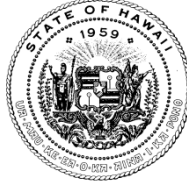


**LATE**

DAVID Y. IGE  
GOVERNOR



**TESTIMONY BY:**

JADE T. BUTAY  
DIRECTOR

Deputy Directors  
ROSS M. HIGASHI  
EDUARDO P. MANGLALLAN  
PATRICK H. MCCAIN  
EDWIN H. SNIFFEN

**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 1, 2022  
3:00 P.M.  
State Capitol, Teleconference

**S.B. 3313**  
**RELATING TO TRANSPORTATION**

Senate Committee on Transportation

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The Department of Transportation (DOT) **supports** this bill that establishes a mileage-based road user fee with a cap for electric vehicles.

Highway user fees, such as the fuel tax, are crucial because revenue collected from these fees is used for maintenance and as state match for federal aid projects. A mileage-based road user fee will create equity by ensuring everyone pays to mitigate the wear and tear of their vehicles on roads and bridges rather than the type of vehicle they can afford.

The DOT recognizes the importance of reducing and eventually eliminating fossil fuel consumption. In 2015, Hawaii became the first state to set a target year of 2045 for achieving 100% renewable energy. The DOT has been a leading partner in this effort, developing department initiatives to help the state reach this goal. Some examples include:

- Installation of high-efficiency lighting on our facilities and highways;
- Installation of photovoltaic panels at our baseyards and district offices; and
- Phased conversion of our light duty vehicles with electric vehicles (EV).

Making certain that highway funding policy keeps up with changing technologies such as adoption of alternative fuel and EVs is one of the goals of the Hawaii Road Usage Demonstration Project (HiRUC). HiRUC is a 3-year research, public outreach and demonstration effort to examine per-mile road usage charge (RUC) as a future replacement for fuel taxes: RUC is a policy whereby all vehicles contribute to the cost of roads based on how much they drive. RUC preserves the user equity that the fuel tax intended: drivers who benefit from the usage of the road system pay for it, regardless of engine or fuel type. It also enhances social equity because you pay based on what you

use rather than time spent burning gas in traffic. As the largest demonstration of RUC ever conducted in the United States, HiRUC leveraged DOT's existing vehicle inspection process for the collection of odometer mileage from vehicle owners. HiRUC generated and mailed 360,000 custom Driving Reports to Hawaii vehicle owners showing the total miles they drove between their two most recent vehicle inspections, including an estimate of gas taxes paid and an indication of what they would owe under a RUC of 0.8 cents per mile. Over 11% of the Driving Report recipients responded to a survey and indicated high initial levels of understanding and support for a RUC. Support among survey respondents increased when told that funds would be dedicated to repair and upkeep of roads and bridges. Large majorities of drivers preferred to report miles at annual safety check as they do today.

Alongside the research and demonstration of RUC systems, DOT conducted widespread community outreach and stakeholder engagement to surface concerns and issues about the possibility of switching from a fuel tax to a RUC. Through this outreach, support grew as did the level of comfort Hawaii residents had with a potential RUC. With RUC offering a viable path forward towards the goals of both eliminating fossil fuel emissions and providing sustainable funding for Hawaii's infrastructure that works for Hawaii residents, the DOT has developed a series of recommended next steps for RUC, much of which is included in S.B. 3313.

S.B. 3313 begins a gradual transition to a mileage-based user fee allowing time for development and refinement of systems. The bill assesses a RUC on electric vehicles in lieu of the existing flat fee of \$50.00 per year. The DOT recommends a per-mile rate equal to what the average gas vehicle pays, about 0.8 cents per mile, with an initial cap equal to what the average gas vehicle pays per year, about \$70.00. Additionally, the bill leverages the state's existing vehicle inspection program for mileage data collection, continuing a familiar experience for customers and minimizing costs. Finally, the department respectfully requests your consideration of the following amendments to the sections in the sections attached (below).

There are different options for funding critical infrastructure like our state's roads and bridges. Historically, Hawaii has relied on user-based fees, with fuel taxation as the largest and most important revenue source. With fuel taxes declining, S.B. 3313 offers a way to preserve the user-pay approach to funding in a fair and equitable manner. The department is committed to our mission of providing safe, efficient, accessible transportation for the residents of our state while also helping the state achieve our clean energy objectives. S.B. 3313 offers a path forward for achieving both.

Thank you for the opportunity to provide this testimony.

## **A BILL FOR AN ACT**

RELATING TO TRANSPORTATION.

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

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

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

**"§249- State mileage-based road user**

**fee.** (a) All electric vehicles in the State, except for vehicles that qualify for any of the exemptions in sections 249-4, 249-5.5, 249-6, and 249-6.5, in addition to all other fees and taxes levied by this chapter, shall be subject to an annual state mileage-based road user fee. The fee shall be levied by the county director of finance at the rate of [0.8] cents per mile traveled during the year, based on [ the difference between a comparison of] the [electric] vehicle's current odometer reading [with the odometer reading of the previous year, and the vehicle's previous odometer reading that would be used as the basis for the road user fee], as noted on the [electric] vehicle's certificate of inspection pursuant to section 286-26(e). The-[At any vehicle registration authorized by section 286-51, the state mileage based user] fee shall be capped at [the amount that the average non-electric vehicle in the state paid in fuel tax for the previous year \$70 , except that this state mileage based user fee on a vehicle registration authorized by section 286-51 following that vehicle's first inspection as authorized by section 286-26, after that vehicle was first sold, shall be capped at \$140].

The fee shall be paid [each year following the vehicle's most recent inspection] together with all other taxes and fees levied by this chapter on a staggered basis as established by each county as authorized by

section 286-51, and the state mileage-based road user fee shall likewise be staggered so that the state mileage-based road user fee is due and payable at the same time and shall be collected together with the county registration fee . The state mileage-based road user fee shall be deemed delinquent if not paid with the county registration fee. The respective counties shall collect this fee together with the vehicle registration tax collected for the county and shall transfer the moneys collected under this section to the state director of finance for deposit into the state highway fund established under section 248-8.

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

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

"(a) All vehicles and motor vehicles in the State as defined in section 249-1, including antique motor vehicles, except as otherwise provided in sections 249-4, 249-6, and 249-31.5, shall be subject to a \$45 annual vehicle registration fee; provided that [~~electric vehicles and~~] alternative fuel vehicles shall pay an annual vehicle registration surcharge fee of \$50, which shall be assessed and collected beginning with the first

registration renewal for every [~~electric vehicle and~~ alternative fuel vehicle and shall be deposited into the state highway fund established under section 248-8. The fee shall be paid each year together with all other taxes and fees levied by this chapter on a staggered basis as established by each county as authorized by section 286-51, and the state registration for that county shall likewise be staggered so that the state registration fee is due and payable at the same time and shall be collected together with the county fee. The state registration fee shall be deemed delinquent if not paid with the county registration fee. The respective counties shall collect this fee together with the vehicle registration tax collected for the county and shall transfer the moneys collected under this section to the State.

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

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

"(e) Upon application for a certificate of inspection to be issued for a vehicle or moped, an inspection as prescribed by the director under subsection (g) shall be conducted on the vehicle or moped, and if

the vehicle or moped is found to be in a safe operating condition, a certificate of inspection shall be issued upon payment of a fee to be determined by the director. The certificate shall state the effective date, the termination date, the name of the issuing insurance carrier, and the policy number of the motor vehicle insurance identification card for the inspected motor vehicle as specified by section 431:10C-107 or state the information contained in the proof of insurance card as specified by section 431:10G-106. For an electric vehicle, the certificate shall also state the odometer reading of the vehicle on the date that the vehicle was inspected. A sticker, authorized by the director, shall be affixed to the vehicle or moped at the time a certificate of inspection is issued. An inspection sticker which has been lost, stolen, or destroyed shall be replaced without reinspection by the inspection station that issued the original inspection sticker upon presentation of the current certificate of inspection; provided that the current certificate of inspection and inspection sticker shall not have expired at the time the replacement is requested. The director shall adopt rules to determine the fee for replacement of lost, stolen, or destroyed inspection stickers.

As used in this subsection, "electric vehicle" means a vehicle that draws propulsion energy from a battery with at least four kilowatt hours of energy storage

capacity that can be recharged from an external source of electricity."

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

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

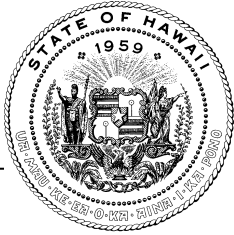


SECTION 6. [The department of transportation shall seek federal funding authorized under the Infrastructure Investment and Jobs Act, Public Law 117-58, Section 13001, or the Fixing America's Surface Transportation Act, Public Law 114-94, Section 6020,] ~~There is appropriated out of the funds received by the State from the American Rescue Plan Act, Public Law 117-2, Section 9901,~~ the sum of [\$5,000,000] or so much thereof as may be necessary for fiscal year 2022-2023 for the initial implementation of the state mileage-based road user fee beginning with electric vehicles.

~~[The sum appropriated~~ This sum] shall be expended by the highways division of the department of transportation for the purposes of this Act.

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

SECTION 8. This Act shall take effect on January 1, 2023; provided that section 6 of this Act shall take effect on July 1, 2022.



# HAWAII STATE ENERGY OFFICE STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

SCOTT J. GLENN  
CHIEF ENERGY OFFICER

235 South Beretania Street, 5th Floor, Honolulu, Hawaii 96813  
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Testimony of  
**SCOTT J. GLENN, Chief Energy Officer**

before the  
**SENATE COMMITTEE ON TRANSPORTATION**

Tuesday, February 1, 2022  
Time 3:00 PM  
State Capitol, Via Videoconference

Comments  
**SB 3313**  
**RELATING TO TRANSPORTATION**

Chair Lee, Vice Chair Inouye and Members of the Committee, the Hawaii State Energy Office (HSEO) offers comments on SB 3313, which establishes a mileage-based road user fee with a cap 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, and defines alternative fuel vehicle.

HSEO's comments are guided by its mission to promote energy efficiency, renewable energy, and clean transportation to help achieve a resilient, clean energy, decarbonized economy.

Sustainable funding for Hawaii's roadway maintenance costs needs to be addressed to ensure a smooth transition as Hawaii decarbonizes ground transportation. HSEO is currently reviewing SB 3313 and engaging with State agencies and stakeholders to better understand the implications of the proposed language. HSEO stands ready to collaborate with the Department of Transportation to achieve the State's decarbonization policy objectives and transition to a sustainable funding framework for an evolving transportation system.

Thank you for the opportunity to testify.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, New Road Usage Charge on Electric Vehicles

BILL NUMBER: SB 3313

INTRODUCED BY: LEE

EXECUTIVE SUMMARY: Establishes a mileage-based road user fee with a cap 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. Defines alternative fuel vehicle. Makes an appropriation.

SYNOPSIS: Adds a new section to chapter 249, HRS, to impose an annual state mileage-based road user fee to be levied by the respective county directors of finance. The amount of the fee is to be \_\_\_ cents per mile traveled during the year, but not more than the amount that the average non-electric vehicle paid in fuel tax for the previous year. The fee is to be collected at the same time as the county vehicle registration fee. Fees collected will be deposited to the state highway fund (section 248-8, HRS).

Defines “electric vehicle” as a vehicle with four or more wheels that draws propulsion energy from a battery with at least four kilowatt hours of energy storage capacity that can be recharged from an external source of electricity.

Makes several technical and conforming changes.

Appropriates funds from the American Rescue Plan Act the sum of \$\_\_\_\_\_ for initial implementation.

EFFECTIVE DATE: January 1, 2023; provided that the appropriation provided takes effect on July 1, 2022.

STAFF COMMENTS: This bill proposes what is essentially a tax increase on sales of electric-powered motor vehicles.

A tax increase of any magnitude in Hawaii’s fragile economy will, no doubt, have a negative impact as costs soar due to higher taxes. As costs and overhead increase, employers must find ways to stay in business by either increasing prices to their customers or cut back on costs. This may take the form of reducing inventory, shortening business hours, reducing employee hours, or even laying off workers. A tax increase of any magnitude would send many companies, especially smaller ones, out of business taking with them the jobs the community so desperately needs at this time.

Finally, we observe that the State’s policy toward electric and other zero-emission vehicles has not been consistent.

Since 2012, several benefits came with the special plate that accompanied an electric vehicle, including the ability to park at government parking lots (including at the airport!) and street spaces for free, and the ability to jump into carpool lanes even though there is just one person in the car. Sadly, good things don't last forever. The free parking benefit and the carpool lane benefit expired on June 30, 2020, according to the terms of the 2012 law that spawned them (Act 168, SLH 2012).

From January 1, 2020, thanks to Act 280, SLH 2019, electric vehicle owners now can expect a \$50 surcharge on their annual vehicle registration fees. More is yet to come; the Department of Transportation has been pursuing the idea of funding improvements to highways and bridges with a Road Usage Charge, now called HiRUC, that will charge citizens per mile driven instead of (well, we think it's instead of, but our lawmakers may have other ideas) charging for fuel purchases through our current fuel tax. Owners of hybrids, electric vehicles, and alternative fuel vehicles can expect to pay quite a bit more under HiRUC than they are now paying under the fuel tax system. The preamble to this bill describes the bill as a precursor to HiRUC – essentially giving it a test drive as applied to a smaller population.

The State and the public could benefit by having leadership and consistent policy relating to electric vehicles and other zero emission vehicles.

Digested: 1/30/2022

**SB-3313**

Submitted on: 1/31/2022 1:14:59 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dave Mulinix	Testifying for Our Revolution Hawaii	Oppose	Yes

Comments:

Aloha Chair Lee, Vice Chair Inouye, and Transportation Committee members,

On behalf of Our Revolution Hawaii's 5,000 members and supporters we **Strongly Oppose passage of SB3313** that would establish a mileage-based road user fee with a cap for electric vehicles (EVs).

Establishing a mileage-based user fee for electric vehicles at this stage in the adoption to EVs will significantly undermine our state's ability to reduce greenhouse gas emissions, at a time when we must increase EV ownership if we are to achieve the reduction in greenhouse gas emissions from our transportation sector.

Please do not pass SB3313 as it will undermine our efforts to decarbonize ground transportation as soon as possible.

Mahalo for your kind attention,

Dave Mulinix, Organizer

Our Revolution Hawaii.



Email: [communications@ulupono.com](mailto:communications@ulupono.com)

SENATE COMMITTEE ON TRANSPORTATION  
Tuesday, February 1, 2022 — 3:00 p.m.

**Ulupono Initiative offers comments on SB 3313, Relating to Transportation.**

Dear Chair Lee and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food; renewable energy and clean transportation; and better management of freshwater and waste.

**Ulupono offers comments on SB 3313**, which establishes a mileage-based road user fee with a cap 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; and defines alternative fuel vehicle.

This bill seeks to develop an EV per-mile road usage charge to support the State's road maintenance. This bill replaces the current EV surcharge (which was previously added to ensure all vehicle owners "pay their fair share") with a road user fee that is based on the price per mile and the non-EV user average fuel taxes paid. Though we have concerns, we do understand the intent of this bill and strongly recommend that such a policy promote EVs and not disincentivize EVs compared gasoline vehicles, particularly higher MPG gasoline-powered vehicles. As such, we kindly ask the legislature to define these actual numbers in order to better assess the overall impact of this new charge.

Ulupono supports the State's efforts to increase clean transportation and reduce greenhouse gas emissions. We appreciate the commitments made by the State over the last year to bolster Hawai'i's EV market; however, further policy support will be needed to assist local EV adoption and help to streamline meeting our climate change goals.

Thank you for this opportunity to testify.

Respectfully,

Micah Munekata  
Director of Government Affairs

*Investing in a Sustainable Hawai'i*



To: The Senate Committee on Transportation  
From: Sherry Pollack, 350Hawaii.org  
Date: Tuesday, February 1, 2022, 3pm

**In strong opposition to SB3313**

Aloha Chair Lee, Vice Chair Inouye, and Transportation Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **strongly opposes SB3313** that would establish a mileage-based road user fee with a cap for electric vehicles (EVs).

In the regular session of 2021, Senate Concurrent Resolution No. 44, S.D. 1, H.D. 1, was adopted, making Hawaii the first state in the nation to declare a climate emergency and calling for a statewide commitment to a decarbonized economy. 350Hawaii fully supports this declaration, and continues to support and encourage the efforts of the legislature to incentivize our transition to truly clean, non-climate harming renewable energy with measures that will effectively reduce our greenhouse gas emissions. These actions by the legislature are imperative for us to do our share in fighting the existential threat of climate breakdown. That said, we assert that establishing a mileage-based user fee for electric vehicles at this stage in the adoption to EVs in our state would take us in the wrong direction and result in unintended negative consequences, undermining our goals to significantly reduce our greenhouse gas emissions.

It must be noted that EV adoption (less than 2%) is contributing to an insignificant reduction in the fuel tax at this time. To establish a mileage-based road user fee at this time will create an unnecessary near-term drag in the adoption of electric cars, at a time when we must accelerate and increase ownership if we are ever to achieve the reduction in greenhouse gas emissions from the transportation sector.

While the issues raised in this legislation may need to be addressed at some date in the future, we urge you to not pass this bill at this time as it will thwart our much-needed efforts to decarbonize ground transportation as soon as possible.

Mahalo for the opportunity to testify.

Sherry Pollack  
Co-Founder, 350Hawaii.org

## Hawaii Electric Vehicle Association

Hawaiiev.org  
hawaiidriveelectric@gmail.com



January 31, 2022

### **OPPOSITION of SB 3133 (RELATING TO TRANSPORTATION)**

Dear Chair Lee and Vice-Chair Inouye,

#### **Hawaii Electric Vehicle Association is in Opposition to SB3133 as it is written.**

We agree with the principal intent of SB 3313 to establish a new road use revenue model for funding road maintenance but reject its execution as proposed.

SB 3313 proposes establishing a statewide mileage-based road user fee targeting electric-powered vehicles, with the intent that EV owners pay their fair share of road use.

We agree that all road users must contribute to the upkeep and maintenance of our roadway infrastructure, and this includes EV drivers. However, while EV adoption in the state is on the increase, EV's presently account for less than 2% of registered vehicles – the adoption level does not materially impact lost fuel tax revenues. Notably, it does not recognize the role of the increasing mileage efficiency of gas and diesel vehicles. If a system-wide change in road revenue collection is applied only to electric vehicles, it will not address the fuel tax revenue concerns that appear to be at the core of this measure.

Importantly, this measure will only serve to dampen our transition to clean transportation at a time when we must accelerate. This especially applies to price-sensitive households that would like to adopt clean transportation. Instead of an EV-only road use fee, we recommend replacing the current fuel taxes and EV surcharge fees with a universal annual fee based on miles driven and vehicle weight for all vehicles, regardless of fuel type.

#### **Our Concerns:**

- It creates an unnecessary barrier to increased adoption of clean transportation while not materially impacting the underlying need. Our electrification of transportation push is focused on getting everyone to transition to electric vehicles. This includes households in the LMI and ALICE communities.

EVs are already subject to an annual registration surcharge, so the added tax will add to the perception of price disadvantage.

- The approach (focusing only on EVs) does not consider the fuel savings and fuel tax shortfall associated with increasing gas vehicle efficiency.





**Our Recommendation:** Consider a strategy for the state’s road use revenue to transition all forms of grounds transportation (electric and internal combustion) to mileage and weight-based road revenue system. This can be informed by the HIRUC (hiruc.org) study that should be released soon.

The most effective and equitable answer to the question of how the state must collect road usage revenue within an evolving transportation environment comes in the form of a common system of revenue based for all vehicles, based on miles driven.

Hawaii Electric Vehicle Association recommends that we adopt a simpler and more equitable road revenue replacement solution that will serve road revenue collection objectives and advance the state’s evolving decarbonization goals.

Sincerely,

Bill Bugbee  
Policy Director  
Hawaii EV Association

Relevant Articles:

- HIRUC announcement: [staradvertiser.com/2019/03/12/breaking-news/hawaii-dot-seeking-public-feedback-on-proposed-new-charge-for-highway-fund](http://staradvertiser.com/2019/03/12/breaking-news/hawaii-dot-seeking-public-feedback-on-proposed-new-charge-for-highway-fund)
- Current Fuel Tax rates: [salestaxhandbook.com/hawaii/gasoline-fuel](http://salestaxhandbook.com/hawaii/gasoline-fuel)

**Hawaii EV Association** is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit [hawaiiev.org](http://hawaiiev.org).



[KauaiEV.org](http://KauaiEV.org)  
302 Makani Rd.  
Kapaa, HI 96746  
808-652-0591

**KauaiEV**  
Kauai Electric Vehicle Association

January 31, 2022

Re. Opposition to **SB 3133** (RELATING TO TRANSPORTATION, mileage-based road user fee with for electric vehicles)

Dear Chair Lee and Vice-Chair Inouye,

On behalf of KauaiEV, a grassroots organization with over 100 members on Kauai, I write **in strong** Opposition to **SB 3133**.

Our members are electric vehicle drivers, and we believe that EVs are the personal transportation of the future. We believe the road user fee will discourage the adoption of electric vehicles.

Compared to other states, Hawaii has the least financial incentive - high costs per mile and no purchase incentives (rebates or tax credits). We already pay an extra registration fee, and through the higher weight of the vehicles, the regular registration is more expensive than for a gas car the same size.

The high costs per mile stem from our high electricity costs. Electric has an interesting article here:

<https://electrek.co/2021/07/27/ev-vs-ice-how-far-can-you-travel-in-each-state-for-100/> Hawaii tops the list of least affordable states to charge your EV at home.

Additionally, due to the lack of purchase incentives and very high electricity rates, we don't have enough charging stations. There is not one DC fast charger on all of Kauai, and when we charge our cars at home on Kauai, we always pay 33c per kWh because we do not have any time of use rates.

Please don't further disincentivize clean transportation.

Maybe the road user fee could be going into effect in 5 years or when a certain percentage of EVs are on the road? Maybe we could switch to a road user fee in general instead of limiting alternate fuel vehicles only?

Mahalo, for your consideration

*Sonja Kass*

Sonja Kass, President KauaiEV



## **TESTIMONY REGARDING SENATE BILL 3313**

**Senate Committee on Transportation  
on Tuesday, February 1, 2022 at 3:00 PM**

Aloha Chair Lee and Members of the Committee:

Thank you for the opportunity to provide testimony regarding SB 3313, which would establish a state mileage-based road user fee for electric vehicles.

We understand that the State of Hawaii needs to identify methods for covering road infrastructure costs as transportation electrifies. Several states are currently evaluating this same issue through robust stakeholder groups or targeted pilots in order to thoroughly vet how these fees will impact electric vehicle adoption and how they can further decarbonization goals.

We have many outstanding questions on the implications of SB 3313 on current and future electric vehicle owners. We are unclear how the cost for electric vehicle registration compares to a mileage-based road user fee or how the county finance director will determine the rate per mile traveled. We would like to understand how this proposed fee would impact all fuel types. We are also concerned that electric medium- and heavy-duty fleets have not been adequately considered in SB 3313.

We recommend this topic be further vetted and developed in a stakeholder process to ensure policies continue to accelerate the adoption of electric vehicles and fairness across all fuel types.

Thank you for the opportunity to submit this testimony.

Noelani Derrickson

Tesla

**SB-3313**

Submitted on: 1/31/2022 10:18:36 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kenneth Eisner	Individual	Oppose	No

Comments:

As an EV driver I don't mind paying my fair share of tax because I use the roads and infrastructure as well. There already is a \$50 surcharge on my registration to help recoup some of the costs that would normally come with a gas tax.

adding an additional \$50 would therefore punish me as an EV driver. This is not right. The state of Hawaii pledges to go green yet they punish people who drive EVs. We already lost so much as far as parking goes and this is just another thing we have to deal with while trying to do the right thing for the environment. Please do not add an additional surcharge to the \$50 that we already pay through our vehicle registration. Thank you for your time.

Kenneth Eisner

**SB-3313**

Submitted on: 1/31/2022 10:21:13 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Michael Weston	Individual	Comments	No

Comments:

I drive an EV and live in Honolulu. I understand the need to pay for roads, and as the number of EVs continues to increase, taxes on gasoline will not be sufficient to do that. That said, there is already a \$50 registration surcharge for EVs, and adding an *additional* mileage-based fee risks slowing down the environmentally desirable replacement of gasoline-powered vehicles with electric vehicles.

To that end, I would ask that eliminating the registration surcharge be given serious consideration if this mileage-based fee passes.

Thank you.

**SB-3313**

Submitted on: 1/31/2022 10:21:42 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Tom Aitken	Individual	Comments	No

Comments:

Please do not proceed with taxing EV owners twice:

Once with the \$50 add-on to the cost of annual registration

A second time with a mileage-based fee

Either is fine. I only object to BOTH!

Mahalo for your work and efforts for fairness,

-tom aitken

**SB-3313**

Submitted on: 1/31/2022 10:38:01 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Fernando L Alvarado	Individual	Comments	No

Comments:

I believe that we need to transition ALL vehicles, whther electric or not, to the same road taxation system. If the legislature sees it wise to start charging for mileage use for EVs, that should be done for ALL vehicles and the fixed fees (and the gasoline taxes) adjusted accordingly.

**SB-3313**

Submitted on: 1/31/2022 10:48:44 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Theodore E Ruscha	Individual	Comments	No

Comments:

It is reasonable for EV owners to pay their fair share for road use as non-EV owners contribute through the gas tax. However, there already is an existing \$50 EV registration surcharge which was intended for that. This bill would add to that and in effect, penalize EV owners with an additional financial burden. Recommendation should be to repeal the existing registration surcharge if a road user fee is established.



**SB-3313**

Submitted on: 1/31/2022 10:50:45 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Lorn Hoku Douglas	Individual	Support	No

Comments:

Aloha,

This bill fairly represents the inclusion of electric cars on our roads.... Please support this bill and I thank you for your consideration... Lorn DOuglas

**SB-3313**

Submitted on: 1/31/2022 11:10:21 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Jason Pierce	Individual	Oppose	No

Comments:

This bill, as written, should be rejected. No mileage-based fee should be enacted until the \$50 EV registration surcharge is removed.

**SB-3313**

Submitted on: 1/31/2022 11:19:09 AM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Richard Wang	Individual	Comments	No

Comments:

It is reasonable for EV owners to pay their fair share for road use, as non-EV owners contribute through the gas tax. However, there already is an existing \$50 EV registration surcharge which was intended for that. This bill would add to that and in effect, penalize EV owners with an additional financial burden. The existing \$50 EV registration surcharge should be repealed if a road user fee is established.

**SB-3313**

Submitted on: 1/31/2022 12:29:46 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kevin Kern	Individual	Comments	No

Comments:

You should get rid of the surcharge on EV registration if you also want to have a mileage tax. It can't be both.

**SB-3313**

Submitted on: 1/31/2022 2:55:28 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Larry Stevens	Individual	Support	No

Comments:

It makes sense for EV drivers to pay a usage-based fee. However, it should replace, not add to, the existing registration surcharge.

**SB-3313**

Submitted on: 1/31/2022 2:57:46 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nanette Vinton	Individual	Oppose	No

Comments:

Dear Chair Lee, Vice-Chair Inouye and Committee Members,

I am writing in **opposition** of SB3133 which establishes a mileage-based road user fee with a cap for electric vehicles.

As a long-time EV owner, I am happy to see the significant EV growth in our state over the past few years. But even with that growth, electric vehicles only amount to about 2.0% of the total vehicle population.

I believe it is fair for myself and other EV owners to contribute to the maintenance of our roadways, just as gas car owners do with payment of a gas tax. However, paying a road usage fee PLUS the \$50 EV registration fee only penalizes me as an EV owner and clean transportation advocate. Should the road usage fee be implemented, the existing EV surcharge should be repealed.

Respectfully submitted,

Nanette Vinton

Mililani, HI

**LATE**

**SB-3313**

Submitted on: 1/31/2022 3:42:39 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Roy Skaggs	Individual	Oppose	No

Comments:

Mahalo for the opportunity to submit my written testimony in Opposition to SB3313. It is reasonable for EV owners to pay their fair share for road use as non-EV owners contribute through the gas tax. However, there already is an existing \$50 EV registration surcharge which was intended for that. This bill would add to that and in effect, penalize EV owners with an additional financial burden. If a road user fee is established, the recommendation should be to repeal the existing registration surcharge.

Aloha!

Roy Skaggs

**LATE**

**SB-3313**

Submitted on: 1/31/2022 7:52:56 PM

Testimony for TRS on 2/1/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Joshua Walawender	Individual	Oppose	No

Comments:

I'd like to register my strong opposition to this measure. Given the urgent nature of the climate change threat, Hawaii should be taking every opportunity to encourage the adoption of green transportation options, not penalizing them. The state can raise plenty of tax revenue for transportation through a gas tax and we should do exactly that because we should be discouraging gasoline use. As a community, we should be looking for every way possible to transition away from technologies with greater greenhouse gas emission to those with less. This bill does the opposite. I understand that there is an argument that some make based on fairness, that EV drivers should pay as well. They do, via registration fees. If we want to help transition EVs away from rarities which only some can afford, to transportation options which everyone is using, then we should do the exact opposite of this bill.