

JAN 24 2024

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 further finds that climate change caused by
17 carbon emissions from burning fossil fuels poses a serious



1 threat to the economic well-being, public health, natural
2 resources, and environment of Hawaii. The State has committed
3 to eliminating fossil fuels from the electricity and
4 transportation sectors and achieving negative carbon emissions
5 for Hawaii by 2045. The legislature finds that meeting the
6 State's lower cost of living and clean energy goals necessitates
7 the rapid transition to electric vehicles that utilize local,
8 renewable energy sources. The recently released report by the
9 Hawaii state energy office on Hawaii's pathways to
10 decarbonization noted that on its current path, the State will
11 only achieve a fifty-four per cent reduction in carbon emissions
12 by 2045, well short of the one hundred per cent reduction needed
13 for carbon neutrality.

14 The legislature also finds that electric bicycles are
15 significantly more cost effective for local families and better
16 for the environment than gas powered motor vehicles and can
17 effectively get many Hawaii residents to locations as
18 conveniently as gas powered motor vehicles. The current
19 electric bicycle and moped rebate program, even with minimal
20 promotion and low subsidy, has helped almost three hundred
21 people access electric bikes since its inception. However, its



1 reach has been limited by age restrictions that currently
2 possible for a fifteen year old student to drive a sports car,
3 but not acquire a bicycle through this program.

4 In 2022, Denver's electric bike rebate program providing
5 families with cheaper transit options led to considerable cost
6 savings for Denver families, helped reduce vehicular traffic on
7 crowded roads, and ultimately replaced many trips by car with
8 trips by bike. This meant twenty-two miles a week on average
9 per user, collectively displacing one hundred thousand miles
10 weekly. Ninety-six per cent of respondents said the
11 availability of the rebate made the difference when deciding to
12 buy an electric bike.

13 The purpose of this Act is to:

14 (1) Help reduce the cost of transportation, reduce the
15 cost of living, and reduce traffic on Hawaii's roads
16 by improving the existing electric bicycle and moped
17 rebate program to further encourage the purchase and
18 use of electric bicycles, electric mopeds, and other
19 electric mobility devices; and



1 (2) Update electric mobility device and electric bicycle
2 definitions to align with federal and state policies
3 and programs.

4 SECTION 2. Section 196-2, Hawaii Revised Statutes, is
5 amended by adding two new definitions to be appropriately
6 inserted and to read as follows:

7 ""Electric micro-mobility device" means any ground
8 transportation device such as a standing scooter, skateboard,
9 board riding on a single or double wheels, or similar device
10 which is powered either exclusively by electricity from a
11 battery charged from an external source, or by electricity from
12 a battery charged from an external source in addition to human
13 power, which is designed to transport a single person, with a
14 range exceeding not less than twelve miles and maximum speed of
15 twenty-eight miles per hour, on which a person may reasonably
16 commute to and from regular destinations.

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



- 1 (1) Class 1 electric bicycle, which is an electric bicycle
- 2 equipped with a motor that provides assistance only
- 3 when the rider is pedaling, and that ceases to provide
- 4 assistance when the bicycle reaches the speed of
- 5 twenty miles per hour;
- 6 (2) Class 2 electric bicycle, which is an electric bicycle
- 7 equipped with a motor that may be used exclusively to
- 8 propel the bicycle, and that is not capable of
- 9 providing assistance when the bicycle reaches the
- 10 speed of twenty miles per hour; and
- 11 (3) Class 3 electric bicycle, which is an electric bicycle
- 12 equipped with a motor that provides assistance only
- 13 when the rider is pedaling, and that ceases to provide
- 14 assistance when the bicycle reaches the speed of
- 15 twenty-eight miles per hour."

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

18 "[~~f~~]~~§196-7.8[~~f~~]~~ **Electric [~~bicyele and electric moped~~**
 19 **mobility rebate program; third-party administrator; special**
 20 **fund.** (a) The department of transportation shall administer a
 21 rebate program that incentivizes the purchase of new electric



1 ~~[bicycles and new electric mopeds]~~ mobility devices and may
2 contract with a third-party administrator pursuant to subsection
3 (i) to operate and manage the rebate program.

4 (b) Each eligible purchase of a new electric bicycle, ~~[or]~~
5 new electric moped, or new electric micro-mobility device shall
6 receive a rebate of ~~[either twenty per cent of the retail cost~~
7 ~~or \$500, whichever amount is lower;]~~ \$750; provided that no
8 individual shall receive more than ~~[\$500]~~ \$750 in total rebates
9 each fiscal year~~[-]~~, unless also qualifying for the additional
10 assistance rebate as outlined in (i), in which case the eligible
11 purchase shall receive not more than \$1,500 in total rebates
12 each fiscal year. No non-profit organization shall receive more
13 than \$10,000 in total rebates each fiscal year.

14 (c) The department of transportation shall not issue more
15 than \$700,000 in total rebates under this section each fiscal
16 year; provided that the electric ~~[bicycle and electric moped]~~
17 mobility subaccount within the highway development special fund
18 pursuant to section 264-122(d) contains sufficient funds to pay
19 the rebates. The department of transportation shall not be
20 liable to pay any refund if sufficient funds are unavailable.
21 The department of transportation shall allow valid claims filed



1 by eligible applicants for whom sufficient funds may not be
2 immediately available to receive a rebate as funds may be
3 available in a subsequent year.

4 (d) The department of transportation shall:

- 5 (1) Prepare any forms that may be necessary for an
6 applicant to claim a rebate pursuant to this section;
7 ~~[and]~~
- 8 (2) Require each applicant to furnish reasonable
9 information to ascertain the validity of the claim,
10 including but not limited to the signature of the
11 buyer and individual responsible for the sale on
12 behalf of a retail store at the time of sale, a copy
13 of valid government issued photo identification of the
14 buyer at the time of the sale, receipt of purchase,
15 name and address of the retail store, verification of
16 eligibility, and any other documentation necessary to
17 demonstrate the legitimate purchase of a new electric
18 ~~[bicycle or new electric moped.]~~ mobility device; and
- 19 (3) Prepare a retailer application and portal to provide
20 rebates directly at the point of sale to expedite the
21 rebate process.



1 (e) This section shall apply to new:
2 (1) Electric bicycles [~~capable of speeds of no more than~~
3 ~~twenty-eight miles per hour; and~~];
4 (2) Electric mopeds[~~7~~]; and
5 (3) Electric micro-mobility devices capable of speeds of
6 not more than twenty-eight miles per hour,
7 purchased at a retail store after July 1, 2022.

8 (f) Applicants shall submit an application to the
9 department of transportation within twelve months of the date of
10 purchase to claim a rebate from the electric [~~bicycle and~~
11 ~~electric moped~~] mobility rebate program. Failure to apply
12 within twelve months of the date of purchase shall constitute a
13 waiver of the right to claim the rebate.

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

18 (h) In administering the electric mobility rebate program,
19 the department of transportation shall provide rebates to:

20 (1) Persons who are residents of the State and fifteen
21 years or older, who purchase a new qualifying electric



1 bicycle, electric moped, or electric micro-mobility
2 device; and

3 (2) Non-profit organizations who are registered in the
4 State who purchase one or more new qualifying electric
5 bicycles, electric mopeds, or electric micro-mobility
6 devices.

7 [~~(h)~~] (i) In administering the electric [~~bicycle and~~
8 ~~electric moped~~] mobility rebate program, the department of
9 transportation shall provide [~~rebates~~] an additional assistance
10 rebate in addition to the rebate in subsection (h). The
11 additional assistance rebate shall be \$750 or the full retail
12 amount, whichever amount is lower, to persons [~~eighteen~~] fifteen
13 years or older who:

14 (1) Are eligible for:

15 (A) The Supplemental Nutrition Assistance Program;

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

17 (C) Section 8 of the United States Housing Act of
18 1937, as amended; or

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



1 (2) Do not own a registered motor vehicle with four or
2 more wheels, as demonstrated by an affidavit signed by
3 the applicant at the time of sale of the new electric
4 bicycle [~~or~~], electric moped, or electric micro-
5 mobility device, which may be audited by the
6 department of transportation; or

7 (3) Are enrolled in school, community college, or
8 university.

9 [~~(i)~~] (j) The department of transportation may contract
10 with a third-party administrator to operate and manage the
11 electric [~~bicycle and electric moped~~] mobility rebate program.
12 The third-party administrator shall not be deemed to be a
13 "governmental body" as defined in section 103D-104; provided
14 that all moneys transferred to the third-party administrator
15 shall have been appropriated by the legislature or shall be from
16 moneys provided by the federal government or private funding
17 sources. The third-party administrator shall not expend more
18 than ten per cent of the amounts appropriated for the rebate
19 program, or any other reasonable percentage determined by the
20 department of transportation, for administration, promotion, and



1 reporting of the electric [~~bicycle and electric moped~~] mobility
2 rebate program.

3 (k) The department of transportation shall provide an
4 annual report which shall detail the rebates provided by zip
5 code, amount received, and type of rebate."

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

8 "(d) There is established within the highway development
9 special fund an electric [~~bicycle and electric moped~~] mobility
10 subaccount. The department shall expend moneys in the
11 subaccount for the purposes of funding the electric bicycle and
12 electric moped rebate program established pursuant to section
13 196-7.8."

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect upon its approval.

17

INTRODUCED BY: _____



S.B. NO. 3021

Report Title:

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

Description:

Renames and expands the scope of the Electric Bicycle and
Electric Moped Rebate Program to the Electric Mobility Rebate
Program. Increases the potential rebate amount.

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