

JAN 25 2012

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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

1       SECTION 1. Section 251-1, Hawaii Revised Statutes, is  
2 amended as follows:

3       1. By adding a new definition to be appropriately inserted  
4 and to read:

5       "Car-sharing organization" means an organization that  
6 operates a membership program intended to offer an alternative  
7 to car ownership under which persons or entities that become  
8 members are permitted to use vehicles from a fleet on an hourly  
9 basis."

10       2. By amending the definition of "rental motor vehicle" to  
11 read:

12       "Rental motor vehicle" or "vehicle" means every vehicle  
13 which is:

14       (1) Self-propelled and every vehicle which is propelled by  
15 electric power but which is not operated upon rails  
16 which is rented or leased or offered for rent or lease  
17 in this State, whether for personal or commercial use,  
18 for a period of six months or less; and



(2) Designed to carry seventeen passengers or fewer.

"Rental motor vehicle" or "vehicle" shall not include:

(1) Mopeds as defined in section 286-2;

(2) Any trucks, truck-tractors, tractor-semitrailer combinations, or truck-trailer combinations, with:

(A) A manufacturer's nominal carrying capacity of one thousand pounds or more; and

(B) A barrier or separation between the operator's compartment and the cargo area; ~~and~~

(3) Cargo vans with no more than two seats, including the driver's seat; provided that vans with a recreational vehicle converter package and vans with quick release passenger seats shall not be classified as cargo vans ~~[-]~~; and

(4) Vehicles that are rented by a car-sharing organization to a member of that car-sharing organization on an hourly basis."

SECTION 2. Section 251-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is levied and shall be assessed and collected each month a rental motor vehicle surcharge tax of \$7.50 a day, except that after June 30, 2012, the tax shall be \$3 a day, or



1 any portion of a day that a rental motor vehicle is rented or  
2 leased~~[-]~~; provided that a car-sharing organization shall be  
3 exempt from the rental motor vehicle surcharge tax. The rental  
4 motor vehicle surcharge tax shall be levied upon the lessor;  
5 provided that the tax shall not be levied on the lessor if:

6 (1) The lessor is renting the vehicle to replace a vehicle  
7 of the lessee that is being repaired; ~~[and]~~

8 (2) A record of the repair order for the vehicle is  
9 retained either by the lessor for two years for  
10 verification purposes or by a motor vehicle repair  
11 dealer for two years as provided in section 437B-  
12 16~~[-]~~; and

13 (3) The vehicle is rented by a car-sharing organization,  
14 the lessor is a member of that car-sharing  
15 organization, and the car-sharing organization rents  
16 vehicles to members of the organization on an hourly  
17 basis."

18 SECTION 3. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.



# S.B. NO. 3040

1       SECTION 4.   This Act shall take effect upon its approval.

2

INTRODUCED BY:

Will Egan



# S.B. NO. 3040

**Report Title:**

Rental Motor Vehicle and Tour Vehicle Surcharge Tax

**Description:**

Exempts from the rental motor vehicle and tour vehicle surcharge tax vehicles that are rented by a car-sharing organization to members of the organization on an hourly basis.

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