditures from or
19 reduce revenues into the general fund.



SECTION 2. Chapter 237, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§237- Electric vehicle infrastructure incentive program. (a) In addition to the tax levied in section 237-13(2)(A), there shall be an additional tax levied on the gross proceeds of sales of passenger cars and pickup trucks as follows: Upon every sale of a passenger car or pickup truck that is not a zero emission vehicle, there shall be levied a tax of ten per cent of the gross proceeds of sales on the value of purchases over \$60,000.

(b) All moneys received from any taxes assessed pursuant to subsection (a) shall be collected and deposited into the energy security special fund established under section 201-12.8 for purposes of providing rebates for the electric vehicle charging system rebate program established under sections 269-72 and 269-73.

(c) For the purposes of this section:

"Passenger car" has the same meaning as defined in section 286-2.



1 "Pickup truck" has the same meaning as defined in section
2 291-14(e).

3 "Electric vehicle" has the same meaning as defined in
4 section 291-71.

5 "MSRP" means the published manufacturer's suggested retail
6 price as set by a vehicle's manufacturer at the time of sale."

7 SECTION 3. There is appropriated out of the energy
8 security special fund the sum of \$400,000 or so much thereof as
9 may be necessary for fiscal year 2021-2022 and the same sum or
10 so much thereof as may be necessary for fiscal year 2022-2023
11 for deposit into the public utilities commission special fund.

12 SECTION 4. There is appropriated out of the public
13 utilities commission special fund the sum of \$400,000 or so much
14 thereof as may be necessary for fiscal year 2021-2022 and the
15 same sum or so much thereof as may be necessary for fiscal year
16 2022-2023 for the administration of the electric vehicle
17 charging system rebate program.

18 The sums appropriated shall be expended by the public
19 utilities commission for the purposes of this Act.

20 SECTION 5. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on July 1, 2021.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be "C. Am", written over a horizontal line.

S.B. NO. 1309

Report Title:

Electric Vehicles; Charging; Infrastructure Incentive Program;
Tax; Appropriation

Description:

Establishes an electric vehicle incentive program by imposing a one-time tax on the purchase of vehicles that are not zero emission vehicles. Makes an appropriation for administrative costs of the electric vehicle charging system rebate program.

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