

## Hawaii Electric Vehicle Association

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### **COMMENTS RELATED TO SB 3183 SD2 HD2 - RELATING TO ROAD USAGE CHARGE PROGRAM**

Dear Chair Yamashita, Vice-Chair Kitagawa, and Committee members,

Hawaii Electric Vehicle Association offers **comments** on SB 3183 SD2 HD2 which *“Beginning 7/1/2025, establishes a county mileage-based road usage charge for electric vehicles. Clarifies the collection and disposition of funds of the state and county mileage-based road usage charges. Establishes the maximum state mileage-based road usage charge at \$50 until 6/30/2028.”*

Hawaii EV recognizes that the gas tax funds our road system maintenance and upgrades. As efforts to reduce emissions and VMT take hold, we must transition to a usage-based program to enable sustained maintenance of our critical road infrastructure.

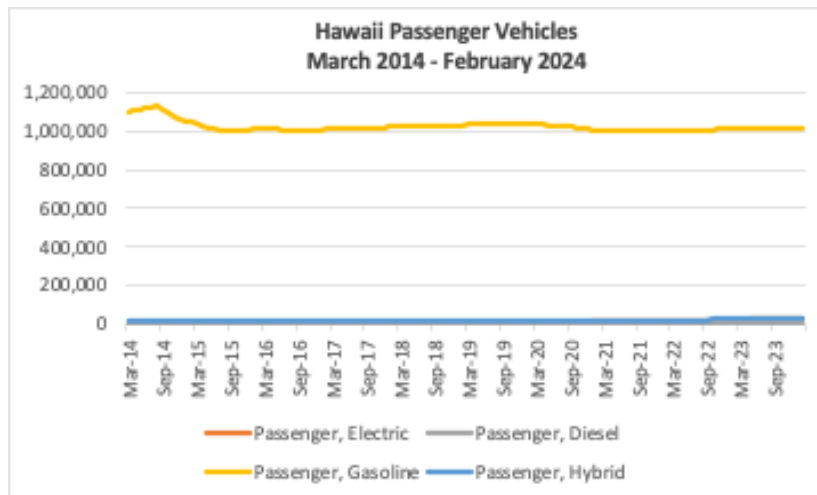
#### **Realities to Consider**

- Fuel efficiency of legacy internal combustion engine (LICE) vehicles have doubled over the last decade<sup>1</sup>. This includes the fuel efficiency of heavier SUVs and trucks. **LICE vehicles travel more miles on each gallon of fuel today. The reduction in fuel tax revenue over the past few years has been mainly a function of improving the fuel efficiency of gas, diesel, and hybrid vehicles.**
- EV adoption in Hawaii is accelerating, but EVs are still a fraction (30,000 (<3%) of 1,081,000 passenger vehicles in our State<sup>2</sup>.

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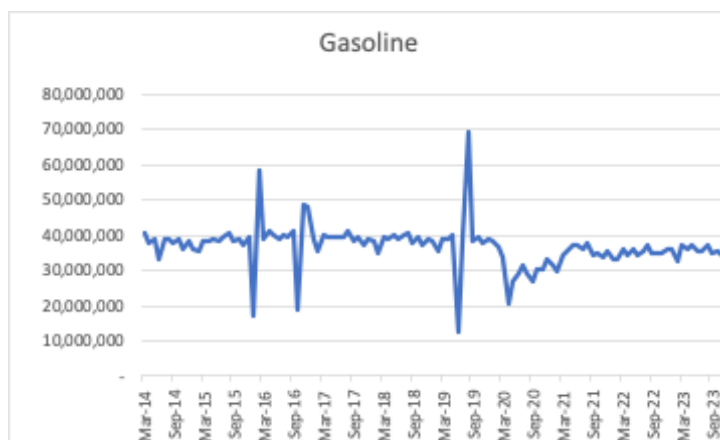
<sup>1</sup> <https://www.epa.gov/newsreleases/epa-report-us-fuel-economy-marks-new-record-high-co2-emissions-reach-record-lows-and>

<sup>2</sup> <https://dbedt.hawaii.gov/economic/energy-trends-2/>



Number of registered Hawaii vehicles by type over the past decade.

- Vehicles purchased today are typically held by consumers for over a decade – **gas vehicles purchased today may continue to be used through 2034.**
- Hawaii’s gasoline consumption has remained **relatively steady at around 36,000,000 gallons per month** for the past few years.



Monthly gasoline consumption in Hawaii over the decade. (Source DBEDT)

- Act 222 (State) Road Use Charge requirements:
  - Starting July 1, 2025, EV owners can pay a fixed \$50 annual registration surcharge OR a \$.008 per-mile road usage fee. Mileage figures will be determined via odometer readings obtained during the vehicle inspections conducted during the registration renewable process.
  - Starting July 1, 2028, the fixed \$50 annual registration surcharge option will be removed, and all EV owners will be subject to the \$.008 per-mile road usage fee.
  - By 2033, the per-mile road usage fee will apply to all passenger cars and light-duty trucks.

SB 3183 SD2 HD2 is a means to extend the Road Use Charge enacted in Act 222 to the Counties and to further enable the transition to a usage-based road use tax. **It, however, is inconsistent with the State's version - it does not address the required transition for all vehicles.**

Importantly, it has the potential for undesired consequences, including an unnecessary perception (“*Own an EV, and you’ll pay more.*”) barrier to our efforts to transition away from fossil fuel vehicles. This contradicts our goals to decarbonize our economy (emission reduction) and minimize our dependence on imported energy (resilience).

Thus, the transition to a road use fee must include all vehicles if the underlying issue is to be properly addressed.

**Recommendation: Accelerate the transition to a road usage charge with a requirement to transition of all light-duty vehicles to a road usage charge by 2028** (or some future date). This will allow the transition to address the underlying road infrastructure funding problem more effectively. It will also be less confusing for constituents as it will focus the requirement for the shift on the underlying need.

Thank you for this opportunity to testify.

Sincerely,



Noel Morin  
President  
Hawaii EV Association

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**Hawaii EV Association** is a grassroots non-profit group representing electric vehicle owners in Hawaii. Our mission is to accelerate the electrification of transportation through consumer education, policy advocacy, and electric vehicle charging infrastructure expansion. For more information, please visit [hawaiiev.org](http://hawaiiev.org).

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