

TESTIMONY BY:
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STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 2, 2023
3:00 P.M.
State Capitol, Conference Room 224/Teleconference

S.B. 1401
RELATING TO THE ELECTRIC BICYCLE AND
ELECTRIC MOPED REBATE PROGRAM

Senate Committee on Transportation and Culture and the Arts

The Department of Transportation (DOT) **supports** this measure and requests an additional amendment. S.B. 1401 makes an emergency appropriation to authorize expenditure of funds for the electric bicycle and electric moped rebate program, to authorize the payment of rebates to individuals, and if necessary, to authorize payment to a third-party administrator to operate and manage the electric bicycle and electric moped rebate program.

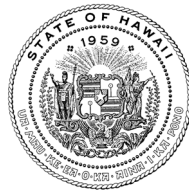
Implementation of the electric bicycle and electric moped rebate program created by Act 306, Session Laws of Hawaii 2022 was delayed as the bill did not provide for expenditure authority of the general funds appropriated. Although the highway development special fund electric bicycle and electric moped subaccount was created with the intent to be used for the electric bicycle and electric moped rebate program, the highway development special fund was intended for deposits to and expenditures from support of the Highways Capital Improvement program.

The DOT requests this committee amend the language in Section 8 related to HRS §196-7.8(h)(2) as follows: "Do not own a registered motor vehicle with four or more wheels, as demonstrated by an affidavit signed by the applicant ~~at the time of sale of the new electric bicycle or electric moped~~, which may be audited by the department of transportation". The repeal of this language will provide the department with the flexibility to effectively manage this program.

The DOT remains committed to administering this rebate program as it aligns with the state's clean energy goals and supports the wide-spread adoption of small electric vehicles. This program will offer lower cost and zero-emission travel and commuting alternatives to Hawai'i's residents.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS
ON
SENATE BILL NO. 1401

February 2, 2023
3:00 p.m.
Room 224 and Videoconference

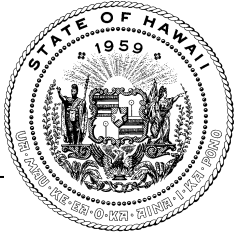
RELATING TO THE ELECTRIC BICYCLE AND ELECTRIC MOPED REBATE PROGRAM

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 1401, Administration Proposal TRN-3(23). S.B. No. 1401 does the following:

1) establishes the Electric Bicycle and Electric Moped Special Fund (EBEMSF) and eliminates the Highway Development Special Fund Electric Bicycle and Electric Moped (EBEM) subaccount established in Act 306, SLH 2022; 2) makes an emergency appropriation of \$2,100,000 in general funds for FY 23 to the Department of Transportation (DOT) to be deposited into the EBEMSF to implement the EBEM Rebate Program; and 3) authorizes DOT to pay a third-party administrator to administer and pay the rebates to the applicants. This bill also provides that any unencumbered funds in the EBEMSF shall lapse on June 30, 2024.

B&F notes that Section 4 of Act 306, SLH 2022, already appropriated \$2,100,000 in general funds for FY 23 to be deposited into the EBEM subaccount. Consequently, it is recommended that the language in Section 4 of Act 306, SLH 2022, be amended to redirect the funds from the EBEM subaccount to the EBEMSF, instead of appropriating new funds. This would avoid a duplicate appropriation to DOT for the same purpose.

Thank you for your consideration of our comments.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

JOSH GREEN, M.D.
GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

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Testimony of
MARK B. GLICK, Chief Energy Officer

LATE

before the
SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

Thursday, February 2, 2023
3:00 PM
State Capitol, Conference Room 224 and Videoconference

In SUPPORT of
SB 1401

RELATING TO THE ELECTRIC BICYCLE AND ELECTRIC MOPED REBATE PROGRAM.

Chairman Lee, Vice Chair Inouye, and Members of the Committee, the Hawaii State Energy Office (HSEO) supports SB 1401, which makes an emergency appropriation into and from a newly established special fund for the Department of Transportation Highways Division's Electric Bicycle and Electric Moped Rebate Program and authorizes the Department of Transportation to pay a third-party administrator to administer the program. 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.

Emissions from ground transportation account for more than half of energy emissions as reported in the Greenhouse Gas Emissions Report for 2017.¹ For Hawaii to meet its statutory target "to sequester more greenhouse gases than emitted as soon as practicable but no later than 2045", significant reductions in emissions from ground transportation will need to be made in the near to medium term. For significant reductions to be made all market segments in Hawaii need to be addressed. SB 1401 supports the proliferation of zero-emission electric bicycles and mopeds, which can reduce fossil-fuel powered vehicle miles traveled and related transportation emissions.

SB 1401 may be particularly impactful in reducing fossil-fuel powered vehicle miles traveled and related transportation emissions because the majority of trips taken in Hawaii are short trips, the ideal trip to be made via electric bicycles and mopeds. According to the Drivers of VMT and Priority Reduction Strategies Report for Hawaii, 30% of all trips made are under 1 mile, 60% of trips made are under 3 miles, and 70% of trips made are under 5 miles.¹ This presents the State the tremendous opportunity to reduce fossil-fuel powered vehicle miles traveled and related transportation emissions by incentivizing the purchase of zero-emission bicycles and mopeds that could serve residents' short trip needs.

SB 1401 can reduce the cost of transportation for residents who need it the most. After housing, childcare, and food, the cost of transportation in Hawaii represents the biggest monthly expense for many residents.² While the high costs affect everyone, they especially hit low-income people who are struggling to get by. The average cost of owning a vehicle in Hawaii is \$8,100 annually, or \$675 per month, when factoring in the various costs, including gas, maintenance and insurance.³ With 80% of Hawaii households owning two or more cars⁴, households who do own at least two cars face a \$16,200 annual expense, or about \$1,350 a month for transportation. Providing this rebate may incentivize the purchase of electric bicycles and mopeds for low-income residents and allow those residents to swap their short trips in a car with zero-emissions and affordable forms of micromobility.

The passage of SB 1401 will allow much needed funding to be allotted and authorize expenditure for payment of the electric bike and moped rebates or appropriate

¹ "Drivers of VMT and Priority Reduction Strategies for Hawaii." State Smart Transportation Initiative. 2022.

² <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includin%20gas%2C%20maintenanc%20and%20insurance.>

³ <https://ulupono.com/news-listing/report-examines-hawaii-s-21-8-billion-vehicle-economy/>

⁴ <https://www.civilbeat.org/2022/03/why-it-costs-so-much-to-own-a-car-in-hawaii/#:~:text=According%20to%20a%202021%20study,includin%20gas%2C%20maintenanc%20and%20insurance.>

funds for contracting with the third—party administrator. The bill will make an emergency appropriation into a newly established Electric Bicycle and Electric Moped Special Fund for fiscal year 2022-2023 that will allow residents most in need to access the rebate and swap their short trips in a car for a more sustainable and affordable micromobility option. HSEO's defers to the Department of Transportation for comments regarding program funding, structure and administration.

Thank you for the opportunity to testify.

SB-1401

Submitted on: 2/1/2023 8:52:09 PM

Testimony for TCA on 2/2/2023 3:00:00 PM

LATE

Submitted By	Organization	Testifier Position	Testify
Todd Boulanger	Testifying for Bikeshare Hawaii (aka Biki)	Support	Written Testimony Only

Comments:

Bikeshare Hawaii supports SB1401.