

Honolulu, Hawaii

MAY 02 2023

RE: S.B. No. 1534
S.D. 2
H.D. 3
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1534, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Create a mileage-based road usage charge to replace state motor fuel taxes beginning on July 1, 2025, for electric vehicles;
- (2) Eliminate the \$50 annual state vehicle registration surcharge for electric vehicles;
- (3) Authorize electric vehicle owners to pay a registration surcharge or a per-mile road usage fee until June 30, 2028;



- (4) Require certificates of inspection to state the odometer reading of vehicles;
- (5) Require motor vehicle registration applications to specify whether the type of fuel for which the vehicle is adapted is battery electricity;
- (6) Require 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; and
- (7) Appropriate funds.

Your Committee on Conference finds that state fuel tax revenues are declining, creating a smaller source of revenue for transportation infrastructure improvements and maintenance. However, the establishment of a state mileage-based road usage charge for certain fuel-efficient and zero emissions motor vehicles can be incorporated into existing motor vehicle safety inspections, creating a sustainable source of revenue to support roadway maintenance costs. This measure establishes a state mileage-based road usage charge to reduce overall vehicle miles traveled while incentivizing motor vehicles that are fuel-efficient and zero emissions.

Your Committee on Conference has amended this measure by:

- (1) Inserting a rate of 0.8 cents per mile traveled to be used in the calculation of the state mileage-based road usage charge;
- (2) Limiting the state mileage-based road usage charge to not more than \$50 per year;
- (3) Assessing the first registration renewal at \$50 for new motor vehicles that do not require a certificate of inspection;
- (4) Authorizing owners of electric vehicles to be offered a choice to pay a \$50 registration surcharge in lieu of the state mileage-based road usage charge until June 30, 2028;



- (5) Requiring the Department of Transportation to also include in the implementation plan recommendations for ensuring:
 - (A) Compatibility with the deployment of a mileage-based road usage charge by any county; and
 - (B) Broad implementation continues to account for and incentivize fuel-efficient vehicles;
- (6) Inserting an appropriation amount of \$1,300,000 for FY 2023-2024 from the State Highway Fund for the initial implementation of the state mileage-based road user charge;
- (7) Inserting an effective date of July 1, 2023;
- (8) Providing that sections 3, 4, and 5 shall not take effect until July 1, 2025; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1534, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1534, S.D. 2, H.D. 3, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE


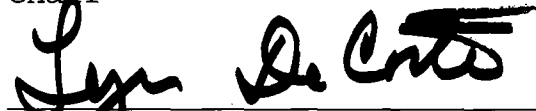
ON THE PART OF THE SENATE



CHRIS TODD
Co-Chair



CHRIS LEE
Chair


JACKSON D. SAYAMA
Co-Chair
LYNN DECOITE
Co-Chair
DARIUS KILA
Co-Chair

Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 1534, SD 2, HD 3	Date/Time: 4/28/13 5:08 PM
---	-----------------------------------

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

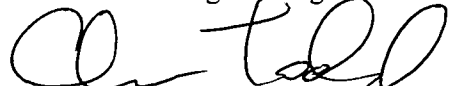
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
LEE, Chris, Chr.	X				TODD, Chris, Co-Chr.	X			
DECOITE, Lynn, Co-Chr.	X				SAYAMA, Jackson D., Co-Chr.	X			
KEOHOKALOLE, Jarrett	X				KILA, Darius K., Co-Chr.	X			
					MATSUMOTO, Lauren	X			
TOTAL	3				TOTAL	4			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:


House Lead Chair's or Designee's Signature:


Distribution: **Original** **Yellow** **Pink** **Goldenrod**
File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency