

JAN 23 2020

A BILL FOR AN ACT

RELATING TO ABANDONED VEHICLES.

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

1 SECTION 1. The legislature finds that according to the
2 county mayors, the problem of derelict motor vehicles abandoned
3 on Hawaii's roads and highways has become an epidemic. The
4 legislature recognizes that the high cost of motor vehicle
5 registration fees is a primary contributor to the abandonment of
6 motor vehicles in the State. The legislature believes that a
7 statewide redemption center program for motor vehicles will
8 prevent further abandonment of motor vehicles in the State.

9 Accordingly, the purpose of this Act is to:

- 10 (1) Establish a motor vehicle redemption program for motor
11 vehicles to be disposed of at motor vehicle redemption
12 centers in exchange for a refund;
- 13 (2) Impose a motor vehicle redemption fee on all motor
14 vehicles sold on or after July 1, 2020; and
- 15 (3) Establish a motor vehicle redemption special fund.



1 SECTION 2. The Hawaii Revised Statutes is amended by
2 adding a new chapter to title 17 to be appropriately designated
3 and to read as follows:

4 "CHAPTER

5 MOTOR VEHICLE REDEMPTION PROGRAM

6 § -1 Definitions. As used in this chapter:

7 "Dealer" has the same meaning as in section 437-1.1.

8 "Department" means the department of transportation.

9 "Motor vehicle" has the same meaning as in section 249-1.

10 "Redeemer" means a person, other than a dealer, who demands
11 the refund value for a motor vehicle intended to be disposed of
12 pursuant to this chapter.

13 "Redemption center" means an operation that:

14 (1) Accepts from consumers and provides the refund value
15 for motor vehicles intended to be disposed of; and

16 (2) Ensures that the motor vehicles are properly disposed
17 of.

18 § -2 Motor vehicle redemption fee. (a) Every motor
19 vehicle purchased in the State on or after July 1, 2020, shall
20 be subject to a motor vehicle redemption fee to be computed



1 according to the net weight of the motor vehicle at a rate of
2 ten cents per pound.

3 (b) At the time of purchase of a motor vehicle, the dealer
4 shall:

5 (1) Assess and collect the motor vehicle redemption fee;
6 and

7 (2) Pay the collected motor vehicle redemption fee to the
8 department.

9 (c) The department shall deposit all moneys collected
10 pursuant to this section into the motor vehicle redemption
11 special fund.

12 **§ -3 Motor vehicle redemption special fund.** (a) There
13 is established a motor vehicle redemption special fund into
14 which shall be deposited motor vehicle redemption fees paid to
15 the department pursuant to section -2.

16 (b) Moneys in the special fund shall be expended by the
17 department to administer the motor vehicle redemption program.

18 **§ -4 Redemption of motor vehicles.** Each redemption
19 center shall:



1 (1) Determine the refund value for the motor vehicle to be
2 redeemed according to the net weight of the motor
3 vehicle at a rate of ten cents per pound;

4 (2) Pay to the redeemer the full refund value for the
5 redeemed motor vehicle; provided that the department
6 shall reimburse each redemption center from the motor
7 vehicle redemption special fund for all refund values
8 paid by the redemption center; and

9 (3) If the applicable county has not contracted with the
10 redemption center to provide motor vehicle disposal
11 services pursuant to section -5, transport the
12 redeemed motor vehicle to the applicable county
13 disposal facility.

14 **§ -5 Counties; disposal.** Each county shall:

15 (1) Provide motor vehicle disposal services; or

16 (2) Contract, subject to chapter 103D, with one or more
17 entities, including dealers, to operate redemption
18 centers and provide motor vehicle disposal services,

19 on each island in the county."

20 SECTION 3. There is appropriated out of the general

21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2020-2021 to be
2 deposited into the motor vehicle redemption special fund.

3 SECTION 4. There is appropriated out of the motor vehicle
4 redemption special fund the sum of \$ or so much
5 thereof as may be necessary for fiscal year 2020-2021 for the
6 counties to comply with the new mandates imposed under this Act.

7 The sum appropriated shall be expended by the counties for
8 the purposes of this Act, in the following amounts:

- 9 City and county of Honolulu \$
- 10 County of Hawaii \$
- 11 County of Kauai \$
- 12 County of Maui \$.

13 SECTION 5. The legislature finds that the appropriations
14 to the counties under sections 3 and 4 satisfies requirements
15 under article VIII, section 5, of the state constitution
16 regarding the sharing of costs for state-imposed mandates to the
17 counties.

18 SECTION 6. This Act shall take effect upon its approval.

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S.B. NO. 2822

Report Title:

Department of Transportation; Counties; Motor Vehicles; Motor Vehicle Redemption Program; Motor Vehicle Redemption Special Fund; Fees; Refunds; Appropriation

Description:

Establishes a motor vehicle redemption program for used motor vehicles to be redeemed in exchange for a refund. Imposes a motor vehicle redemption fee on all motor vehicles sold on or after 7/1/2020. Establishes a motor vehicle redemption special fund. Appropriates funds.

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