




# OFFICE OF COUNCIL SERVICES

**CHARMAINE T. DORAN**  
DIRECTOR

September 22, 2011

**TO:** COUNCILMEMBER TOM BERG  
HONOLULU CITY COUNCIL

**FROM:** GAVIN KENNEDY, LEGISLATIVE ANALYST   
OFFICE OF COUNCIL SERVICES

**SUBJECT:** VEHICLE FEE INCREASES

This memorandum is in response to your request for a brief history on rate increases on vehicle fees going back 3 years and the statutory authority for all taxes and fees included in vehicle registration. For the purpose of this memorandum, we include registration fees, vehicle weight taxes, and the highway beautification and abandoned vehicle disposal fee in the term "vehicle fees."

Under Section 249-31 and 286-51, HRS, the counties are authorized to charge a registration fee, which is established in ROH Chapter 41, Article 18. Under Section 249-13, HRS, the county councils are authorized to establish the county vehicle weight tax rates by ordinance. The current motor vehicle weight tax rates are set forth in ROH Chapter 41, Article 17. Under Section 286-51, HRS, the county councils are authorized to establish a fee for highway beautification and disposal of abandoned vehicles. The current beautification fee is set forth in ROH Chapter 6, Article 20. The state registration fee is established under Section 249-31, HRS. The state weight tax is established under Section 249-33, HRS.

We found four measures that increased vehicle fees within the timeframe requested: Ordinances 09-15 and 09-16 passed by the City and County of Honolulu and Acts 86 (2011) and 162 (2011) passed by the State. We have included copies of the relevant legislation.

Ordinance 09-15 was passed by the Honolulu City Council and signed into law by the Mayor in 2009. Ordinance 09-15 increased the county vehicle weight tax for passenger vehicles and noncommercial vehicles under 6,500 pounds from 3 cents to 4 cents per pound effective January 1, 2010; and from 4 cents to 5 cents per pound

effective January 1, 2011. It also increased the weight tax for commercial vehicles from 3.5 cents to 4.5 cents per pound effective January 1, 2010; and from 4.5 cents to 5.5 cents per pound effective January 1, 2011.

Ordinance 09-16 was passed by the Honolulu City Council and signed into law by the Mayor in 2009. Ordinance 09-16 increased the fee for highway beautification and disposal of abandoned vehicles from \$5 to \$6 per vehicle effective September 1, 2009; and from \$6 to \$7 per vehicle effective July 1, 2010.

Act 86 was passed by the State Legislature and signed into law by the Governor in 2011. Act 86 increased the state vehicle weight tax effective July 1, 2011, from 0.75 cents to 1.75 cents per pound for vehicles up to 4,000 pounds; from 1 cent to 2 cents per pound for vehicles between 4,000 and 7,000 pounds; from 1.25 cents to 2.25 cents per pound for vehicles between 7,000 and 10,000 pounds; and a \$150 flat rate to \$300 for vehicles over 10,000 pounds.

Act 162 was passed by the State Legislature and signed into law by the Governor in 2011. Act 162 increased the state vehicle registration fee from \$25 to \$45 effective July 1, 2011.

To put these fee changes into perspective, consider their application to one of the more popular passenger vehicles, a Toyota Camry, currently specified at 3,483 pounds curb weight. On July 1, 2009, that vehicle would be subject to weight taxes, highway beautification and disposal fees, and State registration fees of \$160.61. After the above increases took effect, on July 1, 2011, those fees totaled \$287.10. These totals exclude other applicable fees that did not increase over the period.

Attachments



**A BILL FOR AN ORDINANCE**

A BILL FOR AN ORDINANCE TO AMEND CHAPTER 41, ARTICLE 17 OF THE REVISED ORDINANCES OF HONOLULU, 1990, RELATING TO MOTOR VEHICLE WEIGHT TAX.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to increase the motor vehicle weight tax.

SECTION 2. Section 41-17.1, Revised Ordinances of Honolulu 1990, is hereby amended to read as follows:

**"Sec. 41-17.1 Vehicle weight tax.**

- (a) The rate and the minimum tax at which all vehicles and motor vehicles shall be taxed as provided by HRS Section 249-2, as amended, shall be as provided in subsections (b), (c), (d) and (e).
- (b) Motor Vehicles Designed Primarily for the Purpose of Carrying Passengers. The rate for motor vehicles designed primarily for carrying passengers shall be: [three cents per pound of the net weight of such vehicles.]

<u>Cents per pound of vehicle</u>	<u>Effective date</u>
<u>net weight</u>	
<u>4.0</u>	<u>January 1, 2010</u>
<u>5.0</u>	<u>January 1, 2011</u>

This category shall include, but is not limited to, motor vehicles primarily designed to carry passengers, buses, ambulances and hearses.

CSDMOTORVEHICLEWEIGHTTAXORD.B09

ENCL TO MM 42



**A BILL FOR AN ORDINANCE**

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- (c) (1) Trucks or Noncommercial Motor Vehicles Having a Net Weight of 6,500 Pounds or Less. The rate for trucks and noncommercial motor vehicles having a net weight of 6,500 pounds or less and which are not being operated for compensation or commercial purposes shall be: [three cents per pound of the net weight of such vehicles.]

<u>Cents per pound of vehicle</u>	<u>Effective date</u>
<u>net weight</u>	
<u>4.0</u>	<u>January 1, 2010</u>
<u>5.0</u>	<u>January 1, 2011</u>

The owner of such truck or noncommercial motor vehicle who desires to have such vehicle taxed at the rate provided in this subdivision shall comply with the requirements in subdivision (2).

- (2) For original registration under this category, the owner shall:
- (A) File an application with the director of finance for registration of a noncommercial motor vehicle;
  - (B) Register the vehicle under an individual's name, or if the vehicle is leased, provide proof that the vehicle is leased to an individual and not to a company; and
  - (C) Pay the applicable weight tax and registration fees.

When the vehicle is currently registered as a commercial vehicle and the owner wishes to reclassify the vehicle under this category, the owner shall, in addition to the above, also surrender the vehicle's current certificate of registration and license plates.



**A BILL FOR AN ORDINANCE**

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When the owner has complied with the foregoing requirements, and has paid the applicable fees, the director of finance shall issue a set of passenger vehicle license plates, emblem and a new certificate of registration.

- (d) Trucks or Commercial Vehicles. The rate for trucks, commercial vehicles and other vehicles designed for carrying property or for purposes other than the carrying of passengers shall be: [three and one-half cents per pound of the net weight of such vehicles.]

Cents per pound of vehicle

net weight

4.5

5.5

Effective date

January 1, 2010

January 1, 2011

This category shall include, but is not limited to, trucks, truck tractors and road tractors, trailers and semi-trailers; provided, that trucks and noncommercial vehicles that qualify under subsection (c) are exempted from this category.

- (e) Minimum Tax. The minimum tax assessed and collected by reason of this section shall in no case be less than \$12.00."

SECTION 3. Ordinance material to be repealed is bracketed. New Material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material or the underscoring.



**A BILL FOR AN ORDINANCE**

SECTION 4. This ordinance shall take effect upon approval.

INTRODUCED BY:

[Signature] (br)

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DATE OF INTRODUCTION:

MAR 2 2009

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

[Signature]  
Deputy Corporation Counsel

APPROVED this 26<sup>th</sup> day of June, 20 09.

[Signature]  
MUFU HANNEMANN, Mayor  
City and County of Honolulu

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE 09 - 15

BILL 20 (2009)

Introduced: 03/02/09 By: TODD APO (BR)

Committee: BUDGET

Title: A BILL FOR AN ORDINANCE TO AMEND CHAPTER 41, ARTICLE 17 OF THE REVISED ORDINANCES OF HONOLULU, 1990, RELATING TO MOTOR VEHICLE WEIGHT TAX.

Links: [BILL 20 \(2009\)](#)  
[CR-141](#)  
[CR-195](#)

NOTE: COUNCILMEMBER BARBARA MARSHALL PASSED AWAY ON SUNDAY, FEBRUARY 22, 2009. ALTHOUGH THERE IS A VACANCY, THE COUNCIL CONTINUES TO OPERATE IN ACCORDANCE WITH THE 9 MEMBERS IT IS ENTITLED TO PURSUANT TO SECTION 3-102, REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED. HOWEVER, THE CERTIFICATE WILL NOT REFLECT THE VACANCY ON THE VOTE RECORDED FOR THIS ITEM.

PUBLISH	03/14/09	PUBLIC HEARING NOTICE OF INTENT PUBLISHED IN THE HONOLULU STAR BULLETIN.				
COUNCIL	03/18/09	BILL PASSED FIRST READING AND REFERRED TO BUDGET COMMITTEE.				
		APO Y	BAINUM Y	CACHOLA Y	DELA CRUZ Y	DJOU Y
		GARCIA Y	OKINO Y	TAM Y		
PUBLISH	04/11/09	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.				
BUDGET	04/13/09	CR-141 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.				
COUNCIL/PUBLIC HEARING	04/22/09	CR-141 WAS ADOPTED. BILL 20 (2009) PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO BUDGET COMMITTEE.				
		APO Y	BAINUM Y	CACHOLA Y	DELA CRUZ Y	DJOU A
		GARCIA Y	OKINO Y	TAM Y		
PUBLISH	04/28/09	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.				
		NOTE: IKAIKA ANDERSON WAS SWORN IN AND TOOK OFFICE AS A MEMBER OF THE HONOLULU CITY COUNCIL ON THURSDAY, MAY 14, 2009 REPRESENTING DISTRICT III.				
SPECIAL BUDGET	05/18/09	CR-195 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING.				

NOTE: COUNCILMEMBER DUKE BAINUM PASSED AWAY ON TUESDAY, JUNE 9, 2009. ALTHOUGH THERE IS A VACANCY, THE COUNCIL CONTINUES TO OPERATE IN ACCORDANCE WITH THE 9 MEMBERS IT IS ENTITLED TO PURSUANT TO SECTION 3-102, REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED. HOWEVER, THE CERTIFICATE WILL NOT REFLECT THE VACANCY ON THE VOTE RECORDED FOR THIS ITEM.

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COUNCIL	06/10/09	CR-195 ADOPTED AND BILL 20 (2009) PASSED THIRD READING.							
ANDERSON	Y	APO	Y	CACHOLA	N	DELA CRUZ	N	DJOU	N
GARCIA	Y	OKINO	Y	TAM	Y				

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I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

Bernice K. N. Mau  
BERNICE K. N. MAU, ACTING CITY CLERK

Todd R. APO  
TODD R. APO, CHAIR AND PRESIDING OFFICER





**A BILL FOR AN ORDINANCE**

A BILL FOR AN ORDINANCE TO AMEND CHAPTER 6, ARTICLE 20 OF THE REVISED ORDINANCES OF HONOLULU, 1990, RELATING TO HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to increase the highway beautification and disposal of abandoned vehicles fee.

SECTION 2. Section 6-20.2, Revised Ordinances of Honolulu 1990, is hereby amended to read as follows:

**"Sec. 6-20.2 Purpose.**

There shall be deposited into the highway beautification and disposal of abandoned vehicles revolving fund all receipts from the fee permitted under HRS Section 286-51. The fee assessed and collected shall be \$1 per vehicle for U-Drive motor vehicles, and [\$5 per vehicle] for motor vehicles other than U-Drive motor vehicles:[.]

<u>Per vehicle</u>
<u>\$6.00</u>
<u>\$7.00</u>

<u>Effective date</u>
<u>September 1, 2009</u>
<u>July 1, 2010</u>

All moneys deposited into this fund shall be expended in accordance with HRS Section 286-51 for:

- (a) Beautification and other related activities of primary highways under the ownership, control and jurisdiction of the city; and
- (b) Disposition and other related activities of abandoned vehicles as prescribed in HRS Chapter 290."

SECTION 3. Ordinance material to be repealed is bracketed. New Material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the revisor of ordinances need not include the brackets, the bracketed material or the underscoring.

CSDHWYBEAUTIFICATIONFEEORD.B09



**A BILL FOR AN ORDINANCE**

SECTION 4. This ordinance shall take effect upon approval.

INTRODUCED BY:

Todd K. Apo (by request)

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DATE OF INTRODUCTION:

March 2, 2009

Honolulu, Hawaii

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Councilmembers

APPROVED AS TO FORM AND LEGALITY:

*Christine Kuroki*

Deputy Corporation Counsel

APPROVED this 26<sup>th</sup> day of June, 20 09

*Mufi Hannemann*

MUFI HANNEMANN, Mayor  
City and County of Honolulu

CITY COUNCIL  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII  
CERTIFICATE

ORDINANCE 09 - 16

BILL 21 (2009), CD1

Introduced: 03/02/09 By: TODD APO (BR)

Committee: BUDGET

Title: A BILL FOR AN ORDINANCE TO AMEND CHAPTER 6, ARTICLE 20 OF THE REVISED ORDINANCES OF HONOLULU 1990, RELATING TO HIGHWAY BEAUTIFICATION AND DISPOSAL OF ABANDONED VEHICLES REVOLVING FUND.

Links: [BILL 21 \(2009\)](#)  
[BILL 21 \(2009\) CD1](#)  
[CR 142](#)  
[CR 196](#)

NOTE: COUNCILMEMBER BARBARA MARSHALL PASSED AWAY ON SUNDAY, FEBRUARY 22, 2009. ALTHOUGH THERE IS A VACANCY, THE COUNCIL CONTINUES TO OPERATE IN ACCORDANCE WITH THE 9 MEMBERS IT IS ENTITLED TO PURSUANT TO SECTION 3-102, REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED. HOWEVER, THE CERTIFICATE WILL NOT REFLECT THE VACANCY ON THE VOTE RECORDED FOR THIS ITEM.

PUBLISH	03/14/09	PUBLIC HEARING NOTICE OF INTENT PUBLISHED IN THE HONOLULU STAR BULLETIN.				
COUNCIL	03/18/09	BILL PASSED FIRST READING AND REFERRED TO BUDGET COMMITTEE.				
	APO Y	BAINUM Y	CACHOLA Y	DELA CRUZ Y	DJOU Y	
	GARCIA Y	OKINO Y	TAM Y			
PUBLISH	04/11/09	PUBLIC HEARING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.				
BUDGET	04/13/09	CR-142 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON SECOND READING AND SCHEDULING OF A PUBLIC HEARING.				
COUNCIL/PUBLIC HEARING	04/22/09	CR-142 WAS ADOPTED. BILL 21 (2009) PASSED SECOND READING, PUBLIC HEARING CLOSED AND REFERRED TO BUDGET COMMITTEE.				
	APO Y	BAINUM Y	CACHOLA Y	DELA CRUZ Y	DJOU A	
	GARCIA Y	OKINO Y	TAM Y			
PUBLISH	04/28/09	SECOND READING NOTICE PUBLISHED IN THE HONOLULU STAR BULLETIN.				
		NOTE: IKAIKA ANDERSON WAS SWORN IN AND TOOK OFFICE AS A MEMBER OF THE HONOLULU CITY COUNCIL ON THURSDAY, MAY 14, 2009 REPRESENTING DISTRICT III.				
SPECIAL BUDGET	05/18/09	CR-196 - BILL REPORTED OUT OF COMMITTEE FOR PASSAGE ON THIRD READING AS AMENDED IN CD1 FORM.				

NOTE: COUNCILMEMBER DUKE BAINUM PASSED AWAY ON TUESDAY, JUNE 9, 2009. ALTHOUGH THERE IS A VACANCY, THE COUNCIL CONTINUES TO OPERATE IN ACCORDANCE WITH THE 9 MEMBERS IT IS ENTITLED TO PURSUANT TO SECTION 3-102, REVISED CHARTER OF THE CITY AND COUNTY OF HONOLULU 1973, AS AMENDED. HOWEVER, THE CERTIFICATE WILL NOT REFLECT THE VACANCY ON THE VOTE RECORDED FOR THIS ITEM.

COUNCIL	06/10/09	CR-196 ADOPTED AND BILL 21 (2009), CD1 PASSED THIRD READING AS AMENDED.							
ANDERSON	Y	APO	Y	CACHOLA	Y	DELA CRUZ	N	DJOU	N
GARCIA	Y	OKINO	Y	TAM	Y				

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

Bernice K. N. Mau  
BERNICE K. N. MAU, ACTING CITY CLERK

Todd K. APO  
TODD K. APO, CHAIR AND PRESIDING OFFICER



GOV. MSG. NO. **1189**

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

June 8, 2011

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

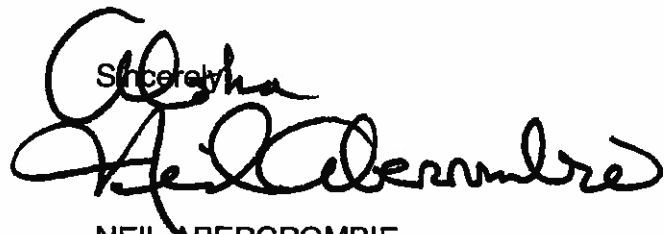
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on June 8, 2011, the following bill was signed into law:

SB1329 SD1 HD2 CD1

RELATING TO MOTOR VEHICLE WEIGHT TAX  
Act 086 (11)

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor

on JUN 8 2011

**ACT 086**

THE SENATE  
TWENTY-SIXTH LEGISLATURE, 2011  
STATE OF HAWAII

**S.B. NO.** 1329  
S.D. 1  
H.D. 2  
C.D. 1

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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE WEIGHT TAX.

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

1           SECTION 1. Section 249-33, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3           "(a) All vehicles and motor vehicles in the State as  
4 defined in section 249-1, including antique motor vehicles,  
5 except as otherwise provided in sections ~~[249-3 to]~~ 249-4, 249-  
6 5.5, 249-6, and 249-6.5, in addition to all other fees and taxes  
7 levied by this chapter, shall be subject to an annual state  
8 vehicle weight tax. The tax shall be levied by the county  
9 director of finance at the rate of ~~[-.75]~~ 1.75 cents a pound  
10 according to the net weight of each vehicle as the "net weight"  
11 is defined in section 249-1 up to and including four thousand  
12 pounds net weight; vehicles over four thousand pounds and up to  
13 and including seven thousand pounds net weight shall be taxed at  
14 the rate of ~~[1.00-cent]~~ 2.00 cents a pound; vehicles over seven  
15 thousand pounds and up to and including ten thousand pounds net  
16 weight shall be taxed at the rate of ~~[1.25]~~ 2.25 cents a pound;  
17 vehicles over ten thousand pounds net weight shall be taxed at a  
18 flat rate of ~~[\$150-]~~ \$300."

2011-2317 SB1329 CD1 SMA.doc



1 SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on July 1, 2011.

APPROVED this 8 day of JUN, 2011

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII







EXECUTIVE CHAMBERS  
HONOLULU

GOV. MSG. NO. 1265

NEIL ABERCROMBIE  
GOVERNOR

June 23, 2011

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on June 23, 2011, the following bill was signed into law:

SB1328 SD1 HD2 CD1

RELATING TO MOTOR VEHICLE  
REGISTRATION  
Act 162 (11)

*Neil Abercrombie*  
Signed

NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor

JUN 23 2011

on

THE SENATE

TWENTY-SIXTH LEGISLATURE, 2011

STATE OF HAWAII

**ACT 162**  
**S.B. NO.** 1328  
S.D. 1  
H.D. 2  
C.D. 1

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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE REGISTRATION.

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

1           SECTION 1. Section 249-31, Hawaii Revised Statutes, is  
2 amended to read as follows:  
3           "**§249-31 State registration fee.** (a) All vehicles and  
4 motor vehicles in the State as defined in section 249-1,  
5 including antique motor vehicles, except as otherwise provided  
6 in sections 249-4 and 249-6, shall be subject to a [~~\$25~~] \$45  
7 annual vehicle registration fee. The fee shall be paid each  
8 year together with all other taxes and fees levied by this  
9 chapter on a staggered basis as established by each county as  
10 authorized by section 286-51, and the state registration for  
11 that county shall likewise be staggered so that the state  
12 registration fee is due and payable at the same time and shall  
13 be collected together with the county fee. The state  
14 registration fee shall be deemed delinquent if not paid with the  
15 county registration fee. The respective counties shall collect  
16 this fee together with the vehicle registration tax collected  
17 for the county and shall transfer the moneys collected under  
18 this section to the State.

2011-2315 SB1328 CD1 SMA.doc

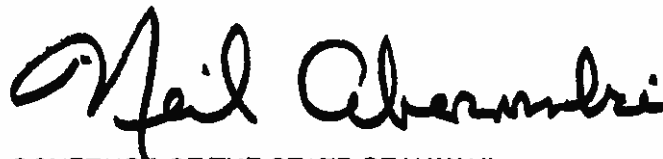


1 (b) From each annual motor vehicle registration fee, the  
2 director shall deposit [~~\$20~~] \$40 into the state highway fund and  
3 \$5 into the emergency medical services special fund."

4 SECTION 2. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6 SECTION 3. This Act shall take effect on July 1, 2011.

APPROVED this 23 day of JUN, 2011



GOVERNOR OF THE STATE OF HAWAII

