
A BILL FOR AN ACT

RELATING TO FINANCIAL HARDSHIP.

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

1 PART I

2 SECTION 1. Section 286-109, Hawaii Revised Statutes, is
3 amended by amending subsection (c) to read as follows:

4 "(c) Statutes of limitations and other provisions of this
5 chapter notwithstanding, no driver's license or instruction
6 permit shall be issued or renewed under this section, where the
7 examiner of drivers is notified by the district judge, traffic
8 violations bureaus of the district courts, or the judge of the
9 circuit court that the applicant has failed to respond to a
10 traffic citation or summons, or failed to appear in court after
11 an arrest for the violation of any traffic laws of a county,
12 this chapter or chapter 286G, 287, 290, 291, or 291C, or of any
13 motor vehicle insurance laws under article 10C of chapter 431,
14 or of any motorcycle or motor scooter insurance laws under
15 article 10G of chapter 431, and the same remains delinquent and
16 outstanding, or the applicant, has as of the time of the
17 application, failed to comply in full with all orders of the



1 court; provided that the district court with whose order an
2 applicant has failed to comply in full, may approve the issuance
3 or renewal of a driver's license or instruction permit other
4 than a commercial driver's license upon conditions imposed by
5 the court for the satisfaction of the outstanding court order
6 and any other conditions as may be imposed by the court, if one
7 or more of the following conditions are met:

- 8 (1) The applicant is gainfully employed in a position that
9 requires driving and will be discharged if the
10 applicant is unable to drive; [~~or~~]
- 11 (2) The applicant has no access to alternative
12 transportation and therefore must drive to work;
- 13 (3) The applicant or a member of the applicant's immediate
14 family requires medical treatment on a regular basis
15 and the applicant must drive in order for the
16 treatment to be obtained; provided further that the
17 applicant is able to present, at a minimum, a
18 statement signed by a licensed physician or advanced
19 practice registered nurse that indicates that the
20 applicant or a member of the applicant's immediate
21 family requires medical treatment on a regular basis;



1 (4) The applicant must drive for necessary travel to
2 transport a minor dependent in the applicant's
3 immediate family to and from an institution of primary
4 or secondary education; provided further that the
5 chief administrative officer or principal of the
6 educational institution certifies in writing that the
7 minor dependent is enrolled in the educational
8 institution and no form of public transportation or
9 school bus is available between the applicant's place
10 of residence and the educational institution; or

11 (5) The applicant is enrolled in a class, course, or
12 training program and must drive to and from the class
13 or course at an accredited school, college, or
14 university or a state-approved institution of
15 vocational or technical training; provided further
16 that the applicant is able to present credible proof
17 of enrollment in the class, course, or training
18 program;

19 provided further that if the applicant has failed to comply in
20 full with orders of the district court of more than one circuit,
21 the applicant shall obtain the approval of the district court of



1 each circuit in which the applicant has an outstanding court
2 order before a driver's license or instruction permit may be
3 issued or renewed under this subsection.

4 A driver's license or instruction permit issued or renewed
5 under this subsection shall be subject to immediate suspension
6 by the court upon the applicant's failure to remain in full
7 compliance with all conditions imposed by the court for the
8 issuance or renewal of the driver's license or instruction
9 permit. The examiner of drivers may place an indication of
10 restriction upon a driver's license or instruction permit issued
11 or renewed under this subsection. Proof of financial
12 responsibility under section 287-20 shall not apply to the
13 issuance or renewal of driver's licenses or instruction permits
14 under this subsection."

15 SECTION 2. Section 286-136, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§286-136 Penalty.** (a) Except as provided in subsection
18 (b), any person who violates section 286-102, 286-122, 286-130,
19 286-131, 286-132, 286-133, or 286-134 shall be fined not more
20 than \$1,000 or imprisoned not more than thirty days, or both.



1 Any person who violates any other section in this part shall be
2 fined not more than \$1,000.

3 (b) Any person who is convicted of violating section
4 286-102, 286-122, 286-130, 286-131, 286-132, 286-133, or 286-134
5 shall be subject to a minimum fine of \$500 and a maximum fine of
6 \$1,000, or imprisoned not more than one year, or both, if the
7 person has two or more prior convictions for the same offense in
8 the preceding five-year period.

9 (c) Any person cited under this section shall be given an
10 opportunity to demonstrate that the person's nonpayment or
11 inability to pay is not wilful. The judge shall make an
12 individualized assessment of the person's ability to pay based
13 on the totality of the circumstances, including but not limited
14 to the person's disposable income, financial obligations, and
15 liquid assets. If the judge determines that the person's
16 nonpayment or inability to pay is not wilful, the judge shall
17 enter an order that allows the person additional time for
18 payment, reduces the amount of each installment, or revokes the
19 fee or fine, or unpaid portion thereof, in whole or in part.

20 [~~e~~] (d) Notwithstanding subsections (a) and (b), a minor
21 under the age of eighteen under the jurisdiction of the family



1 court who is subject to this section shall either lose the right
2 to drive a motor vehicle until the age of eighteen or be subject
3 to a fine of \$500."

4 SECTION 3. Section 431:10C-117, Hawaii Revised Statutes,
5 is amended by amending subsection (a) to read as follows:

6 "(a) (1) Any person subject to this article in the capacity of
7 the operator, owner, or registrant of a motor vehicle
8 operated in this State, or registered in this State,
9 who violates any applicable provision of this article,
10 shall be subject to citation for the violation by any
11 county police department in a form and manner approved
12 by the traffic violations bureau of the district court
13 of the first circuit;

14 (2) Notwithstanding any provision of the Hawaii Penal
15 Code:

16 (A) Each violation shall be deemed a separate offense
17 and shall be subject to a fine of not less than
18 \$100 nor more than \$5,000 which shall not be
19 suspended except as provided in subparagraph (B);
20 and



1 (B) If the person is convicted of not having had a
2 motor vehicle insurance policy in effect at the
3 time the citation was issued, the fine shall be
4 \$500 for the first offense and a minimum of
5 \$1,500 for each subsequent offense that occurs
6 within a five-year period from any prior offense;
7 provided that the judge:

8 (i) Shall have the discretion to suspend all or
9 any portion of the fine if the defendant
10 provides proof of having a current motor
11 vehicle insurance policy; provided further
12 that upon the defendant's request, the judge
13 may grant community service in lieu of the
14 fine, of not less than seventy-five hours
15 and not more than one hundred hours for the
16 first offense, and not less than two hundred
17 hours nor more than two hundred seventy-five
18 hours for the second offense; and

19 (ii) May grant community service in lieu of the
20 fine for subsequent offenses at the judge's
21 discretion;



- 1 (3) In addition to the fine in paragraph (2), the court
2 shall either:
- 3 (A) Suspend the driver's license of the driver or of
4 the registered owner for:
- 5 (i) Three months for the first conviction; and
6 (ii) One year for any subsequent offense within a
7 five-year period from a previous offense;
8 provided that the driver or the registered owner
9 shall not be required to obtain proof of
10 financial responsibility pursuant to section 287-
11 20; or
- 12 (B) Require the driver or the registered owner to
13 keep a nonrefundable motor vehicle insurance
14 policy in force for six months;
- 15 (4) Any person cited under this section shall be given an
16 opportunity to demonstrate that the person's
17 nonpayment or inability to pay is not wilful. The
18 judge shall make an individualized assessment of the
19 person's ability to pay based on the totality of the
20 circumstances, including but not limited to the
21 person's disposable income, financial obligations, and



1 liquid assets. If the judge determines that the
 2 person's nonpayment or inability to pay is not wilful,
 3 the judge shall enter an order that allows the person
 4 additional time for payment, reduces the amount of
 5 each installment, or revokes the fee or fine, or
 6 unpaid portion thereof, in whole or in part;

7 ~~[(4)]~~ (5) Any person cited under this section shall have an
 8 opportunity to present a good faith defense, including
 9 but not limited to lack of knowledge or proof of
 10 insurance. The general penalty provision of this
 11 section shall not apply to:

12 (A) Any operator of a motor vehicle owned by another
 13 person if the operator's own insurance covers
 14 such driving;

15 (B) Any operator of a motor vehicle owned by that
 16 person's employer during the normal scope of that
 17 person's employment; or

18 (C) Any operator of a borrowed motor vehicle if the
 19 operator holds a reasonable belief that the
 20 subject vehicle is insured;



1 ~~[(5)]~~ (6) In the case of multiple convictions for driving
2 without a valid motor vehicle insurance policy within
3 a five-year period from any prior offense, the court,
4 in addition to any other penalty, shall impose the
5 following penalties:

- 6 (A) Imprisonment of not more than thirty days;
7 (B) Suspension or revocation of the motor vehicle
8 registration plates of the vehicle involved;
9 (C) Impoundment, or impoundment and sale, of the
10 motor vehicle for the costs of storage and other
11 charges incident to seizure of the vehicle, or
12 any other cost involved pursuant to section
13 431:10C-301; or
14 (D) Any combination of those penalties; and

15 ~~[(6)]~~ (7) Any violation as provided in subsection (a) (2) (B)
16 shall not be deemed to be a traffic infraction as
17 defined by chapter 291D."

18 SECTION 4. Section 706-644, Hawaii Revised Statutes, is
19 amended by amending subsection (3) to read as follows:

20 "(3) The term of imprisonment for nonpayment of fee, fine,
21 or restitution shall be specified in the order of commitment,



1 and shall not exceed one day for each [~~\$25~~] \$50 of the fee or
2 fine, thirty days if the fee or fine was imposed upon conviction
3 of a violation or a petty misdemeanor, or one year in any other
4 case, whichever is the shorter period. A person committed for
5 nonpayment of a fee or fine shall be given credit toward payment
6 of the fee or fine for each day of imprisonment, at the rate of
7 [~~\$25~~] \$50 per day."

8 PART II

9 SECTION 5. The legislature finds that the annual taxes and
10 fees collected when non-new motor vehicles are registered can
11 have a dire impact on Hawaii's residents, who may not be able to
12 pay the taxes and fees in one lump sum, which can reach hundreds
13 of dollars. The legislature further finds that the high cost of
14 living is a great concern to Hawaii's residents, and steps taken
15 to alleviate this concern will greatly benefit Hawaii's
16 residents. Allowing biannual vehicle registration will reduce
17 the number of illegal cars on the road, reduce the number of
18 abandoned vehicles, and aid low-income residents struggling to
19 keep up with Hawaii's high cost of living.

20 The purpose of this part is to provide Hawaii's residents
21 with the option of paying associated motor vehicle registration



1 taxes and fees on a biannual basis, allowing people to pay their
2 registration with two monetary installments every six months in
3 a twelve-month period.

4 SECTION 6. Chapter 249, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

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

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

16 SECTION 7. Chapter 286, Hawaii Revised Statutes, is
17 amended by adding a new section to part III to be appropriately
18 designated and to read as follows:

19 "§286- Biannual registration. (a) A person who would
20 normally be required to apply for and obtain a registration of a



1 motor vehicle under this part may pay for the person's motor
2 vehicle registration fee on a biannual installment basis.

3 (b) The director of finance may elect to issue to a person
4 registering a vehicle pursuant to this section certificates of
5 registration and corresponding tags or emblems of six months in
6 duration to ensure timely installment payments from the
7 registrant."

8 SECTION 8. Section 249-5.5, Hawaii Revised Statutes, is
9 amended by amending subsection (a) to read as follows:

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



1 registration period, then the unpaid tax for each month the
2 license plates could have been validated with an emblem plus the
3 fee for the currently issued license plates and emblem shall be
4 paid in full upon presenting the affidavit[-]; provided that the
5 amount of unpaid tax due shall not exceed twelve months."

6 SECTION 9. Section 249-10, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "**§249-10 Delinquent penalties; seizure and sale for tax.**

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



1 renewal, or transfer of ownership of such vehicle. Any vehicle
2 not having the number plates required by sections 249-1 to 249-
3 13, or any vehicle upon which taxes are delinquent as provided
4 in this section, may be seized, wherever found, by the director
5 of finance or by any police officer, and held for a period of
6 ten days, during which time the vehicle shall be subject to
7 redemption by its owner by payment of the taxes due, together
8 with the delinquent penalties [~~and the cost of storage and other~~
9 ~~charges incident to the seizure of the vehicle~~]. The director
10 of finance, chief of police, or any police officer shall be
11 deemed to have seized and taken possession of any vehicle, after
12 having securely sealed it where located and posted a notice upon
13 the vehicle, setting forth the fact that it has been seized for
14 taxes and warning all other persons from molesting it under
15 penalty provided by section 249-11.

16 (b) All vehicles seized and sealed shall remain at the
17 place of seizure or at any other place that the director of
18 finance may direct, at the expense and risk of the owner. If
19 the owner of the vehicle fails to redeem it within ten days
20 after seizure, the vehicle may be sold by the director of
21 finance at public auction to the highest bidder for cash, after



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

18 (c) The owner of any antique motor vehicle shall be exempt
19 from the tax and delinquent penalty imposed under this chapter
20 for the entire period of nonuse; provided that the owner of the
21 antique motor vehicle shall first present to the director of



1 finance a signed and sworn certificate attesting to the antique
2 motor vehicle's period of nonuse.

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

9 SECTION 10. Section 249-34, Hawaii Revised Statutes, is
10 amended to read as follows:

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

16 PART III

17 SECTION 11. This Act does not affect rights and duties
18 that matured, penalties that were incurred, and proceedings that
19 were begun before its effective date.

20 SECTION 12. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 13. This Act shall take effect on July 1, 2050.



Report Title:

Financial Hardship; Restricted Driver's License; Traffic Offenses; Contumacious Nonpayment; Motor Vehicles; Registration; Hardship; Director of Finance; Biannual Basis

Description:

Expands the conditions for authorizing a restricted driver's license. Provides judges with greater discretion to adjust the amount owed by a person who violates certain traffic offenses based on the person's inability to pay. Decreases the imprisonment term to contumacious nonpayment ratio. Increases the amount of credit given to a person committed for contumacious nonpayment. 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. Effective 7/1/2050. (HD1)

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