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# A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1           SECTION 1. Section 249-5.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3           "(a) All vehicles taxable under sections 249-1, 249-2,  
4 249-4, and 249-6 to 249-13, [~~which~~] that are stored so that they  
5 are not used for transportation, or for the other purposes  
6 covered by section 249-2, shall be exempt from the tax for the  
7 period of storage; provided that the owner of each vehicle shall  
8 first present to the director of finance a signed statement of  
9 the fact of the storage, together with other relevant facts as  
10 may be required by the director of finance and shall surrender  
11 the last issued certificate of registration, license plates, and  
12 emblem for the vehicle. If the affidavit, certificate of  
13 registration, license plates, and emblem are presented to the  
14 director of finance after the expiration of the vehicle's  
15 registration period, then the unpaid tax for each month the  
16 license plates could have been validated with an emblem plus the  
17 fee for the currently issued license plates and emblem shall be



1 paid in full upon presenting the affidavit[-], unless the  
2 vehicle is being stored pursuant to section 249-10(a)."

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

5 "(a) Any tax imposed by sections 249-1 to 249-13 for any  
6 year and not paid when due, shall become delinquent and a  
7 penalty shall be added to, and become part of, the delinquent  
8 tax. The amount of the delinquency penalty shall be established  
9 by the county's legislative body. If the date that the tax is  
10 due is a Saturday, Sunday, or legal holiday, the tax shall  
11 become delinquent at the end of the next day that is not a  
12 Saturday, Sunday, or legal holiday. The director of finance may  
13 require the payment of any delinquent tax and penalty as a  
14 condition precedent to the registration, renewal, or transfer of  
15 ownership of [~~sueh~~] the vehicle[-]; provided that, beginning on  
16 July 1, 2025, the payment of any delinquent tax and penalty as a  
17 condition precedent to the transfer of ownership of the vehicle  
18 shall be limited to the aggregate amount of delinquent taxes and  
19 penalties accumulated by the previous registered owner over the  
20 preceding five-year period; provided further that a current  
21 odometer reading as measured against the mileage from the last



1 documented registration confirms that the vehicle was not used  
2 and the transferee places the vehicle in storage pursuant to  
3 section 249-5.5 for a period of three hundred sixty-five days;  
4 provided further that a person that transfers ownership of a  
5 vehicle and thereafter reobtains ownership by subsequent  
6 transfer for the primary purpose of evading delinquent taxes and  
7 penalties shall be in violation of this subsection and be  
8 subject to a fine of not more than \$5,000. Any vehicle not  
9 having the number plates required by sections 249-1 to 249-13,  
10 or any vehicle upon which taxes are delinquent as provided in  
11 this section, may be seized, wherever found, by the director of  
12 finance or by any police officer, and held for a period of ten  
13 days, during which time the vehicle shall be subject to  
14 redemption by its owner by payment of the taxes due, together  
15 with the delinquent penalties and the cost of storage and other  
16 charges incident to the seizure of the vehicle. The director of  
17 finance, chief of police, or any police officer shall be deemed  
18 to have seized and taken possession of any vehicle, after having  
19 securely sealed it where located and posted a notice upon the  
20 vehicle, setting forth the fact that it has been seized for



1 taxes and warning all other persons from molesting it under  
2 penalty provided by section 249-11."

3 SECTION 3. The counties shall amend any applicable  
4 ordinances necessary to carry out the purposes of section 1 of  
5 this Act.

6 SECTION 4. This Act does not affect rights and duties that  
7 matured, penalties that were incurred, and proceedings that were  
8 begun before its effective date.

9 SECTION 5. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

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



**Report Title:**

Counties; Delinquent Motor Vehicle Taxes and Penalties; Five-Year Limit; Ownership Transfer

**Description:**

Under certain conditions, limits the payment of any delinquent tax and penalty required by the Director of Finance of a county as a condition precedent to the transfer of ownership of a vehicle to the aggregate amount of delinquent taxes and penalties accumulated by the previous registered owner over the preceding five-year period. Establishes a fine of not more than \$5,000 for a person that transfers ownership of a vehicle and thereafter reobtains ownership by subsequent transfer for the primary purpose of evading delinquent taxes and penalties. Requires the respective counties to amend any applicable ordinances. (SD1)

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

