
A BILL FOR AN ACT

RELATING TO VEHICLE REGISTRATION.

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

1 SECTION 1. The legislature finds that the annual taxes and
2 fees collected when non-new motor vehicles are registered can
3 have a dire impact on low-income individuals. These individuals
4 may not be able to pay the taxes and fees in one lump sum, which
5 can reach hundreds of dollars.

6 The purpose of this Act is to address the financial
7 disparity imposed on low-income individuals by providing them
8 with the option of paying associated motor vehicle registration
9 taxes and fees on a monthly installment basis.

10 SECTION 2. Chapter 249, Hawaii Revised Statutes, is
11 amended by adding a new section to be appropriately designated
12 and to read as follows:

13 "§249- Registration; financial hardship; fee; taxes.

14 (a) Notwithstanding any provision of this chapter to the
15 contrary, in the case of a person who qualifies to apply for and
16 does register to remit a monthly registration installment fee
17 for the person's motor vehicle registration pursuant to section



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1 286- , the annual taxes and fees levied under this chapter
 2 shall be prorated and paid at the time of each monthly
 3 installment for motor vehicle registration.

4 (b) No interest shall be assessed based on the fact that
 5 the taxes and fees are paid on a monthly basis."

6 SECTION 3. Chapter 286, Hawaii Revised Statutes, is
 7 amended by adding a new section to part III to be appropriately
 8 designated and to read as follows:

9 "§286- Registration; financial hardship. (a) A person
 10 who would normally be required to apply for and obtain a
 11 registration of a motor vehicle under this part may pay for the
 12 person's motor vehicle registration fee on a monthly installment
 13 basis; provided that the person demonstrates to the director of
 14 finance's satisfaction that the person suffers from a financial
 15 hardship that prevents the person from paying the fees and taxes
 16 required for an annual registration in one lump sum.

17 (b) A determination of financial hardship made pursuant to
 18 subsection (a) shall be valid for one year, and any subsequent
 19 request by a person to qualify for the monthly installment
 20 payment plan authorized under this section must be reauthorized
 21 by the director of finance on an annual basis.



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1 (c) The director of finance may elect to issue to a person
 2 registering a vehicle pursuant to this section certificates of
 3 registration and corresponding tags or emblems of one month in
 4 duration to ensure timely installment payments from the
 5 registrant."

6 SECTION 4. Section 249-10, Hawaii Revised Statutes, is
 7 amended to read as follows:

8 **"§249-10 Delinquent penalties; seizure and sale for tax.**

9 (a) [Any] Subject to subsection (d), any tax imposed by
 10 sections 249-1 to 249-13 for any year and not paid when due,
 11 shall become delinquent and a penalty shall be added to, and
 12 become part of, the delinquent tax. The amount of the
 13 delinquency penalty shall be established by the county's
 14 legislative body. If the date that the tax is due is a
 15 Saturday, Sunday, or legal holiday, the tax shall become
 16 delinquent at the end of the next day that is not a Saturday,
 17 Sunday, or legal holiday. The director of finance may require
 18 the payment of any delinquent tax and penalty as a condition
 19 precedent to the registration, renewal, or transfer of ownership
 20 of such vehicle. Any vehicle not having the number plates
 21 required by sections 249-1 to 249-13, or any vehicle upon which



1 taxes are delinquent as provided in this section, may be seized,
2 wherever found, by the director of finance or by any police
3 officer, and held for a period of ten days, during which time
4 the vehicle shall be subject to redemption by its owner by
5 payment of the taxes due, together with the delinquent penalties
6 and the cost of storage and other charges incident to the
7 seizure of the vehicle. The director of finance, chief of
8 police, or any police officer shall be deemed to have seized and
9 taken possession of any vehicle, after having securely sealed it
10 where located and posted a notice upon the vehicle, setting
11 forth the fact that it has been seized for taxes and warning all
12 other persons from molesting it under penalty provided by
13 section 249-11.

14 (b) All vehicles seized and sealed shall remain at the
15 place of seizure or at any other place that the director of
16 finance may direct, at the expense and risk of the owner. If
17 the owner of the vehicle fails to redeem it within ten days
18 after seizure, the vehicle may be sold by the director of
19 finance at public auction to the highest bidder for cash, after
20 giving ten days public notice in the county and by posting
21 notices in at least three public places in the district where



1 the vehicle was seized; provided that the requirements of public
2 auction may be waived when the appraised value of any vehicle is
3 less than \$250 as determined by the director of finance or
4 authorized representative, in which case the vehicle may be
5 disposed of in the same manner as when a vehicle is put up for
6 public auction and for which no bid is received. The amount
7 realized at the sale, less the amount of the tax and penalty
8 due, together with all costs incurred in giving public notice,
9 storing, and selling the vehicle and all other charges incident
10 to the seizure and sale, shall be paid to the owner of the
11 vehicle. If no claim for the surplus is filed with the director
12 of finance within sixty days from the date of the sale, the
13 surplus shall be paid into the county treasury as a government
14 realization and all claim to that sum shall thereafter be
15 forever barred.

16 (c) The owner of any antique motor vehicle shall be exempt
17 from the tax and delinquent penalty imposed under this chapter
18 for the entire period of nonuse; provided that the owner of the
19 antique motor vehicle shall first present to the director of
20 finance a signed and sworn certificate attesting to the antique
21 motor vehicle's period of nonuse.



1 (d) In the case of a person who, under section 249- (a),
2 is authorized to obtain a monthly installment payment plan for
3 the registration of a motor vehicle and pay any tax imposed by
4 sections 249-1 to 249-13 relating to that registration on a
5 monthly basis, the delinquency penalty, if the person fails to
6 timely pay the monthly portion of the tax due, shall be one-
7 twelfth of the delinquency penalty that would be applied to a
8 person required to register the same motor vehicle on an annual
9 basis."

10 SECTION 5. Section 249-34, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "~~§249-34 Delinquent penalties; seizure and sale for tax~~
13 ~~and fee.~~ Any tax or fee imposed under sections 249-31 and
14 249-33 for any year, or imposed under section 249- for any
15 month, and not paid when due shall be subject to the penalties
16 provided in section 249-10."

17 SECTION 6. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.



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1 SECTION 7. This Act shall take effect on July 1, 2019.

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Report Title:

Motor Vehicles; Registration; Hardship; Director of Finance;
Monthly Installments

Description:

Provides individuals who have demonstrated financial hardship with the option of paying for the registration of their motor vehicles and associated taxes and fees on a monthly basis.

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