
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
2 revenues decrease, the department of transportation has
3 recommended the adoption of a per-mile road usage charge to
4 provide fair and sustainable funding for the State's road
5 infrastructure. The legislature further finds that with its
6 existing vehicle inspection program, Hawaii is well-positioned
7 to transition to a per-mile road usage charge system with low
8 administrative costs. In 2019, the legislature enacted an
9 annual registration surcharge on electric vehicles to account
10 for their road usage. The legislature now finds that replacing
11 the existing annual \$50 registration surcharge on electric
12 vehicles with a mileage-based road usage charge for electric
13 vehicles is a first step in the eventual statewide transition to
14 a per-mile road usage charge for all vehicles, which will serve
15 as a replacement of the state motor fuel tax with all vehicles
16 paying the per-mile road usage charge. With the increase in
17 public support for fuel-efficient electric and alternative fuel



1 vehicles, the shift to a charge based on road usage is fair to
2 all drivers within the State and ensures that the owners of all
3 vehicles including alternative fuel vehicles pay a fair share of
4 Hawaii's roadway maintenance costs. To implement a per-mile road
5 usage charge program, the legislature further finds that a long-
6 term implementation plan would aid in the deployment and
7 eventual inclusion of all passenger vehicles and light duty
8 trucks.

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-A State mileage-based road usage charge. (a)**
13 Beginning July 1, 2025, in addition to all other fees and taxes
14 levied by this chapter, electric vehicles defined in subsection
15 (g) shall be subject to a state mileage-based road usage charge.
16 The state mileage-based road usage charge shall be calculated by
17 the county director of finance at the rate of 0.8 cents per mile
18 traveled, multiplied by the number of miles traveled, less the
19 estimated amount of paid state motor fuel taxes that correspond
20 with the number of miles traveled. This estimate shall be
21 determined by departmental administrative rulemaking process.



1 The number of miles traveled shall be calculated as the
2 difference between the vehicle's two most recent odometer
3 readings, as noted on the vehicle's certificate of inspection
4 pursuant to section 286-26(e). The state mileage-based road
5 usage charge shall not be less than zero dollars. For the first
6 registration renewal of new motor vehicles for which no
7 certificate of inspection is required, the state mileage-based
8 road usage charge assessed shall be \$50, and such amount once
9 paid shall be subtracted from the calculation of the state
10 mileage-based road usage charge upon that vehicle's second
11 registration renewal.

12 (b) The state mileage-based road usage charge shall be
13 paid each year following the vehicle's most recent inspection
14 together with all other taxes and fees levied by this chapter on
15 a staggered basis as established by each county as authorized by
16 section 286-51, and the state mileage-based road usage charge
17 shall likewise be staggered so that the state mileage-based road
18 usage charge is due and payable at the same time and shall be
19 collected together with the county registration fee. The state
20 mileage-based road usage charge shall be deemed delinquent if
21 not paid with the county registration fee. The respective



1 counties shall collect this road usage charge together with the
2 vehicle registration tax collected for the county and shall
3 transfer the moneys collected under this section to the state
4 director of finance for deposit into the state highway fund
5 established under section 248-8.

6 (c) Vehicles subject to the state mileage-based road usage
7 charge shall include all electric vehicles in the State except
8 for vehicles that qualify for any of the exemptions in sections
9 249-4, 249-5.5, 249-6, and 249-6.5.

10 (d) Until June 30, 2028, owners of electric vehicles as
11 defined in subsection (c) shall be offered a choice to pay a \$50
12 registration surcharge in lieu of the state mileage-based road
13 usage charge.

14 (e) The department of transportation shall develop a long-
15 term mileage-based road usage charge implementation plan that
16 includes findings, recommendations, implementation phase
17 schedules, and proposed legislation for deployment of a state
18 mileage-based road usage charge program to encompass all
19 passenger vehicles and light duty trucks by December 31, 2033.
20 This plan shall also include recommendations on how to ensure
21 compatibility with deployment of mileage-based road usage charge



1 by any county. This plan shall be completed and submitted to
2 the legislature no later than twenty days prior to the convening
3 of the regular session of 2026.

4 (f) Pursuant to its rulemaking authority, the department
5 of transportation shall adopt rules pursuant to chapter 91 for
6 establishing and administering the state mileage-based road
7 usage charge.

8 (g) For the purposes of this section, "electric vehicle"
9 means a vehicle, with three or more wheels, a gross vehicle
10 weight rating less than or equal to ten thousand pounds, and the
11 capability to operate legally at a speed of more than thirty-
12 five miles per hour, that draws propulsion energy exclusively
13 from a battery that can be recharged from an external source of
14 electricity."

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

17 "(a) All vehicles and motor vehicles in the State as
18 defined in section 249-1, including antique motor vehicles,
19 except as otherwise provided in sections 249-4, 249-6, and
20 249-31.5, shall be subject to a \$45 annual vehicle registration
21 fee; provided that [~~electric vehicles and~~] alternative fuel



1 vehicles shall pay an annual vehicle registration surcharge
2 [~~fee~~] of \$50, which shall be assessed and collected beginning
3 with the first registration renewal for every [~~electric vehicle~~
4 and] alternative fuel vehicle and shall be deposited into the
5 state highway fund established under section 248-8. The [~~fee~~]
6 surcharge shall be paid each year together with all other taxes
7 and fees levied by this chapter on a staggered basis as
8 established by each county as authorized by section 286-51, and
9 the state registration for that county shall likewise be
10 staggered so that the state registration fee is due and payable
11 at the same time and shall be collected together with the county
12 fee. The state registration fee shall be deemed delinquent if
13 not paid with the county registration fee. The respective
14 counties shall collect this fee together with the vehicle
15 registration tax collected for the county and shall transfer the
16 moneys collected under this section to the State.

17 For the purposes of this subsection, "alternative fuel
18 vehicle" means a vehicle equipped to be powered by a non-
19 petroleum-based fuel, but excludes an electric vehicle as
20 defined in section 249-A (g)."



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

3 "(e) Upon application for a certificate of inspection to
4 be issued for a vehicle or moped, an inspection as prescribed by
5 the director under subsection (g) shall be conducted on the
6 vehicle or moped, and if the vehicle or moped is found to be in
7 a safe operating condition, a certificate of inspection shall be
8 issued upon payment of a fee to be determined by the director.
9 The certificate shall state the effective date, the termination
10 date, the name of the issuing insurance carrier, [~~and~~] the
11 policy number of the motor vehicle insurance identification card
12 for the inspected motor vehicle as specified by section 431:10C-
13 107 or state the information contained in the proof of insurance
14 card as specified by section 431:10G-106[-], and the odometer
15 reading of the vehicle on the date of inspection. A sticker,
16 authorized by the director, shall be affixed to the vehicle or
17 moped at the time a certificate of inspection is issued. An
18 inspection sticker [~~which~~] that has been lost, stolen, or
19 destroyed shall be replaced without reinspection by the
20 inspection station that issued the original inspection sticker
21 upon presentation of the current certificate of inspection;



1 provided that the current certificate of inspection and
2 inspection sticker shall not have expired at the time the
3 replacement is requested. The director shall adopt rules to
4 determine the fee for replacement of lost, stolen, or destroyed
5 inspection stickers."

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

8 "(b) Application for the registration of a vehicle shall
9 be made upon the appropriate form furnished by the director of
10 finance and shall contain the name, occupation, and address of
11 the owner and legal owner; and, if the applicant is a member of
12 the United States naval or military forces, the applicant shall
13 give the organization and station. All applications shall also
14 contain a description of the vehicle, including: the name of the
15 maker; the type of fuel for the use of which it is adapted, such
16 as gasoline, diesel oil, liquefied petroleum gas[?], or battery
17 electricity; the serial or motor number; the date first sold by
18 the manufacturer or dealer; a further description of the vehicle
19 as is called for in the form; and other information as may be
20 required by the director of finance, to establish legal
21 ownership. A person applying for initial registration of a



1 neighborhood electric vehicle shall certify in writing that a
2 notice of the operational restrictions applying to the vehicle
3 as provided in section 291C-134 are contained on a permanent
4 notice attached to or painted on the vehicle in a location that
5 is in clear view of the driver."

6 SECTION 6. There is appropriated out of the state highway
7 revenue bond funds, the sum of \$ or so much thereof as
8 may be necessary for fiscal year 2023-2024 to be used with
9 available federal funds, for the initial implementation of the
10 state mileage-based road user charge established pursuant to
11 section 2 of this Act.

12 The sum appropriated shall be expended by the department of
13 transportation for the purposes of this Act.

14 SECTION 7. In codifying the new section added by section 2
15 and referenced in section 3 of this Act, the revisor of statutes
16 shall substitute an appropriate section number for the letter
17 used in designating the new section in this Act.

18 SECTION 8. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 9. This Act shall take effect on June 30, 3000.



Report Title:

Department of Transportation; Electric Vehicles, Road Usage Charge System; Mileage-Based Road Usage Fees; Reports; Appropriation

Description:

Creates a mileage-based road usage charge to replace state motor fuel taxes beginning on July 1, 2025, for electric vehicles. Eliminates \$50 annual state vehicle registration surcharge for electric vehicles. Allows electric vehicles a choice of paying a registration surcharge or a per-mile road usage charge until June 30, 2028. 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 vehicles. Requires the department of transportation to plan for the deployment of a state mileage-based road user charge program by 2033 and submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2026. Defines electric vehicle. Defines alternative fuel vehicle. Makes an appropriation. Effective 6/30/3000. (HD1)

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