
A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1 SECTION 1. The legislature finds that as fuel tax revenues
2 decrease, the department of transportation has recommended the
3 adoption of a per-mile road usage charge system to provide
4 sustainable funding for the State's road infrastructure. The
5 legislature further finds that with its existing vehicle
6 inspection program, Hawaii is well-positioned to transition to a
7 per-mile road usage charge system at low administrative costs.
8 The legislature also finds that replacing the registration
9 surcharge on electric vehicles with a mileage-based road user
10 fee is a minimally disruptive first step to transition the State
11 to a per-mile road usage charge system as recommended by the
12 department of transportation. With the increase in public
13 support for fuel-efficient electric and alternative fuel
14 vehicles, the shift to fees based on vehicle miles traveled is
15 fair to all drivers within the State and ensures that the owners
16 of alternative fuel vehicles pay a fair share of Hawaii's
17 roadway maintenance costs.



1 The legislature further finds that it is important to not
2 incentivize an increase in overall commuting and vehicle miles
3 travelled to boost revenues from road usage fees. Therefore, a
4 goal must be established to reduce overall vehicle miles
5 travelled, with benchmarks, metrics, and plans to ensure
6 progress in reducing commutes and increasing more affordable
7 mobility options, such as walking, biking, and efficient mass
8 transit.

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

12 "§249- State mileage-based road user fee. All electric
13 vehicles in the State except for vehicles that qualify for any
14 of the exemptions in sections 249-4, 249-5.5, 249-6, and 249-
15 6.5, in addition to all other fees and taxes levied by this
16 chapter, shall be subject to an annual state mileage-based road
17 user fee. The fee shall be levied by the county director of
18 finance at the rate of cents per mile traveled during the
19 year, based on a comparison of the electric vehicle's current
20 odometer reading with the odometer reading of the previous year,
21 as noted on the electric vehicle's certificate of inspection



1 pursuant to section 286-26(e). The fee shall be capped at the
2 amount that the average non-electric vehicle in the State paid
3 in fuel tax for the previous year.

4 The fee shall be paid each year together with all other
5 taxes and fees levied by this chapter on a staggered basis as
6 established by each county as authorized by section 286-51, and
7 the state mileage-based road user fee shall likewise be
8 staggered so that the state mileage-based road user fee is due
9 and payable at the same time and shall be collected together
10 with the county registration fee. The state mileage-based road
11 user fee shall be deemed delinquent if not paid with the county
12 registration fee. The respective counties shall collect this
13 fee together with the vehicle registration tax collected for the
14 county and shall transfer the moneys collected under this
15 section to the state director of finance for deposit into the
16 state highway fund established under section 248-8.

17 For the purposes of this section, "electric vehicle" means
18 a vehicle, with four or more wheels, that draws propulsion
19 energy from a battery with at least four kilowatt hours of
20 energy storage capacity that can be recharged from an external
21 source of electricity."



1 SECTION 3. Section 249-31, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) All vehicles and motor vehicles in the State as
4 defined in section 249-1, including antique motor vehicles,
5 except as otherwise provided in sections 249-4, 249-6, and
6 249-31.5, shall be subject to a \$45 annual vehicle registration
7 fee; provided that ~~[electric vehicles and]~~ alternative fuel
8 vehicles shall pay an annual vehicle registration surcharge fee
9 of \$50, which shall be assessed and collected beginning with the
10 first registration renewal for every ~~[electric vehicle and]~~
11 alternative fuel vehicle and shall be deposited into the state
12 highway fund established under section 248-8. The fee shall be
13 paid each year together with all other taxes and fees levied by
14 this chapter on a staggered basis as established by each county
15 as authorized by section 286-51, and the state registration for
16 that county shall likewise be staggered so that the state
17 registration fee is due and payable at the same time and shall
18 be collected together with the county fee. The state
19 registration fee shall be deemed delinquent if not paid with the
20 county registration fee. The respective counties shall collect
21 this fee together with the vehicle registration tax collected



1 for the county and shall transfer the moneys collected under
2 this section to the State.

3 For the purposes of this section, "alternative fuel
4 vehicle" means a vehicle equipped to be powered by a non-
5 petroleum-based fuel, but excludes an electric, electricity-
6 recharged, or hybrid electric motor vehicle."

7 SECTION 4. Section 286-26, Hawaii Revised Statutes, is
8 amended by amending subsection (e) to read as follows:

9 "(e) Upon application for a certificate of inspection to
10 be issued for a vehicle or moped, an inspection as prescribed by
11 the director under subsection (g) shall be conducted on the
12 vehicle or moped, and if the vehicle or moped is found to be in
13 a safe operating condition, a certificate of inspection shall be
14 issued upon payment of a fee to be determined by the director.
15 The certificate shall state the effective date, the termination
16 date, the name of the issuing insurance carrier, and the policy
17 number of the motor vehicle insurance identification card for
18 the inspected motor vehicle as specified by section 431:10C-107
19 or state the information contained in the proof of insurance
20 card as specified by section 431:10G-106. For an electric
21 vehicle, the certificate shall also state the odometer reading



1 of the vehicle on the date that the vehicle was inspected. A
2 sticker, authorized by the director, shall be affixed to the
3 vehicle or moped at the time a certificate of inspection is
4 issued. An inspection sticker which has been lost, stolen, or
5 destroyed shall be replaced without reinspection by the
6 inspection station that issued the original inspection sticker
7 upon presentation of the current certificate of inspection;
8 provided that the current certificate of inspection and
9 inspection sticker shall not have expired at the time the
10 replacement is requested. The director shall adopt rules to
11 determine the fee for replacement of lost, stolen, or destroyed
12 inspection stickers.

13 As used in this subsection, "electric vehicle" means a
14 vehicle that draws propulsion energy from a battery with at
15 least four kilowatt hours of energy storage capacity that can be
16 recharged from an external source of electricity."

17 SECTION 5. Section 286-41, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Application for the registration of a vehicle shall
20 be made upon the appropriate form furnished by the director of
21 finance and shall contain the name, occupation, and address of



1 the owner and legal owner; and, if the applicant is a member of
2 the United States naval or military forces, the applicant shall
3 give the organization and station. All applications shall also
4 contain a description of the vehicle, including the name of the
5 maker; the type of fuel for the use of which it is adapted, such
6 as gasoline, diesel oil, liquefied petroleum gas[+], or
7 electricity; the serial or motor number; the date first sold by
8 the manufacturer or dealer; a further description of the vehicle
9 as is called for in the form; and other information as may be
10 required by the director of finance, to establish legal
11 ownership. A person applying for initial registration of a
12 neighborhood electric vehicle shall certify in writing that a
13 notice of the operational restrictions applying to the vehicle
14 as provided in section 291C-134 are contained on a permanent
15 notice attached to or painted on the vehicle in a location that
16 is in clear view of the driver."

17 SECTION 6. (a) The department of transportation shall
18 plan to reduce overall vehicle miles traveled within the State,
19 using the total miles traveled in 2019 as the beginning year.

20 (b) The department of transportation shall, in conjunction
21 with the state energy office, Hawaii climate change mitigation



1 and adaption commission, and office of planning and sustainable
2 development, establish a working group to develop metrics,
3 benchmark targets, and plans that shall be implemented to reduce
4 overall vehicle miles traveled within the State.

5 (c) The department of transportation shall submit an
6 annual report of its progress and recommendations, including any
7 proposed legislation, to the legislature no later than twenty
8 days prior to the convening of each regular session.

9 SECTION 7. (a) The department of transportation shall
10 plan to deploy a statewide road user fee program to encompass
11 all vehicles by 2025.

12 (b) The department of transportation shall submit a report
13 of its findings and recommendations for the implementation of a
14 statewide mileage-based road user fee program, including any
15 proposed legislation, to the legislature no later than twenty
16 days prior to the convening of the regular session of 2024.

17 SECTION 8. There is appropriated out of the funds received
18 by the State from the American Rescue Plan Act, Public Law 117-2,
19 Section 9901, the sum of \$ or so much thereof as may
20 be necessary for fiscal year 2022-2023 for the initial



1 implementation of the state mileage-based road user fee
2 beginning with electric vehicles.

3 The sum appropriated shall be expended by the highways
4 division of the department of transportation for the purposes of
5 this Act.

6 SECTION 9. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 10. This Act shall take effect on January 1, 2050.



Report Title:

Department of Transportation; Electric Vehicles; Alternative Fuel Vehicle; Surcharge on Annual Vehicle Registration Fee; Road Usage Charge System; Mileage-Based Road User Fees; Working Group; Reports; Appropriation

Description:

Replaces \$50 annual vehicle registration surcharge for electric vehicles with a capped mileage-based road user fee for electric vehicles. Requires motor vehicle registration application to specify whether the type of fuel for which the vehicle is adapted is electricity. Requires certificates of inspection to state the odometer reading of electric vehicles. Requires the Department of Transportation to plan for the deployment of a state mileage-based road user fee program by 2025 and submit a report to the Legislature no later than twenty days prior to the convening of the Regular Session of 2024. Requiring the Department of Transportation to establish a working group to reduce the overall miles travelled in the State and annually report its progress and recommendations to the Legislature. Defines alternative fuel vehicle. Makes an appropriation. Effective 1/1/2050. (SD1)

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

