

---

---

# A BILL FOR AN ACT

RELATING TO THE RENTAL MOTOR VEHICLE SURCHARGE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 251-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There is levied and shall be assessed and collected  
4 each month a rental motor vehicle surcharge tax of \$2 a day,  
5 except that for the period of September 1, 1999, to August 31,  
6 [~~2008,~~] 2009, the tax shall be \$3 a day, or any portion of a day  
7 that a rental motor vehicle is rented or leased. The rental  
8 motor vehicle surcharge tax shall be levied upon the lessor;  
9 provided that the tax shall not be levied on the lessor if:

10 (1) The lessor is renting the vehicle to replace a vehicle  
11 of the lessee that is being repaired; and

12 (2) A record of the repair order for the vehicle is  
13 retained either by the lessor for two years for  
14 verification purposes or by a motor vehicle repair  
15 dealer for two years as provided in section 437B-16."

16 SECTION 2. (a) The department of transportation shall  
17 study the financial requirements of the state highway fund, with



1 an emphasis of the adequacy and equity of revenues generated by  
2 one or more revenue sources pursuant to section 251-2, Hawaii  
3 Revised Statutes, compared with other revenue sources  
4 contributing to or that could be contributing to the highway  
5 fund.

6 (b) The study may include discussions and meetings with  
7 representatives of different interest groups and present  
8 contributors of revenues to the highway fund.

9 (c) The study may include a review of:

- 10 (1) Past, present, and projected revenues of the state  
11 highway fund;
- 12 (2) The ability of the department of transportation to  
13 plan, implement, and expend funds on a timely basis;
- 14 (3) An analysis of the actual revenue needs of the  
15 department of transportation;
- 16 (4) Other revenue sources of the state highway fund and  
17 their nexus to the fund; and
- 18 (5) Other governmental matching funds.

19 (d) The study shall include data from the 2000-2001 fiscal  
20 year to the present fiscal year and may include any data,  
21 information, or conclusions by task forces or groups that have  
22 discussed or met in the past to evaluate at least in part the



1 fiscal needs, revenue sources, or viability of the state highway  
2 fund.

3 (e) The department of transportation shall submit a final  
4 report, including proposed legislation for increasing revenue  
5 sources for the state highway fund to meet its ongoing and  
6 future needs, to the legislature no later than twenty days prior  
7 to the convening of the regular session of 2009.

8 SECTION 3. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.



S.B. NO. 2501  
S.D. 2  
H.D. 1

**Report Title:**

Rental Motor Vehicle Surcharge Tax

**Description:**

Extends the \$1 per day surcharge on rental motor vehicles beyond September 1, 2008, and deposits the money into the State Highway Fund. (SB2501 HD1)

SB2501 HD1 HMS 2008-2905

