

JAN 18 2023

---

---

# A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1           SECTION 1. Chapter 286, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4                   "PART       .   ZERO NET VEHICLE GROWTH POLICY

5           §286-       Zero net vehicle growth policy; established. (a)

6 Notwithstanding any law to the contrary, beginning  
7 January 1,       , there shall be established a zero net vehicle  
8 growth policy in the State. The zero net vehicle growth policy  
9 shall ensure that the number of vehicles in the State does not  
10 exceed the vehicle threshold for the State established pursuant  
11 to subsection (b), and shall prohibit the importation of a  
12 vehicle into the State, unless:

13           (1) The dealer or individual importing the vehicle  
14               demonstrates proof that an existing vehicle in the  
15               State was recycled, destroyed, or transported out of  
16               the State; and



1           (2) The importation of the vehicle by the dealer or  
2           individual does not cause the total number of vehicles  
3           in the State to exceed the vehicle threshold for the  
4           State established pursuant to subsection (b).

5           (b) The vehicle threshold for the State shall be based on  
6           the number of registered vehicles in the State as of  
7           January 1,           ; provided that the vehicle threshold shall not  
8           include:

- 9           (1) Authorized emergency vehicles;
- 10          (2) Military vehicles; and
- 11          (3) Official federal, state, and county vehicles.

12          (c) This part shall not apply to:

- 13          (1) Authorized emergency vehicles;
- 14          (2) Military vehicles;
- 15          (3) Official federal, state, and county vehicles; and
- 16          (4) The interisland shipping of vehicles pursuant to  
17          section 286-271.

18          (d) The department of transportation, to the extent  
19          possible, shall coordinate state efforts to develop markets for  
20          recycled vehicles. The department of transportation shall



1 coordinate market activities with the counties and clarify their  
2 respective roles and responsibilities.

3 (e) The department of transportation shall adopt rules  
4 pursuant to chapter 91 to carry out the purposes of this part.

5 (f) For the purposes of this section:

6 "Authorized emergency vehicle" has the same meaning as  
7 defined in section 291C-1.

8 "Dealer" has the same meaning as defined in section  
9 437-1.1."

10 SECTION 2. Section 238-9.5, Hawaii Revised Statutes, is  
11 amended to read as follows:

12 "§238-9.5 Motor vehicle importation; report by dealers;  
13 proof of payment[-]; proof of compliance with zero net vehicle  
14 growth policy. (a) Every dealer, as defined in section

15 437-1.1, shall submit a report to the director, on or before the  
16 last day of each calendar month, for all motor vehicles  
17 delivered by the dealer in the prior month as a courtesy  
18 delivery. The report shall contain the name and address of the  
19 dealer making the courtesy delivery, name and address of the  
20 seller of the vehicle, type of motor vehicle, the landed value  
21 of the vehicle, the name and address of the purchaser or



1 importer, the date of importation, proof of compliance with the  
2 zero net vehicle growth policy established pursuant to  
3 part of chapter 286, and other information relevant to the  
4 courtesy delivery as requested by the director.

5 As used in this section, "courtesy delivery" means the  
6 preparation for delivery and the delivery by a dealer of a motor  
7 vehicle imported into the State by a person who purchased the  
8 motor vehicle from an out-of-state motor vehicle manufacturer or  
9 an out-of-state dealer and does not apply to motor vehicles sold  
10 by the in-state dealer.

11 (b) The director of taxation shall prepare forms necessary  
12 for individuals importing motor vehicles into the State to prove  
13 payment of the use tax necessary to register the motor  
14 vehicle[-] and compliance with the zero net vehicle growth  
15 policy pursuant to part of chapter 286."

16 SECTION 3. Section 286-41, Hawaii Revised Statutes, is  
17 amended by amending subsection (d) to read as follows:

18 "(d) The owner of every motor vehicle of the current,  
19 previous, and subsequent year model bought out-of-state,  
20 subsequently brought into the State, and subject to the use tax  
21 under chapter 238 shall provide with the application for



1 registration proof of payment of the use tax pursuant to  
2 requirements established by the department of taxation[-] and  
3 proof of compliance with the zero net vehicle growth policy  
4 pursuant to part \_\_\_\_\_ of chapter 286. No registration  
5 certificate shall be issued without proof of payment of the use  
6 tax[-] and proof of compliance with the zero net vehicle growth  
7 policy."

8 SECTION 4. Section 437-3, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§437-3 Prohibited acts for dealer or auction.** No dealer  
11 or auction shall sell or bring or cause to be brought into this  
12 State for purposes of sale any new motor vehicle for which  
13 [~~the~~]:

- 14 (1) The dealer or auction is not franchised[-]; and  
15 (2) The dealer or auction has not demonstrated proof of  
16 compliance with the zero net vehicle growth policy  
17 pursuant to part \_\_\_\_\_ of chapter 286."

18 SECTION 5. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20





# S.B. NO. 135

**Report Title:**

Zero Net Vehicle Growth Policy; Dealers; Import

**Description:**

Beginning January 1, \_\_\_\_\_, establishes a zero net vehicle growth policy in the State to ensure that the number of vehicles in the State does not exceed the vehicle threshold. Prohibits the importation of a vehicle into the State unless the dealer or individual importing the vehicle demonstrates proof that an existing vehicle in the State was recycled, destroyed, or transported out of the State and the importation of the vehicle does not cause the total number of vehicles in the State to exceed the vehicle threshold. Requires proof of compliance for dealers and individuals importing vehicles into the State.

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

