

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 1309
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committees on Transportation and Agriculture and Environment, to which was referred S.B. No. 1309 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:

- (1) Establish an electric vehicle incentive program by imposing a one-time tax on the purchase of vehicles that are not zero emission vehicles; and
- (2) Make an appropriation for the administrative costs of the electric vehicle charging system rebate program.

Your Committees received testimony in support of this measure from the Hawaiian Electric Company, Tesla, and Blue Planet Foundation. Your Committees received testimony in opposition to this measure from the JN Group and Alliance for Automotive Innovation. Your Committees received comments on this measure from the Department of Transportation, Hawaii State Energy Office, Public Utilities Commission, Tax Foundation of Hawaii, and Hawai'i Energy.

Your Committees find that the automotive industry is rapidly moving towards an all-electric vehicle future. And while this shift from combustion-engines to clean electric vehicles will



benefit the environment and help Hawaii achieve its energy goals, the State's infrastructure is woefully unprepared to accommodate an all-electric future. This measure will provide additional funding to assist the State in developing its electric vehicle charging infrastructure.

Your Committees note that the State will need to upgrade its electric vehicle charging infrastructure and the clock is ticking to accomplish that task. With General Motors recently announcing that it will produce electric vehicles exclusively by 2035 and other major automakers poised to achieve that goal sooner, the State only has fourteen years to be ready for this transition.

Your Committees have amended this measure by:

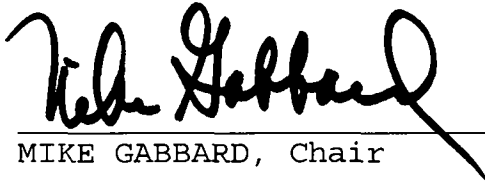
- (1) Deleting language that would have established the electric vehicle infrastructure incentive program, which would have levied a tax of ten percent of the gross proceeds of new non-electric vehicle sales within the State over \$60,000;
- (2) Inserting language to require for non-electric vehicles with an initial MSRP exceeding \$60,000 registered in the State after December 31, 2021, an annual luxury pollution registration fee of an unspecified percent of the MSRP greater than \$60,000;
- (3) Requiring twenty-five percent of proceeds from the luxury pollution vehicle registration fee to be deposited into the state highway fund and seventy-five percent to be deposited into the energy security special fund for the electric vehicle charging system rebate program;
- (4) Expanding the electric vehicle charging system rebate program by authorizing the Public Utilities Commission to provide a rebate for new electric vehicles or installation or upgrade of an electric vehicle charging system to low-income applicants who are residents of the State;
- (5) Amending section 1 to reflect its amended purpose;



- (6) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (7) 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 Agriculture and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1309, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1309, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Transportation
and Agriculture and
Environment,



MIKE GABBARD, Chair



CHRIS LEE, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation
TRS

Bill / Resolution No.:* SB 1309	Committee Referral: TRS/AEN, WAM	Date: 2/10/2021
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
LEE, Chris (C)	✗			
INOUYE, Lorraine R. (VC)				✗
ENGLISH, J. Kalani				✗
SHIMABUKURO, Maile S.L.	✗			
FEVELLA, Kurt	✗			
TOTAL	3			2

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


Distribution:
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 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes

The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 1309	Committee Referral: TRSAEN, WAM	Date: 02/10/2021
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The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312 Pass, with amendments 2311 Hold 2310 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
NISHIHARA, Clarence K. (VC)		✓		
ACASIO, Laura	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
TOTAL	4	1		

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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