
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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 Hawaii's residents, who may not be able to
4 pay the taxes and fees, which can reach hundreds of dollars, in
5 one lump sum. The legislature further finds that Hawaii has a
6 high cost of living and steps taken to alleviate this concern
7 will greatly benefit the State's residents. Allowing vehicle
8 registration taxes and fees to be paid biannually will aid low-
9 income residents struggling to keep up with Hawaii's high cost
10 of living, reduce the number of illegal cars on the road, and
11 reduce the number of abandoned vehicles in the State.

12 The purpose of this Act is to provide Hawaii's residents
13 with the option of paying motor vehicle registration taxes and
14 fees on a biannual basis, allowing people to pay their
15 registration with two monetary installments every six months in
16 a twelve-month period.



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

4 "§249- Registration; fee; taxes. (a) Notwithstanding
5 any provision of this chapter to the contrary, all persons may
6 request a biannual registration installment fee schedule for the
7 person's motor vehicle registration pursuant to section 286- ,
8 the annual taxes and fees levied under this chapter shall be
9 prorated and paid at the time of each biannual installment for
10 motor vehicle registration.

11 (b) No interest shall be assessed based on the fact that
12 the taxes and fees are paid on a biannual basis."

13 SECTION 3. Chapter 286, Hawaii Revised Statutes, is
14 amended by adding a new section to be appropriately designated
15 and to read as follows:

16 "§286- Biannual registration. (a) A person who would
17 normally be required to apply for and obtain a registration of a
18 motor vehicle under this part may pay for the person's motor
19 vehicle registration fee on a biannual installment basis.

20 (b) The director of finance may elect to issue to a person
21 registering a vehicle pursuant to this section certificates of



1 registration and corresponding tags or emblems of six months in
2 duration to ensure timely installment payments from the
3 registrant."

4 SECTION 4. Section 249-5.5, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) All vehicles taxable under sections 249-1, 249-2,
7 249-4 and 249-6 to 249-13, which are stored so that they are not
8 used for transportation, or for the other purposes covered by
9 section 249-2, shall be exempt from the tax for the period of
10 storage; provided that the owner of each vehicle shall first
11 present to the director of finance a signed statement of the
12 fact of the storage, together with other relevant facts as may
13 be required by the director of finance and shall surrender the
14 last issued certificate of registration, license plates, and
15 emblem for the vehicle. If the affidavit, certificate of
16 registration, license plates, and emblem are presented to the
17 director of finance after the expiration of the vehicle's
18 registration period, then the unpaid tax for each month the
19 license plates could have been validated with an emblem plus the
20 fee for the currently issued license plates and emblem shall be



1 paid in full upon presenting the affidavit[-]; provided that the
2 amount of unpaid tax due shall not exceed twelve months."

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

5 **"§249-10 Delinquent penalties; seizure and sale for tax.**

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



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

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



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

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



1 (d) If a person who has opted to pay a motor vehicle
 2 registration fee on a biannual basis as authorized under section
 3 249- fails to timely pay the biannual portion of the tax due,
 4 the delinquency penalty shall be one-half of the delinquency
 5 penalty that would be applied to a person required to register
 6 the same motor vehicle on an annual basis."

7 SECTION 6. Section 249-34, Hawaii Revised Statutes, is
 8 amended to read as follows:

9 "**§249-34 Delinquent penalties; seizure and sale for tax**
 10 **and fee.** Any tax or fee imposed under sections 249-31 and 249-
 11 33 for any year, or imposed under section 249- for any
 12 biannual installment period, and not paid when due shall be
 13 subject to the penalties provided in section 249-10."

14 SECTION 7. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 8. This Act shall take effect on July 1, 2024.

17

INTRODUCED BY: 
 JAN 19 2024



H.B. NO. 2120

Report Title:

Motor Vehicle Registration; Biannual Basis; Penalties

Description:

Provides Hawaii residents with the option of paying for the registration of their motor vehicles and associated taxes and fees on a biannual basis. Restricts the amount of delinquency tax due to the current tax due plus one year. Removes language allowing storage costs and costs incident to seizure of a vehicle from inclusion in the amount the owner of a vehicle must pay in order to redeem the vehicle after seizure.

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