
A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 249-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "~~§249-2~~ Imposition of tax. Except as otherwise provided
4 in sections 249-1 to [~~249-13,~~] 249-12, and except in the case of
5 antique motor vehicles which shall be subject to an annual tax
6 of \$10 in lieu of the annual tax otherwise imposed by this
7 section, all vehicles and motor vehicles as defined in section
8 249-1, shall be subject to an annual tax [~~, computed, except for~~
9 ~~the minimum tax provided for in section 249-13 according to the~~
10 ~~net weight of each vehicle at a rate determined as hereinafter~~
11 ~~provided in section 249-13.] that shall be calculated as
12 follows:~~

- 13 (1) \$2.80 per \$100 of assessed value for new motor
14 vehicles; and
15 (2) \$2.89 per \$100 of assessed value for used motor
16 vehicles;



1 provided that the assessed value for this calculation shall be
2 sixty per cent of the manufacturer's base retail price reduced
3 by 16.25 per cent for each year since the vehicle was first
4 registered. The tax shall be paid by the owner of each vehicle
5 in the county in which the vehicle is located at the time of
6 registration, whether the original registration or any
7 subsequent registration, and shall be collected by the director
8 of finance of such county; provided that if a vehicle is
9 transported to another county after the payment of the tax, no
10 additional tax shall be imposed on the vehicle for the remaining
11 period of the year for which the tax has been paid."

12 SECTION 2. Section 249-4, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "§249-4 Exemptions for new vehicles and official vehicles.
15 All new vehicles, otherwise taxable under sections 249-1 to
16 [~~249-13,7~~] 249-12, in stock for purposes of sale, shall be exempt
17 from the tax herein provided, and number plates for all these
18 vehicles may be issued as now and hereafter provided by
19 ordinance of the county. All motor vehicles owned or leased for
20 twelve months or longer by the State or any county and all motor
21 vehicles and motorcycles owned or leased for twelve months or



1 longer by police officers of the State or any county that
2 actually are used by them in their travel on official business
3 shall be exempt from the tax herein provided, and number plates
4 for all these vehicles may be issued as provided by ordinance of
5 the county; provided that the director of finance may charge the
6 State an amount equal to the cost to the county of the number
7 plates issued to the State."

8 SECTION 3. Section 249-5.5, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

10 "(a) All vehicles taxable under sections 249-1, 249-2,
11 249-4 and 249-6 to [~~249-13,~~] 249-12, which are stored so that
12 they are not used for transportation, or for the other purposes
13 covered by section 249-2, shall be exempt from the tax for the
14 period of storage; provided that the owner of each vehicle shall
15 first present to the director of finance a signed statement of
16 the fact of the storage, together with other relevant facts as
17 may be required by the director of finance and shall surrender
18 the last issued certificate of registration, license plates, and
19 emblem for the vehicle. If the affidavit, certificate of
20 registration, license plates, and emblem are presented to the
21 director of finance after the expiration of the vehicle's



1 registration period, then the unpaid tax for each month the
2 license plates could have been validated with an emblem plus the
3 fee for the currently issued license plates and emblem shall be
4 paid in full upon presenting the affidavit."

5 SECTION 4. Section 249-9, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) The number plates hereinabove referred to shall be
8 used upon all vehicles for which a tax has been paid pursuant to
9 sections 249-1 to [~~249-13.~~] 249-12. All such plates shall:

- 10 (1) Bear the word "Hawaii" along the upper portion of the
11 plate and the words "Aloha State" along the lower
12 portion of the plate;
- 13 (2) Have a distinct contrast between the color of the
14 plate and the numerals and letters thereon; and
- 15 (3) Be of such shape, size, and color, and with such
16 arrangements of letters and numbers as may, subject to
17 sections 249-1 to [~~249-13,~~] 249-12, be determined by
18 the directors of finance of each county through
19 majority consent.

20 The numerals on all such plates shall be not less than three
21 inches in height and the strokes thereof not less than three-



1 eighths inch in width, except in the case of motorcycles, in
2 which case the numerals shall not be less than one inch in
3 height and the strokes thereof not less than one-eighth inch in
4 width.

5 The director of finance of the city and county of Honolulu
6 shall contract annually on behalf of the counties for the
7 purchase of all number plates, tags, or emblems required. The
8 council of each county shall appropriate and cause to be paid
9 over to the party with whom the director of finance of the city
10 and county of Honolulu shall contract, or to the director of
11 finance of the city and county of Honolulu as the director may
12 direct, such sum or sums as the director of finance of the city
13 and county of Honolulu shall determine to be the county's
14 proportionate share of the expense of such contract and the
15 charges connected therewith. The contract shall be made by the
16 director of finance of the city and county of Honolulu as agent
17 of the several counties, and the proportionate liability of each
18 county shall be stated in the contract. Notwithstanding any
19 other provision of the law, the contract shall constitute a
20 valid obligation of each county for its proportionate share."



1 SECTION 5. Section 249-10, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Any tax imposed by sections 249-1 to [~~249-13~~] 249-12
4 for any year and not paid when due, shall become delinquent and
5 a penalty shall be added to, and become part of, the delinquent
6 tax. The amount of the delinquency penalty shall be established
7 by the county's legislative body. If the date that the tax is
8 due is a Saturday, Sunday, or legal holiday, the tax shall
9 become delinquent at the end of the next day that is not a
10 Saturday, Sunday, or legal holiday. The director of finance may
11 require the payment of any delinquent tax and penalty as a
12 condition precedent to the registration, renewal, or transfer of
13 ownership of such vehicle. Any vehicle not having the number
14 plates required by sections 249-1 to [~~249-13,~~] 249-12, or any
15 vehicle upon which taxes are delinquent as provided in this
16 section, may be seized, wherever found, by the director of
17 finance or by any police officer, and held for a period of ten
18 days, during which time the vehicle shall be subject to
19 redemption by its owner by payment of the taxes due, together
20 with the delinquent penalties and the cost of storage and other
21 charges incident to the seizure of the vehicle. The director of



1 finance, chief of police, or any police officer shall be deemed
2 to have seized and taken possession of any vehicle, after having
3 securely sealed it where located and posted a notice upon the
4 vehicle, setting forth the fact that it has been seized for
5 taxes and warning all other persons from molesting it under
6 penalty provided by section 249-11."

7 SECTION 6. Section 249-11, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) Any person who manufactures, sells, or distributes
10 vehicle number plates, tags, or emblems of a design and size
11 similar to the currently issued series of number plates, tags,
12 or emblems authorized by the director of finance, or who
13 attaches to and uses on any vehicle plates, tags, or emblems not
14 furnished in accordance with sections 249-1 to [~~249-13~~] 249-12
15 or 286-53, or who fraudulently uses such number plates, tags, or
16 emblems upon any vehicle other than the one for which the number
17 plates, tags, or emblems were issued, or who molests or disturbs
18 any vehicle which has been seized pursuant to sections 249-1 to
19 [~~249-13~~] 249-12, or any person who knowingly uses a motor
20 vehicle, the tax upon which is delinquent, upon public highways
21 of this State, or any director of finance who issues a



1 certificate of registration or number plates, tags, or emblems
2 to any person who has not paid the tax required by sections 249-
3 1 to [~~249-13,~~] 249-12, or any person who violates any of the
4 provisions of such sections, shall be fined not more than \$500."

5 SECTION 7. Section 286-51, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

7 "(b) This part shall be administered by the director of
8 finance in conjunction with the requirements of sections 249-1
9 to [~~249-13~~] 249-12 and shall entail no additional expense or
10 charge to the person registering the ownership of a motor
11 vehicle other than as provided by this section or by other laws;
12 provided that for each new certificate of ownership issued by
13 the director of finance under section 286-52, the director of
14 finance may charge a fee which shall be deposited in the general
15 fund. The fees charged to issue a new certificate of ownership
16 shall be established by the county's legislative body.

17 Notwithstanding any other law to the contrary, an
18 additional fee of not more than \$1 for each certificate of
19 registration for a U-drive motor vehicle and \$2 for each
20 certificate of registration for all other motor vehicles may be
21 established by ordinance and collected annually by the director



1 of finance of each county, to be used and administered by each
2 county:

3 (1) For the purpose of beautification and other related
4 activities of highways under the ownership, control,
5 and jurisdiction of each county; and

6 (2) To defray the additional cost in the disposition and
7 other related activities of abandoned or derelict
8 vehicles as prescribed in chapter 290. For the
9 purposes of this paragraph, other related activities
10 shall include but need not be limited to any and all
11 storage fees that are negotiated between each county
12 and a towing company contracted by the county to
13 remove and dispose of abandoned or derelict vehicles.

14 The \$2 fee established pursuant to this subsection for
15 certificates of registration for motor vehicles other than U-
16 drive motor vehicles may be increased by ordinance up to a
17 maximum of \$10; provided that all amounts received from any fee
18 increase over \$2 shall be expended only for the purposes of
19 paragraph (2). The moneys so assessed and collected shall be
20 placed in a revolving fund entitled, "the highway beautification
21 and disposal of abandoned or derelict vehicles revolving fund".



1 SECTION 8. Section 291E-1, Hawaii Revised Statutes, is
2 amended by amending the definition of "number plates" to read as
3 follows:

4 "Number plates" refer to the number plates or special
5 number plates, which are commonly known as license plates, that
6 are issued under sections 249-9, 249-9.1, 249-9.2, and 249-9.3
7 and that are required to be attached on a motor vehicle pursuant
8 to sections 249-1 to ~~[249-13.]~~ 249-12."

9 SECTION 9. Section 249-13, Hawaii Revised Statutes, is
10 repealed.

11 ~~["§249-13 Determination of rate. (a) The council shall~~
12 ~~determine the rate and the minimum tax at which all vehicles and~~
13 ~~motor vehicles in each respective county shall be taxed as~~
14 ~~provided by section 249-2. In making the determination, the~~
15 ~~rate and minimum tax on trucks or noncommercial motor vehicles~~
16 ~~shall be in accordance with subsection (b). The rate and~~
17 ~~minimum tax shall be established by ordinance, provided that~~
18 ~~prior to final action thereon a public hearing shall be held on~~
19 ~~the proposed rate. Public notice of the time and place of the~~
20 ~~hearing shall be given at least ten days prior to the hearing in~~
21 ~~the county. After the public hearing the council may fix the~~



1 ~~rate and the minimum tax at any amount deemed necessary, but the~~
2 ~~rate and the minimum shall not be higher than that originally~~
3 ~~proposed when the notice of public hearing was given. Any rate~~
4 ~~and minimum tax so established shall be effective as of January~~
5 ~~1 of the year following the date of enactment of the ordinance.~~

6 ~~(b) The rate and minimum tax for a truck or noncommercial~~
7 ~~motor vehicle shall be the same as provided for a passenger~~
8 ~~vehicle if:~~

9 ~~(1) The truck or noncommercial motor vehicle has a net~~
10 ~~weight of six thousand five hundred pounds or less;~~
11 ~~and~~

12 ~~(2) The owner submits proof to the director of finance~~
13 ~~that the truck or noncommercial motor vehicle is not~~
14 ~~being operated for compensation or commercial~~
15 ~~purposes.~~

16 ~~(c) Any person who submits proof under subsection (b) to~~
17 ~~the director of finance knowing that it is false shall be guilty~~
18 ~~of a petty misdemeanor."]~~

19 SECTION 10. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.



H.B. NO. 1935

1 SECTION 11. This Act shall take effect upon its approval.

2

INTRODUCED BY: *Jakobson*
JAN 22 2016



H.B. NO. 1935

Report Title:

County Vehicle Tax; Ad Valorem Tax

Description:

Bases the annual county vehicle tax on the assessed value of a vehicle rather than a vehicle's weight.

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

