



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

January 30, 2024
3:00 P.M.
State Capitol, Room 224 and Videoconference

S.B. 2892
RELATING TO MOPEDS

Senate Committee on Transportation and Culture and the Arts

The Hawaii Department of Transportation (DOT) **supports** this measure with recommendations.

The HDOT is 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.

The HDOT recommends the following amendment:

Section 1(d) All fees collected pursuant to subsection (a) shall be deposited into [~~the electric bicycle and electric moped rebate program special fund established pursuant to section 196-7.8~~] the electric mobility special fund as newly established section in Chapter 264 Hawaii Revised Statutes.

- The amendment is proposed, because the HDOT recommends repealing Act 306, Session Laws of Hawaii 2022.
 - Act 306 is no longer viable, and the HDOT recommends establishing the Electric Mobility Rebate Program.
 - Section 196-7.8, Hawaii Revised Statutes, Electric bicycle, and electric moped rebate program; third-party; repeal of this subaccount special fund.
 - Section 264-122 (d), Hawaii Revised Statutes, Highway development special fund electric bicycle and electric moped repeal of this subaccount.

The HDOT recommends repealing Act 306, Sessions Laws of Hawaii 2022 via a proposed **SB 3021 SD1** which renames and expands the scope of the Electric Bicycle and Electric Moped Rebate Program to the Electric Mobility Rebate Program; and increases the potential rebate amount. Furthermore, the proposed S.B. 3021 SD1 establishes the following:

- Chapter 196, Hawaii Revised Statutes, revise by adding a new section that establishes the Electric Mobility Rebate Program; third party administrator; special fund.
 - The new section would establish the Electric Mobility Rebate Program.
 - Expands the scope of the program to include the electric micro-mobility devices and an additional rebate type.
 - Will allow eligible individuals to own a motor vehicle with four or more wheels.
 - Would allow the HDOT to contract with a third-party administrator.
 - Subsection d (2)
 - To omit the requirement that at the time of sale, the signature of the buyer and individual responsible for the sale on behalf of a retail store. The signature is not necessary at this juncture. When applying for a rebate, a copy of the valid government issued photo identification of the buyer may be used as verification of eligibility to demonstrate the legitimate purchase of a new bicycle or new electric moped.
 - Revision to allow legitimate purchase to include an electric micro-mobility device.

- Amend Chapter 264, Hawaii Revised Statutes by adding a new section that establishes the electric mobility special fund in the state treasury to be administered by the HDOT for the purposes of the electric mobility rebate program.
 - Although the highway development special fund electric bicycle and electric moped subaccount was created in Section 264-122, HRS, 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 (CIP) program. The rebate program is an operating function and does not implicate any CIP program functionality. The HDOT recommends abolishing the highways development special fund bicycle and electric moped subaccount and establish a new special fund to address the before mentioned concerns.

The fees collected on the sale of new combustion engine-powered mopeds alone cannot provide a sustainable source of revenue for the electric mobility special fund. For the electric mobility special fund to be sustainable, the DOT recommends appropriating general funds as another source of funding via a proposed S.B. 3021 SD1.

Thank you for the opportunity to provide testimony.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Testimony of
MARK B. GLICK, CHIEF ENERGY OFFICER

before the
SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

Tuesday, January 30, 2024
3:00 PM
State Capitol, Conference Room 224 and Videoconference

Providing Comments on
SB 2892

RELATING TO MOPEDS.

Chair Lee, Vice Chair Inouye, and Members of the Committee, the Hawai'i State Energy Office (HSEO) provides comments on SB 2892 which establishes a fee on the sale of new combustion engine-powered mopeds and requires that all fees collected from the sale of combustion engine-powered mopeds be deposited into the Electric Moped Rebate Program Special Fund.

To decarbonize our economy and meet Hawai'i's goal of reducing carbon emission to 50% by 2030, Hawai'i will need significant reductions in emissions from ground transportation by 2030 and a net negative carbon economy by 2045. HSEO's Hawai'i Pathways To Decarbonization, Act 238, Session Laws of Hawai'i 2022 highlights reducing the amount of energy needed for ground transportation as one of the two major facets to reducing emissions in ground transportation¹. SB 2892 provides funding to the Electric Bicycle and Electric Moped Rebate Program which supports that strategy by incentivizing electric bicycles and potentially other modes of transportation proposed in SB 3021 captured under "electric mobility device" that reduce vehicle miles traveled from passenger vehicles.

¹ Page 104, 1. Reducing the amount of energy needed for ground transportation.

HSEO believes that the strategic use of incentives and directive language (carrots and sticks) could effectively support micro-mobility and other alternative transportation options. HSEO is reaching out to state agencies and doing research on the proposed fee on combustion engine-powered mopeds but will defer to the Department of Budget and Finance on the matter of fiscal impacts to the State Budget.

Thank you for the opportunity to testify.



SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

January 30, 2024, 3:00pm

Room 224

TESTIMONY IN SUPPORT OF SB 2892

Aloha Chair Lee, Vice Chair Inouye, and members of the Committee:

Blue Planet Foundation **supports SB 2892**, which establishes a fee on the sale of new fossil-fuel powered mopeds and deposits fees into the Electric Moped Rebate Program Special Fund. This bill offers important funding to expand access to diverse modes of clean transportation that can reduce greenhouse gas emissions in our state.

Blue Planet Foundation is a Hawai'i-based nonprofit organization committed to help Hawai'i cut its carbon emissions and avoid the worst impacts of climate change. Through our advocacy for renewable energy, energy efficiency, and clean transportation, we seek to make our communities stronger, our energy more secure, our environment healthier, and our economy more robust.

Blue Planet Foundation also manages the Sustainable Transportation Coalition of Hawai'i (STCH), which is a group of organizations, businesses, and individuals aimed at driving local efforts to reduce fossil fuel use in Hawai'i's transportation sector. STCH is part of a national network of nearly 100 coalitions that make up the U.S. Department of Energy's Clean Cities program, tasked with accelerating solutions like alternative fuels, alternative modes of transportation, and vehicle efficiency.

Hawai'i is in the midst of a transition to a 100% clean energy future, and the state's ground transportation sector—including mopeds—should follow suit. The transition away from imported fossil fuel to power our lives should be economy-wide. What's more, replacing loud, fossil fuel-powered mopeds with clean, electric options will create quieter, more pleasant and livable communities.

Blue Planet envisions a clean transportation future that incorporates a diversity of clean mobility options. Electric mopeds reduce noise and environmental pollution; lower fuel, maintenance, and operation costs for drivers compared to their combustion engine counterparts; and offer a zero-emission alternative to car ownership for Hawai'i residents.

Thank you for the opportunity to provide testimony in support of SB 2892.

info@blueplanetfoundation.org

126 Queen Street, Suite 204 • Honolulu, Hawai'i 96813 • 808-954-6161 • blueplanetfoundation.org

SB-2892

Submitted on: 1/29/2024 12:45:10 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Bohlen	Testifying for Climate Protectors Hawaii	Support	Written Testimony Only

Comments:

Electric mopeds produce less noise.

Please fund rebates to help Hawaii transition to electric mopeds.

Climate Protectors Hawaii (by Ted Bohlen)

SB-2892

Submitted on: 1/29/2024 12:16:57 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathan Bingham	Testifying for Hawaiian Style Rentals & Sales	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose this bill due to how price sensitive the typical moped owner is in Hawaii. A moped is one of the best options for the lower income/ budget conscience consumer and adding on this additional fee makes it even harder for the people who are already struggling financially.

Gas powered mopeds are a great option for anyone looking for an economical and fuel efficient mode of transportation and our goal should be to keep them as an affordable mode of transportation.

Thank you!

At JP Powersports we sale gas and electric mopeds and motorcycles to the local community.

Gas mopeds are very economical, most of them are been used by students and workers that can't afford the cost and maintenance of a car. Electric mopeds are sold to a very different high-end market, the price of an electric moped is four times the price of a gas moped.

We sale one electric moped for each twenty to thirty, or more gas mopeds, electric mopeds already have its own rebate program, charging extra fees to gas moped users is a detriment to them and they shouldn't have to subvent higher income earners of our community.

Thanks for your time

Mike Rosenman

JP Powersports

Hello,

I reference to SB2892: I strongly oppose this bill because it is prejudice and is singling out mopeds by imposing a tax for buying one to fund a losing proposition, electric mopeds and bicycles. If this is the case then there should be a tax for buying gas powered cars, trucks, motorcycles, airplanes, ocean vessels and whatever else I have missed. There are approximately 1.2 million automobiles, 37,000 motorcycles, and 20,000 mopeds in Hawaii, and implementing a law singling out 1 mode of transportation makes me suspect that there is something hidden within this proposal. If we can all agree to tax every gas-powered vehicle in Hawaii then I can agree with this bill. If this can not be implemented across the board as a whole than I oppose this measure.

Thankyou for your time and consideration regarding my view of this subject.

Joe Shimkonis

Mopeds Direct

SB-2892

Submitted on: 1/29/2024 8:48:32 AM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Manabo Sato	Testifying for Moped Doctors	Oppose	In Person

Comments:

Aloha everyone. My name is Manabo Sato. I work at Moped Doctors, a Hawaii moped shop founded 2010. Moped Doctors opposes SB2892, an added fee to the sale cost of combustion engine mopeds.

In 2010 , new mopeds base prices in Hawaii started at \$895. In 2024, most moped shops still sell for close to that.

In 2016, when the Hawaii Moped Safety inspection began, all Hawaii moped owners saw a sudden near \$50 annual legal fees added to their costs.

The average cost of everything since 2010 to now has seen a whopping average 40% increase .

In addition to this, our moped imports are now subject to up to a 25% tariff on many cases. Money which is paid by us as small local businesses to the US Government , No foreign companies pay a dime.

Margins are slimmer then ever. And we are a business, not a community service However we do cater to often lower income individual like students and working class people who need reliable, affordable transportation. They are very pricepoint sensitive. A few dollars more can lose a sale.

Before safeties, stolen mopeds were kept for free by the police . Now tow companies charge \$200 plus to tow and a daily rate of \$20 plus to hold them. A moped theft victim is looking at \$220 plus before even repairing any moped damage . Moped theft is also about ten times more common then 2010.

We still sell new combustion engine mopeds are as low as \$895.. The margins are much slimmer but the market won't readily support much more expensive gas powered mopeds. We have seen how a small increase in prices can decrease sales which is why we price accordingly.

Inflation, tariffs, licensing fees, market price point support, all of these have ALREADY added costs to and impacted the gas moped business. SB2892 would force up the cost even more and would hurt our business and customers who we would have to pass the cost on to.

Mahalo for your time.

SB-2892

Submitted on: 1/29/2024 11:25:23 AM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joel Pena	Testifying for Moped Garage	Oppose	Written Testimony Only

Comments:

I oppose this bill because I do not agree with gas moped users having to subsidize discounts for electric mopeds users which are three times more expensive and for a much wealthier population.

Adding more fees for gas moped users is unfair to them because gas mopeds are the most economical transportation we have in the islands.

Electric bicycles and mopeds have their own registration fees with their own rebate programs.

Thanks for the opportunity.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, New Tax on Combustion Engine-Powered Mopeds

BILL NUMBER: SB 2892

INTRODUCED BY: LEE

EXECUTIVE SUMMARY: Establishes a fee on the sale of new combustion engine-powered mopeds. Requires that all fees collected from the sale of combustion engine-powered mopeds be deposited into the Electric Moped Rebate Program Special Fund.

SYNOPSIS: Adds a new section to chapter 286, HRS, to impose an unspecified fee on retailers for the sale of combustion engine-powered mopeds. The fee may be passed to the consumer as a component of the retail price provided disclosures are made.

The fee does not apply to individuals or retailers from reselling or renting combustion engine-powered mopeds that were initially purchased in a consumer transaction prior to January 1, 2025.

Fees shall be deposited into the electric bicycle and electric moped rebate program special fund established pursuant to section 196-7.8.

EFFECTIVE DATE: Upon approval, beginning January 1, 2025.

STAFF COMMENTS:

The fee is imposed on sellers, but ultimately borne by the purchasers of combustion engine-powered mopeds. The deposit of fees to the electric bicycle and electric moped rebate program special fund appears to be designed to deter the use of combustion engine-powered mopeds over electric mopeds.

The proposed measure would perpetuate the earmarking of tax revenues. Incentives for electric vehicles may be a worthy expense if considered alone. But does that justify bypassing the normal appropriation and budgeting process that also considers invasive species, wildfire relief, unique health risks like COVID-19, and the aging infrastructure in our educational system?

Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

Additionally, it should be remembered that revenues diverted for a special purpose, in this case to fund electric bicycle and electric moped rebates, will not be counted against the state's spending ceiling or debt limit and will obscure the state's true financial condition.

As currently drafted, there are technical concerns as well with the bill.

New section 286-__ (a) indicates the retailer will “pay the department” the fee. Apparently, this fee is meant to be administered by the Department of Transportation; to make this clear, the language should be changed to “pay the director” to take advantage of the definition in section 286-2.

Then, generally speaking, HIDOT is not institutionally equipped to make retailers report the sales and then go after any retailers who can't or won't pay. It would be better to have the Department of Taxation administer it. But oh! That would be admitting this is a new tax (which it is), which could create different problems.

New section 286-__ (c) excludes retailers *renting* combustion engine-powered mopeds initially purchased prior to January 1, 2025. What happens to businesses that in 2025 purchase such mopeds from an out-of-state retailer (over which HIDOT presumably has no jurisdiction) and then rent the mopeds here in Hawaii? Do they beat the fees that way?

Digested: 1/28/2024

SB-2892

Submitted on: 1/29/2024 2:06:48 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
BRENDAN J ALLARD	Individual	Oppose	Written Testimony Only

Comments:

I disagree with this bill.

SB-2892

Submitted on: 1/29/2024 2:08:12 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Haught-Aliotti	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose this bill due to how price-sensitive the typical moped owner is in Hawai'i. A moped is one of the best options for the lower-income/budget-conscious consumer. Adding on this additional fee makes it even harder for those already struggling financially.

Gas-powered mopeds are a great option for anyone looking for an economical and fuel-efficient mode of transportation. Our goal should be to keep them as an affordable mode of transportation. When I was a student at UH Manoa all I was able to afford was a gas-powered moped because of how affordable they are even after purchasing registration. Increasing prices will only make it more difficult for one to afford transportation.

Thank you!

SB-2892

Submitted on: 1/28/2024 11:14:07 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Michael Mikel	Individual	Oppose	Written Testimony Only

Comments:

The electric moped program should be self-sustaining and not funded by combustion engine-powered mopeds sales. Generally, combustion engine-powered mopeds users come from lower income brackets, such as students and workers providing hospitality and other services. Comparatively, electric mopeds cost up to three to four times more than combustion-powered mopeds. Thus combustion engine-powered mopeds are more economically efficient for these groups. Furthermore, electric moped sales has its own rebate program to fund its own initiatives. Combustion engine-powered users should not have to pay for electric-powered mopeds/programs.

SB-2892

Submitted on: 1/29/2024 2:42:15 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Miller	Individual	Support	Written Testimony Only

Comments:

The state needs more tax revenue, and increasing the taxes on the Moped class of vehicles is an appropriate resource. I support the Bill.

SB-2892

Submitted on: 1/29/2024 1:13:06 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Zakkaiah Knowles	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I'm opposing this bill as a college student, I am already tight on money as are many people on this expensive island. Mopeds are a great and easy way to get not just around town but the island. They are also very inexpensive and great on gas milage, I get nearly 100 miles on a full 1 gallon tank. Electric mopeds do not hold a charge well or maybe the batteries are just too small but it's not enough to even get through one day without worrying about being stranded, as well as the repairs taking forever to figure out, the parts being expensive and taking even longer to ship, and the complexity of doing it yourself. With the gas mopeds there are plenty of parts and videos to find online to do it yourself or bringing it into a pro to be fixed up in a couple days or way less time. Please don't add more taxes and fees for stuff we do not want. We do want more/ better designated moped parking areas.

SB-2892

Submitted on: 1/29/2024 9:53:36 AM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Russell Odegaard	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill.

SB-2892

Submitted on: 1/28/2024 10:12:57 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jayanne Palma	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose as a student driving a moped as it will impact my cost of operating a moped in Hawaii even more.

SB-2892

Submitted on: 1/27/2024 1:30:49 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Victor K. Ramos	Individual	Oppose	Written Testimony Only

Comments:

Clearly a discriminatory bill to negatively influence a consumers freedom of choice to purchase a combustion engine moped. In addition, if passed this scheme will be introduced to further penalize consumers purchasing new combustion engine vehicles.

SB-2892

Submitted on: 1/29/2024 2:37:48 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew	Individual	Oppose	Written Testimony Only

Comments:

Due to the cost of living in Hawaii, it's affordable and conveniently better to have gas mopeds. There isn't many outlets in the island to charge an electric moped and some of us can't afford to wait over an hour just to get a quarter battery if we are going to work. Not only that but there are more issues with an electric mopeds than gas. Those that have never owned a moped should try this out and see why everyone on island prefers gas than electric.

SB-2892

Submitted on: 1/29/2024 2:46:43 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because it would make buying a moped more expensive when mopeds are supposed to be a cheaper option for transportation. Especially when electric mopeds are more expensive than most mopeds, it just doesn't seem to be a viable and budget-friendly option yet.

LATE

SB-2892

Submitted on: 1/30/2024 11:25:33 AM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Presley Paras	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill due to the lack of affordable quality electric moped and bike options. The electric industry is severely lacking in this realm of transportation, caused by an expensive upfront cost for something narrowly comparable to an affordable gas powered option. The expensive upfront cost for an electric moped or bike shouldn't be the trouble of the gas powered individuals. Additional fees for the gas powered individuals is unfair to them because they are currently the most economical mode of assisted transportation. If you are in the market for an electric alternative, you should be able to afford the purchase without rebates or sales. This further shows why the electric market is not ready to be adapted into an affordable mode of transportation and should be kept for the more niche group of individuals.

Thank you for allowing me to submit a written testimony.

LATE

SB-2892

Submitted on: 1/30/2024 1:41:54 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Zachery pitzler	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill due to the lack of affordable quality electric moped and bike options. As well as not being part of the gay community.

Thank you for allowing me to submit a written testimony.

LATE

SB-2892

Submitted on: 1/30/2024 1:45:18 PM

Testimony for TCA on 1/30/2024 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kenneth Gabbert	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. As a moped rider and owner it will be unfair that having to pay an additional fee to support electric mopeds. Electric mopeds are not practical as there is no infrastructure in place in order to recharge batteries or swap them out to continue riding. Also with how there tends to be long commutes and folks wanting to ride around the island it is more feasible to use a gas powered moped as they get close to 80-90 miles to the gallon. Electric mopeds have limited range and it costs more to maintain and repair compared to a gas power moped.