
A BILL FOR AN ACT

RELATING TO ELECTRIC VEHICLES.

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

1 SECTION 1. The legislature finds that the life-cycle costs
2 of electric vehicles are lower than internal combustion engine
3 vehicles, taking into account maintenance and fueling. However,
4 because of the higher up-front cost of an electric vehicle
5 compared to an internal combustion engine vehicle, low- and
6 moderate-income households have had lower rates of adoption of
7 electric vehicles than affluent households in recent years. In
8 addition to the cost savings associated with electric vehicle
9 ownership over the life of the vehicle, other benefits of
10 expanding electric vehicle ownership include reduced exposure to
11 harmful air pollution from combustion engines and advancing the
12 State's decarbonization, clean transportation, and affordability
13 goals.

14 Although recently enacted federal legislation provides a
15 tax credit for the purchase of electric vehicles, restrictions
16 on the tax credit make it applicable to only a limited number of
17 models. Furthermore, the federal tax credit is nonrefundable,



1 so low- to moderate-income families with low tax liability may
2 not be able to claim the full amount.

3 The purpose of this Act is to reduce the cost of living and
4 cost of transportation for low- to moderate-income households,
5 who stand to benefit the most from electric vehicle ownership,
6 by offering a rebate on the point-of-sale purchase or lease
7 price of the vehicle.

8 SECTION 2. Chapter 196, Hawaii Revised Statutes, is
9 amended by adding a new section to part I to be appropriately
10 designated and to read as follows:

11 "§196- Low- to moderate-income electric vehicle rebate

12 program; third-party administrator; special fund. (a) The
13 department of transportation shall administer a rebate program
14 that incentivizes the purchase or lease of qualifying electric
15 vehicles by low- to moderate-income households, as provided in
16 this section, and may contract with a third-party administrator
17 pursuant to subsection (g) to operate and manage the rebate
18 program.

19 (b) Each eligible purchaser or lessee of a qualifying
20 electric vehicle shall receive a rebate of either _____ per



1 cent of the purchase or lease cost or \$ _____, whichever
2 amount is lower; provided that:

3 (1) No individual shall receive more than \$ _____ in
4 total rebates each fiscal year;

5 (2) A nonprofit organization shall not receive more than
6 five rebates per calendar year;

7 (3) The department of transportation shall not issue more
8 than \$ _____ in total rebates under this section
9 each fiscal year;

10 (4) The electric vehicle subaccount within the highway
11 development special fund pursuant to section 264-
12 122(e) contains sufficient funds to pay the rebates;
13 and

14 (5) The department of transportation shall not be liable
15 to pay any refund if sufficient funds are unavailable;
16 provided that the department shall allow valid claims
17 filed by eligible applicants for whom sufficient funds
18 may not be immediately available to receive a rebate
19 as funds may be available in a subsequent year.

20 (c) To be eligible for the low- to moderate-income
21 electric vehicle rebate program, an applicant shall:



- 1 (1) Be:
- 2 (A) A Hawaii resident who is a member of a low- to
- 3 moderate-income household; or
- 4 (B) A nonprofit registered as a 501(c) (3)
- 5 organization based in Hawaii, or with a current
- 6 Hawaii-based affiliate, that provides health,
- 7 dental, social, financial, energy conservation,
- 8 or other assistive services to low- to moderate-
- 9 income households in Hawaii;
- 10 (2) Provide proof of an intent to use the qualifying
- 11 electric vehicle primarily on the public highways of
- 12 the State, which may be satisfied by providing proof
- 13 of registration of the qualifying electric vehicle in
- 14 Hawaii; and
- 15 (3) Attest to an intent to retain the registration of the
- 16 qualifying electric vehicle for a minimum of twenty-
- 17 four consecutive months after the date of purchase or
- 18 the date the lease begins.
- 19 (d) Applicants shall submit an application to the
- 20 department of transportation within six months of the date of
- 21 purchase or six months after the date the lease begins to claim



1 a rebate from the low- to moderate-income electric vehicle
2 rebate program. Failure to apply within the specified time
3 frame shall constitute a waiver of the right to claim the
4 rebate.

5 (e) The department of transportation shall:

6 (1) Prescribe the rebate application procedure for
7 purchasers and lessees;

8 (2) Prepare any forms that may be necessary for an
9 applicant to claim a rebate pursuant to this section;

10 (3) Require each applicant to furnish reasonable
11 information to ascertain the validity of the claim,
12 including but not limited to:

13 (A) The signature of the purchaser or lessee and the
14 individual responsible for the sale or lease on
15 behalf of the vehicle dealer at the time of the
16 sale or lease;

17 (B) A copy of a valid government-issued photo
18 identification of the purchaser or lessee at the
19 time of the sale or lease;

20 (C) The receipt for the purchase or lease;

21 (D) The name and address of the vehicle dealer;



- 1 (E) Verification of eligibility; and
- 2 (F) Any other documentation deemed necessary by the
- 3 department of transportation to demonstrate the
- 4 legitimate purchase or lease of a qualifying
- 5 electric vehicle by an eligible applicant; and
- 6 (4) Work to ensure timely payment of rebates under the
- 7 low- to moderate-income electric vehicle rebate
- 8 program, with the goal of paying rebates within sixty
- 9 days of receiving a completed application from an
- 10 eligible applicant for a qualifying electric vehicle
- 11 pursuant to this section, with all required supporting
- 12 documentation.
- 13 (f) The department of transportation may specify design
- 14 features for the program, including procedures to prioritize
- 15 available moneys for specific qualifying electric vehicles,
- 16 household income ranges, or both, and limitations on the number
- 17 of rebates available for each type of qualifying electric
- 18 vehicle.
- 19 (g) The department of transportation may contract with a
- 20 third-party administrator to operate and manage the low- to
- 21 moderate-income electric vehicle rebate program. The third-



1 party administrator shall not be deemed to be a governmental
2 body as defined in section 103D-104; provided that all moneys
3 transferred to the third-party administrator shall have been
4 appropriated by the legislature or shall be from moneys provided
5 by the federal government or private funding sources. The
6 third-party administrator shall not expend more than ten per
7 cent of the amounts appropriated for the rebate program, or any
8 other reasonable percentage determined by the department of
9 transportation, for administration of the low- to moderate-
10 income electric vehicle rebate program. The third-party
11 administrator may offer expanded financing mechanisms for
12 eligible applicants, including a loan or loan-loss reserve
13 credit enhancement program to increase consumer access to
14 qualifying electric vehicles by low- to moderate-income
15 households.

16 (h) Nothing in this section shall alter taxes due on the
17 original purchase or lease. Any rebate received pursuant to
18 this section shall not be considered income for the purposes of
19 state or county taxes.

20 (i) For purposes of this section:



1 "Low- to moderate-income household" means a household
2 having an income that does not exceed one hundred forty per cent
3 of the area median income for a household of the same size, as
4 determined by the United States Department of Housing and Urban
5 Development.

6 "Qualifying electric vehicle" means an electric vehicle as
7 defined in section 196-2 that:

- 8 (1) Is purchased or leased after July 1, 2023; provided
9 that any lease has a minimum term of twenty-four
10 months;
- 11 (2) Is purchased or leased from a vehicle dealer;
- 12 (3) Has a manufacturer's suggested retail price of no more
13 than \$75,000;
- 14 (4) Is covered by a manufacturer's express warranty on the
15 vehicle drive train, including the applicable energy
16 storage system or battery pack, for at least twenty-
17 four months from the date of purchase or date the
18 lease begins, as applicable; and
- 19 (5) Is certified by the manufacturer to comply with all
20 applicable federal safety standards issued by the



1 National Highway Traffic Safety Administration as of
2 the date of manufacture.

3 "Vehicle dealer" means a "new vehicle dealer" or "used
4 vehicle dealer" as defined in section 437-1.1, or an appropriate
5 entity as identified by the department of transportation."

6 SECTION 3. Section 264-122, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§264-122 Highway development special fund.** (a) There is
9 established in the state treasury the highway development
10 special fund to be administered by the department, into which
11 shall be deposited:

12 (1) Transfers of county impact fees assessed under part
13 VIII of chapter 46 and this part to pay for state
14 highway improvements;

15 (2) Interest from investment of deposits; and

16 (3) Legislative and county appropriations.

17 (b) Moneys in the highway development special fund shall
18 be used for the following purposes:

19 (1) Capital costs of qualifying proposed state highway
20 improvements;



- 1 (2) Reevaluation of the need, geographic limitations,
2 amount, and use of impact fees;
- 3 (3) Transfers to reimburse other special funds for
4 expenditures which otherwise might have been funded
5 with moneys in the highway development special fund;
- 6 (4) Transfers under sections 36-27 and 36-30;
- 7 (5) Refunds under section 264-125; and
- 8 (6) The department's costs to implement this part,
9 including but not limited to costs to administer the
10 highway development special fund.

11 (c) The department may establish accounts in the highway
12 development special fund as necessary to implement this part and
13 rules adopted by the department.

14 (d) There is established within the highway development
15 special fund an electric bicycle and electric moped subaccount.
16 The department shall expend moneys in the subaccount for the
17 purposes of funding the electric bicycle and electric moped
18 rebate program established pursuant to section 196-7.8.

19 (e) There is established within the highway development
20 special fund an electric vehicle subaccount. The department
21 shall expend moneys in the subaccount for the purposes of



1 funding the low- to moderate-income electric vehicle rebate
2 program established pursuant to section 196- ."

3 SECTION 4. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2023-2024 to be
6 deposited into the electric vehicle subaccount established
7 pursuant to section 264-122(e), Hawaii Revised Statutes.

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

10 SECTION 5. New statutory material is underscored.

11 SECTION 6. This Act shall take effect on July 1, 2023.

12

INTRODUCED BY: *Nicole E. Lowen*

JAN 18 2023



H.B. NO. 198

Report Title:

DOT; Low- to Moderate-income Electric Vehicle Rebate Program;
Electric Vehicle Subaccount; Appropriation

Description:

Establishes the Low- to moderate-income electric vehicle rebate program and the electric vehicle subaccount to encourage the purchase and use of electric vehicles by low- to moderate-income households and nonprofit organizations providing assistive services to low- to moderate-income households. Appropriates funds for deposit into the electric vehicle subaccount.

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