

ACT 306

S.B. NO. 3158

A Bill for an Act Relating to Transportation.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to reduce the cost of living and cost of transportation by providing rebates for the purchase and use of electric bicycles and electric mopeds.

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

**“§196- Electric bicycle and electric moped rebate program; third-party administrator; special fund.** (a) The department of transportation shall administer a rebate program that incentivizes the purchase of new electric bicycles and

new electric mopeds and may contract with a third-party administrator pursuant to subsection (i) to operate and manage the rebate program.

(b) Each eligible purchase of a new electric bicycle or new electric moped shall receive a rebate of either twenty per cent of the retail cost or \$500, whichever amount is lower; provided that no individual shall receive more than \$500 in total rebates each fiscal year.

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

(d) The department of transportation shall:

- (1) Prepare any forms that may be necessary for an applicant to claim a rebate pursuant to this section; and
- (2) Require each applicant to furnish reasonable information to ascertain the validity of the claim, including but not limited to the signature of the buyer and individual responsible for the sale on behalf of a retail store at the time of sale, a copy of valid government issued photo identification of the buyer at the time of the sale, receipt of purchase, name and address of the retail store, verification of eligibility, and any other documentation necessary to demonstrate the legitimate purchase of a new electric bicycle or new electric moped.

(e) This section shall apply to new:

- (1) Electric bicycles capable of speeds of no more than twenty-eight miles per hour; and
- (2) Electric mopeds,

purchased at a retail store after July 1, 2022.

(f) Applicants shall submit an application to the department of transportation within twelve months of the date of purchase to claim a rebate from the electric bicycle and electric moped rebate program. Failure to apply within twelve months of the date of purchase shall constitute a waiver of the right to claim the rebate.

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

(h) In administering the electric bicycle and electric moped rebate program, the department of transportation shall provide rebates to persons eighteen years or older who:

- (1) Are eligible for:
  - (A) The Supplemental Nutrition Assistance Program;
  - (B) The free and reduced price lunch program;
  - (C) Section 8 of the United States Housing Act of 1937, as amended; or
  - (D) Similar low-income assistance programs identified by the department of transportation;
- (2) Do not own a registered motor vehicle with four or more wheels, as demonstrated by an affidavit signed by the applicant at the time of sale of the new electric bicycle or electric moped, which may be audited by the department of transportation; or
- (3) Are enrolled in school, community college, or university.

(i) The department of transportation may contract with a third-party administrator to operate and manage the electric bicycle and electric moped rebate program. The third-party administrator shall not be deemed to be a “governmental body” as defined in section 103D-104; provided that all moneys transferred to the third-party administrator shall have been appropriated by the legislature or shall be from moneys provided by the federal government or private funding sources. The third-party administrator shall not expend more than ten per cent of the amounts appropriated for the rebate program, or any other reasonable percentage determined by the department of transportation, for administration of the electric bicycle and electric moped rebate program.”

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

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

- (1) Transfers of county impact fees assessed under part VIII of chapter 46 and this part to pay for state highway improvements;
- (2) Interest from investment of deposits; and
- (3) Legislative and county appropriations.

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

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

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

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

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,100,000 or so much thereof as may be necessary for fiscal year 2022-2023 to be deposited into the electric bicycle and electric moped subaccount established pursuant to section 264-11(d), Hawaii Revised Statutes.

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

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on July 1, 2022.

(Approved July 12, 2022.)

**Note**

1. Edited pursuant to HRS §23G-16.5.