A BILL FOR AN ACT

RELATING TO VEHICLE REGISTRATION.

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

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

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

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

"§249- Registration; financial hardship; fee; taxes.
(a) Notwithstanding any provision of this chapter to the contrary, in the case of a person who qualifies to apply for and does register to remit a monthly registration installment fee for the person's motor vehicle registration pursuant to section
286-__, the annual taxes and fees levied under this chapter shall be prorated and paid at the time of each monthly installment for motor vehicle registration.

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

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

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

(b) A determination of financial hardship made pursuant to subsection (a) shall be valid for one year, and any subsequent request by a person to qualify for the monthly installment payment plan authorized under this section must be reauthorized by the director of finance on an annual basis.
(c) The director of finance may elect to issue to a person registering a vehicle pursuant to this section certificates of registration and corresponding tags or emblems of one month in duration to ensure timely installment payments from the registrant."

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

"§249-10 Delinquent penalties; seizure and sale for tax. (a) Subject to subsection (d), any tax imposed by sections 249-1 to 249-13 for any year and not paid when due, shall become delinquent and a penalty shall be added to, and become part of, the delinquent tax. The amount of the delinquency penalty shall be established by the county's legislative body. If the date that the tax is due is a Saturday, Sunday, or legal holiday, the tax shall become delinquent at the end of the next day that is not a Saturday, Sunday, or legal holiday. The director of finance may require the payment of any delinquent tax and penalty as a condition precedent to the registration, renewal, or transfer of ownership of such vehicle. Any vehicle not having the number plates required by sections 249-1 to 249-13, or any vehicle upon which
taxes are delinquent as provided in this section, may be seized, wherever found, by the director of finance or by any police officer, and held for a period of ten days, during which time the vehicle shall be subject to redemption by its owner by payment of the taxes due, together with the delinquent penalties and the cost of storage and other charges incident to the seizure of the vehicle. The director of finance, chief of police, or any police officer shall be deemed to have seized and taken possession of any vehicle, after having securely sealed it where located and posted a notice upon the vehicle, setting forth the fact that it has been seized for taxes and warning all other persons from molesting it under penalty provided by section 249-11.

(b) All vehicles seized and sealed shall remain at the place of seizure or at any other place that the director of finance may direct, at the expense and risk of the owner. If the owner of the vehicle fails to redeem it within ten days after seizure, the vehicle may be sold by the director of finance at public auction to the highest bidder for cash, after giving ten days public notice in the county and by posting notices in at least three public places in the district where
the vehicle was seized; provided that the requirements of public
auction may be waived when the appraised value of any vehicle is
less than $250 as determined by the director of finance or
authorized representative, in which case the vehicle may be
disposed of in the same manner as when a vehicle is put up for
public auction and for which no bid is received. The amount
realized at the sale, less the amount of the tax and penalty
due, together with all costs incurred in giving public notice,
storing, and selling the vehicle and all other charges incident
to the seizure and sale, shall be paid to the owner of the
vehicle. If no claim for the surplus is filed with the director
of finance within sixty days from the date of the sale, the
surplus shall be paid into the county treasury as a government
realization and all claim to that sum shall thereafter be
forever barred.

(c) The owner of any antique motor vehicle shall be exempt
from the tax and delinquent penalty imposed under this chapter
for the entire period of nonuse; provided that the owner of the
antique motor vehicle shall first present to the director of
finance a signed and sworn certificate attesting to the antique
motor vehicle's period of nonuse.
(d) In the case of a person who, under section 249- (a),
is authorized to obtain a monthly installment payment plan for
the registration of a motor vehicle and pay any tax imposed by
sections 249-1 to 249-13 relating to that registration on a
monthly basis, the delinquency penalty, if the person fails to
timely pay the monthly portion of the tax due, shall be one-
twelfth of the delinquency penalty that would be applied to a
person required to register the same motor vehicle on an annual
basis."

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

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

SECTION 6. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.
SECTION 7. This Act shall take effect on July 1, 2019.

INTRODUCED BY:

[Signatures]

Jan 23 2019
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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