
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE RENTAL.

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

1 SECTION 1. Section 437D-8.4, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Notwithstanding any law to the contrary, a lessor may
4 visibly pass on to a lessee:

5 (1) The general excise tax attributable to the
6 transaction;

7 (2) The vehicle license and registration fee and weight
8 ~~[taxes, prorated]~~ taxes calculated either:

9 (A) By prorating the annual license and registration
10 fees and weight taxes at 1/365th of the annual
11 ~~[vehicle license and registration fee and weight~~
12 ~~taxes]~~ amount actually paid on the particular
13 vehicle being rented ~~[fee]~~ and adding the
14 prorated amount to each full or partial twenty-
15 four-hour rental day that the vehicle is rented;
16 provided the total of all vehicle license and
17 registration fees and weight taxes charged to all
18 lessees of a single vehicle shall not exceed the



1 annual vehicle license and registration fee and
2 weight taxes actually paid for the particular
3 vehicle rented; or

4 (B) For lessors whose primary business is renting
5 motor vehicles to consumers under contracts for a
6 period of ninety days or less, by calculating a
7 good-faith estimate of the daily rate required by
8 the lessor to recover the actual total cost of
9 annual licensing, registration, and inspection
10 fees and weight taxes and adding that amount to
11 each full or partial twenty-four-hour day that
12 the vehicle is rented; provided that if the total
13 amount collected under this subparagraph in a
14 calendar year exceeds the lessor's actual cost of
15 licensing, registration, and inspection fees and
16 weight taxes for its fleet, the lessor shall
17 retain the excess amount and adjust the estimated
18 daily rate for the following year accordingly;
19 provided further that a lessor subject to this
20 subparagraph may adjust daily rates at any time
21 during the calendar year;



- 1 (3) The rental motor vehicle surcharge tax as provided in
2 section 251-2 attributable to the transaction;
- 3 (4) The county surcharge on state tax under section 46-
4 16.8; provided that the lessor itemizes the tax for
5 the lessee; and
- 6 (5) The rents or fees paid to the department of
7 transportation under concession contracts negotiated
8 pursuant to chapter 102, service permits granted
9 pursuant to title 19, Hawaii Administrative Rules, or
10 rental motor vehicle customer facility charges
11 established pursuant to section 261-7; provided that:
- 12 (A) The rents or fees are limited to amounts that can
13 be attributed to the proceeds of the particular
14 transaction;
- 15 (B) The rents or fees shall not exceed the lessor's
16 net payments to the department of transportation
17 [~~made~~] under the concession contract or service
18 permit;
- 19 (C) The lessor submits to the department of
20 transportation and the department of commerce and
21 consumer affairs a statement, verified by a
22 certified public accountant as correct, that



1 reports the amounts of the rents or fees paid to
2 the department of transportation pursuant to the
3 applicable concession contract or service permit:

4 (i) For all airport locations; and
5 (ii) For each airport location;

6 (D) The lessor submits to the department of
7 transportation and the department of commerce and
8 consumer affairs a statement, verified by a
9 certified public accountant as correct, that
10 reports the amounts charged to lessees:

11 (i) For all airport locations;
12 (ii) For each airport location; and
13 (iii) For each lessee;

14 (E) The lessor includes in [~~these reports~~] the
15 statements required by subparagraphs (C) and (D)
16 the methodology used to determine the amount of
17 fees charged to each lessee; and

18 (F) The lessor submits the [~~above~~] information
19 required by subparagraphs (C) and (D) to the
20 department of transportation and the department
21 of commerce and consumer affairs within three
22 months of the end of the preceding annual



1 accounting period or contract year as determined
2 by the applicable concession agreement or service
3 permit.

4 The respective departments, in their sole discretion,
5 may extend the time to submit the ~~[statement]~~
6 statements required ~~[in this subsection.]~~ by
7 subparagraphs (C) and (D). If the director determines
8 that ~~[an examination of the lessor's information is~~
9 ~~inappropriate]~~ the information submitted by a lessor
10 under this subsection is incorrect and the lessor
11 fails to correct the matter within ninety days, the
12 director may conduct an examination and charge a
13 lessor an examination fee based upon the cost per hour
14 per examiner for evaluating, investigating, and
15 verifying compliance with this subsection, as well as
16 additional amounts for travel, per diem, mileage, and
17 other reasonable expenses incurred in connection with
18 the examination, which shall relate solely to the
19 requirements of this subsection, and which shall be
20 billed by the departments as soon as feasible after
21 the close of the examination. The cost per hour shall
22 be \$40 or as may otherwise be established by rules



1 adopted by the director. The lessor shall pay the
2 amounts billed within thirty days following the
3 billing. All moneys collected by the director shall
4 be credited to the compliance resolution fund."

5 SECTION 2. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 2011;
8 provided that the amendments made to section 437D-8.4, Hawaii
9 Revised Statutes, under section 1 of this Act shall not be
10 repealed when that section is repealed and reenacted on December
11 31, 2022, by section 9 of Act 247, Session Laws of Hawaii 2005.



Report Title:

Motor Vehicle Rentals

Description:

Allows certain lessors whose primary business is to rent motor vehicles to calculate the licensing, registration, and inspection fees and weight taxes passed on to consumers based on a good-faith estimate of actual cost. Effective July 1, 2011.
(HB1240 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

