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# A BILL FOR AN ACT

RELATING TO INSURANCE.

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

1           SECTION 1. Section 431:10C-312, Hawaii Revised Statutes,  
2 is amended to read as follows:

3           "§431:10C-312 Payment of excise tax and certificate of  
4 ownership fee. (a) When a replacement vehicle is provided  
5 under section 431:10C-310 or section 431:10C-311, the insurer  
6 shall pay the applicable general excise tax and ownership fee as  
7 follows:

8           (1) If a cash settlement is provided, and if within thirty  
9 days of the receipt of the settlement by the  
10 insured[7] or third party claimant, the insured or  
11 third party claimant has purchased a vehicle, the  
12 insurer shall reimburse the insured or third party  
13 claimant for the applicable general excise tax and  
14 certificate of ownership fee incurred on account of  
15 the purchase of the vehicle, but not exceeding the  
16 amount payable on account of the value of the total  
17 loss vehicle.



1 (2) If the insured or third party claimant purchases a  
2 vehicle with a market value less than the amount of  
3 the settlement, then the insurer shall reimburse only  
4 the amount of the applicable general excise tax and  
5 certificate of ownership fee incurred by the  
6 insured[-] or third party claimant.

7 (b) If the insured or third party claimant cannot  
8 substantiate the purchase and the payment of the taxes and fee,  
9 by submission to the insurer of appropriate documentation within  
10 thirty-three days after the receipt of settlement, the insurer  
11 shall not be required to reimburse the insured or third party  
12 claimant for the taxes or fee.

13 (c) In lieu of the reimbursement procedure set out in  
14 subsection (a), the insurer may directly pay the required  
15 amounts of general excise taxes and certificate of ownership fee  
16 to the insured or third party claimant at the time of  
17 settlement.

18 (d) Written notice of the payment procedure outlined in  
19 this section shall be communicated to the insured or third party  
20 claimant at the time of settlement, together with any form  
21 required by the insurer for applying for the reimbursement."

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 Statutory material to be repealed is bracketed  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

3 SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

General Excise Tax; Certificate of Ownership Fee; Insurance

**Description:**

Requires motor vehicle insurers to pay the general excise tax and certificate of ownership fee to third party claimants in the same manner as they are paid to an insured in a settlement that provides for a replacement vehicle. (HB2015 HD1)

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

