
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 the single greatest
2 recent factor contributing to the increasing cost of living in
3 Hawaii is the rising cost of transportation. Due to
4 increasingly expensive fossil fuels and a lack of cheaper
5 transit options, Hawaii residents already pay among the highest
6 cost to commute in the country. In January 2022, the United
7 States Bureau of Labor Statistics reported that auto-related
8 costs were astonishing twenty-three per cent higher than the
9 year before. In Hawaii, a recent analysis studied how much all
10 the direct and indirect costs of car ownership and use cost in
11 2020 and found that local taxpaying families pay about \$24,400
12 per year, even if they don't own a car. These costs are only
13 fifty per cent covered by user fees. In addition, personal
14 vehicle costs add another \$16,200 per year to those household
15 expenditures.

16 The legislature also finds that electric bicycles are
17 significantly more cost effective for local families and better



1 for the environment than gas powered motor vehicles and can
2 effectively get many Hawaii residents to locations as
3 conveniently as gas powered motor vehicles. The current
4 electric bicycle and moped rebate program, even with minimal
5 promotion and low subsidy, has helped almost three hundred
6 people access electric bikes since its inception. However, its
7 reach has been limited by age restrictions that currently allows
8 for a fifteen year old student to drive a sports car, but not
9 acquire a bicycle through this program and a lower rebate than
10 other similar programs that is not enough for many lower income
11 families to afford access.

12 In 2022, Denver's electric bike rebate program providing
13 families with up to a \$1,200 rebate led to considerable cost
14 savings for Denver families, helped reduce vehicular traffic on
15 crowded roads, and ultimately replaced many trips by car with
16 trips by bike. This meant twenty-two miles a week on average
17 per user, collectively displacing one hundred thousand miles
18 weekly. Ninety-six per cent of respondents said the
19 availability of the rebate made the difference when deciding to
20 buy an electric bike.

21 The purpose of this Act is to:



1 (1) Help reduce the cost of transportation, reduce the
2 cost of living, and reduce traffic on Hawaii's roads
3 by improving the existing electric bicycle and moped
4 rebate program to further encourage the purchase and
5 use of adaptive electric bicycles, electric bicycles,
6 electric mopeds, and other electric mobility devices;
7 and

8 (2) Update electric mobility device and electric bicycle
9 definitions to align with federal and state policies
10 and programs.

11 SECTION 2. Section 196-2, Hawaii Revised Statutes, is
12 amended by adding three new definitions to be appropriately
13 inserted and to read as follows:

14 "Adaptive electric bicycle" means any bicycle that is
15 modified to fit the needs of an individual rider who is unable
16 to use a standard electric bicycle.

17 "Electric micro-mobility device" means any ground
18 transportation device such as a standing scooter, skateboard,
19 board riding on a single or double wheels, or similar device
20 that is powered either exclusively by electricity from a battery
21 charged from an external source, or by electricity from a



1 battery charged from an external source in addition to human
2 power, which is designed to transport a single person, with a
3 range exceeding not less than twelve miles and maximum speed of
4 twenty-eight miles per hour, on which a person may reasonably
5 commute to and from regular destinations.

6 "Electric bicycle" means a bicycle equipped with fully
7 operable pedals, a saddle or seat for the rider, and an electric
8 motor of seven hundred fifty watts or less that meets the
9 requirements of one of the following three classes:

10 (1) Class 1 electric bicycle, which is an electric bicycle
11 equipped with a motor that provides assistance only
12 when the rider is pedaling, and that ceases to provide
13 assistance when the bicycle reaches the speed of
14 twenty miles per hour;

15 (2) Class 2 electric bicycle, which is an electric bicycle
16 equipped with a motor that may be used exclusively to
17 propel the bicycle, and that is not capable of
18 providing assistance when the bicycle reaches the
19 speed of twenty miles per hour; and

20 (3) Class 3 electric bicycle, which is an electric bicycle
21 equipped with a motor that provides assistance only



1 when the rider is pedaling, and that ceases to provide
2 assistance when the bicycle reaches the speed of
3 twenty-eight miles per hour."

4 SECTION 3. Section 196-7.8, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "~~{}~~§196-7.8~~{}~~ **Electric ~~[bicycle and electric moped]~~**
7 **mobility rebate program; third-party administrator; special**

8 **fund.** (a) The department of transportation shall administer a
9 rebate program that incentivizes the purchase of new electric
10 ~~[bicycles and new electric mopeds]~~ mobility devices and may
11 contract with a third-party administrator pursuant to subsection
12 ~~{i}~~ (k) to operate and manage the rebate program.

13 (b) Each eligible purchase of a new electric bicycle, ~~[or]~~
14 new electric moped, adaptive electric bicycle, or new electric
15 micro-mobility device shall receive a rebate of ~~[either twenty~~
16 ~~per cent of the retail cost or \$500, whichever amount is lower]~~
17 \$750; provided that no individual shall receive more than ~~[\$500]~~
18 \$750 in total rebates each fiscal year~~[-]~~, unless also
19 qualifying for the additional assistance rebate as outlined in
20 (j), in which case the eligible purchase shall receive not more
21 than \$1,500 in total rebates each fiscal year. No non-profit



1 organization shall receive more than \$10,000 in total rebates
2 each fiscal year.

3 (c) The department of transportation shall not issue more
4 than [~~\$700,000~~] \$2,000,000 in total rebates under this section
5 each fiscal year; provided that the electric [~~bicycle and~~
6 ~~electric moped~~] mobility subaccount within the highway
7 development special fund pursuant to section 264-122(d) contains
8 sufficient funds to pay the rebates. The department of
9 transportation shall not be liable to pay any refund if
10 sufficient funds are unavailable. The department of
11 transportation shall allow valid claims filed by eligible
12 applicants for whom sufficient funds may not be immediately
13 available to receive a rebate as funds may be available in a
14 subsequent year.

15 (d) The department of transportation shall:

16 (1) Prepare any forms that may be necessary for an
17 applicant to claim a rebate pursuant to this section;
18 and

19 (2) Require each applicant to furnish reasonable
20 information to ascertain the validity of the claim,
21 including but not limited to [~~the signature of the~~



1 ~~buyer and individual responsible for the sale on~~
2 ~~behalf of a retail store at the time of sale,~~] a copy
3 of valid government issued photo identification of the
4 buyer at the time of the sale, receipt of purchase,
5 name and address of the retail store, verification of
6 eligibility, and any other documentation necessary to
7 demonstrate the legitimate purchase of a new electric
8 ~~[bicycle or new electric moped.]~~ mobility device.

9 (e) The department may prepare a retailer application and
10 portal to provide rebates directly at the point of sale to
11 expedite the rebate process.

12 ~~[+e)]~~ (f) This section shall apply to new:

13 (1) Electric bicycles ~~[capable of speeds of no more than~~
14 ~~twenty-eight miles per hour; and]~~ ;

15 (2) Electric mopeds ~~[~~] ;

16 (3) Adaptive electric bicycles; and

17 (4) Electric micro-mobility devices capable of speeds of
18 not more than twenty-eight miles per hour,

19 purchased at a retail store after July 1, 2022.

20 ~~[+f)]~~ (g) Applicants shall submit an application to the
21 department of transportation within twelve months of the date of



1 purchase to claim a rebate from the electric [~~bicycle and~~
2 ~~electric moped~~] mobility rebate program. Failure to apply
3 within twelve months of the date of purchase shall constitute a
4 waiver of the right to claim the rebate.

5 [~~g~~] (h) Nothing in this section shall alter taxes due on
6 the original purchase. Any rebate received pursuant to this
7 section shall not be considered income for the purposes of state
8 or county taxes.

9 (i) In administering the electric mobility rebate program,
10 the department of transportation shall provide rebates to:

11 (1) Persons who are residents of the State and fifteen
12 years or older, who purchase a new qualifying adaptive
13 electric bicycle, electric bicycle, electric moped, or
14 electric micro-mobility device; and

15 (2) Non-profit organizations who are registered in the
16 State who purchase one or more new qualifying electric
17 bicycles, electric mopeds, or electric micro-mobility
18 devices.

19 [~~h~~] (j) In administering the electric [~~bicycle and~~
20 ~~electric moped~~] mobility rebate program, the department of
21 transportation shall provide [~~rebates~~] an additional assistance



1 rebate in addition to the rebate in subsection (b). The
2 additional assistance rebate shall be \$750 or the full retail
3 amount, whichever amount is lower, to persons [~~eighteen~~] fifteen
4 years or older who:

5 (1) Are eligible for:

6 (A) The Supplemental Nutrition Assistance Program;

7 (B) The free and reduced price lunch program;

8 (C) Section 8 of the United States Housing Act of
9 1937, as amended; or

10 (D) Similar low-income assistance programs identified
11 by the department of transportation;

12 (2) Do not own a registered motor vehicle with four or
13 more wheels, as demonstrated by an affidavit signed by
14 the applicant at the time of sale of the new adaptive
15 electric bicycle, electric bicycle [~~e~~], electric
16 moped, or electric micro-mobility device, which may be
17 audited by the department of transportation; or

18 (3) Are enrolled in school, community college, or
19 university.

20 [~~(i)~~] (k) The department of transportation may contract
21 with a third-party administrator to operate and manage the



1 electric [~~bicycle and electric moped~~] mobility rebate program.
2 The third-party administrator shall not be deemed to be a
3 "governmental body" as defined in section 103D-104; provided
4 that all moneys transferred to the third-party administrator
5 shall have been appropriated by the legislature or shall be from
6 moneys provided by the federal government or private funding
7 sources. The third-party administrator shall not expend more
8 than ten per cent of the amounts appropriated for the rebate
9 program, or any other reasonable percentage determined by the
10 department of transportation, for administration, promotion, and
11 reporting of the electric [~~bicycle and electric moped~~] mobility
12 rebate program.

13 (l) The department of transportation may contract with a
14 third-party administrator to administer the electric mobility
15 rebate program; provided that the third-party administrator may
16 pay rebates to each rebate applicant from moneys transferred
17 pursuant to subsection (k) from the electric mobility subaccount
18 within the highway development special fund.

19 (m) The department of transportation shall provide an
20 annual report to the legislature no later than twenty days prior
21 to the convening of each regular session which shall detail the



1 rebates provided by zip code, amount received, and type of
2 rebate."

3 SECTION 4. Section 264-122, Hawaii Revised Statutes, is
4 amended by amending subsection (d) to read as follows:

5 "(d) There is established within the highway development
6 special fund an electric [~~bicycle and electric moped~~] mobility
7 subaccount. The department shall expend moneys in the
8 subaccount for the purposes of funding the [~~electric bicycle and~~
9 ~~electric moped~~] mobility rebate program established pursuant to
10 section 196-7.8."

11 SECTION 5. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Department of Transportation; Rebate; Electric Mobility
Subaccount; Electric Mobility Rebate Program

Description:

Renames and the Electric Bicycle and Electric Moped Rebate
Program to the Electric Mobility Rebate Program. Expands
eligibility and the potential rebate amount. Effective
7/1/2050. (SD2)

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not legislation or evidence of legislative intent.*

