

Honolulu, Hawaii
MAR 22, 2024

RE: S.B. No. 3183
S.D. 2
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 3183, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ROAD USAGE CHARGE PROGRAM,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Beginning July 1, 2025, establish a county mileage-based road usage charge for electric vehicles, while allowing, until June 30, 2028, owners of electric vehicles the choice of paying a \$50 registration surcharge in lieu of the county mileage-based road usage charge;
- (2) Clarify the collection and disposition of funds from the state and county mileage-based road usage charges; and
- (3) Establish a \$50 maximum state mileage-based road usage charge until June 30, 2028.

Your Committee received testimony in support of this measure from the Department of Transportation; Hawaii State Energy Office; Department of Transportation Services of the City and County of Honolulu; Oahu Metropolitan Planning Organization; Ulupono Initiative; and one individual. Your Committee received comments



on this measure from the Tax Foundation of Hawaii; Alliance for Automotive Innovation; Hawai'i Automobile Dealers Association; and Hawaii Electric Vehicle Association.

Your Committee finds that increasing popularity of electric vehicles has presented opportunities and challenges for Hawaii's transportation infrastructure. The State's fuel tax revenue, which is used to fund necessary road maintenance and infrastructure, is declining as more of the State's residents adopt electric vehicles. To address the loss of fuel tax revenue, Act 222, Session Laws of Hawaii 2023, enacted a mileage-based road usage charge on electric vehicles to establish a fair and sustainable means of funding for the maintenance and improvement of roadways owned and maintained by the State. Your Committee further finds that the counties are facing a similar decline in county fuel tax revenue, leading to a shortfall in funding for the maintenance of county road infrastructure. This measure is intended to establish a mileage-based road usage charge on the county level to ensure that all of the State's roads and bridges are safe and accessible as Hawaii begins transitioning to a fair and sustainable source of transportation funding.

Your Committee has amended this measure by:

- (1) Specifying that the rate for the county mileage-based road usage charge is to be comparable to the county fuel tax on gasoline and no more than the estimated county fuel tax; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3183, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 3183, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,

for 
MARK M. NAKASHIMA, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB3183 SD2 HD1	Committee Referral: TRN, CPC, FIN	Date: 3/18/2024
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	✓			
2. SAYAMA, Jackson D. (VC)				✓
3. AMATO, Terez	✓			
4. BELATTI, Della Au				✓
5. HASHEM, Mark J.				✓
6. HUSSEY-BURDICK, Natalia				✓
7. GATES, Cedric Asuega	✓			
8. LOWEN, Nicole E.				✓
9. ONISHI, Richard H.K.	✓			
10. TAM, Adrian K.	✓			
11. PIERICK, Elijah	✓			
TOTAL (11)	6			5

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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