



GOV. MSG. NO. 1365

EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 7, 2021

The Honorable Ronald D. Kouchi,  
President  
and Members of the Senate  
Thirty First State Legislature  
State Capitol, Room 409  
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Re: HB485 HD1 SD1 CD1

Pursuant to Section 16 of Article III of the State Constitution, HB485 HD1 SD1 CD1, entitled "A BILL FOR AN ACT RELATING TO TAXATION" became law without my signature.

I would note my concerns about possible unintended consequences for the industry of a fixed increment surcharge tax increase for multiple consecutive years into the future. Further, the impact to recovery could be compounded in light of the rental vehicle pricing issues we are currently seeing across the islands due to supply constraints.

For the foregoing reasons I have allowed HB485 HD1 SD1 CD1 to become law without my signature as ACT 237, Session Laws of Hawaii 2021, on July 6, 2021.

Sincerely,

DAVID Y. IGE  
Governor, State of Hawaii

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. Section 251-2, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There is levied and shall be assessed and collected  
4 each month a rental motor vehicle surcharge tax of \$5 a day, or  
5 any portion of a day that a rental motor vehicle is rented or  
6 leased. Beginning January 1, 2022, and each subsequent year on  
7 January 1 until December 31, 2027, the rental motor vehicle  
8 surcharge tax shall increase by \$0.50. The rental motor vehicle  
9 surcharge tax shall be levied upon the lessor; provided that the  
10 tax shall not be levied on the lessor if:

11 (1) The lessor is renting the vehicle to replace a vehicle  
12 of the lessee that [~~is~~]:

13 (A) Is being repaired; [~~and~~] or

14 (B) Has been stolen and is unrecovered or will not be  
15 repaired due to a total loss of the vehicle; and

16 (2) A record of the repair order, the stolen vehicle  
17 record, or total loss vehicle claim for the vehicle is



1 retained either by the lessor for two years for  
2 verification purposes or by a motor vehicle repair  
3 dealer for two years as provided in section 437B-16.

4 In addition to the requirements imposed by section 251-4, a  
5 lessor shall disclose, to the department, the portion of the  
6 remittance attributed to the county in which the motor vehicle  
7 was operated under rental or lease."

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

10 SECTION 3. This Act shall take effect upon its approval.

APPROVED this            day of            , 2021

GOVERNOR OF THE STATE OF HAWAII



HB No. 485, HD 1, SD 1, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 27, 2021  
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.



Scott K. Saiki  
Speaker  
House of Representatives



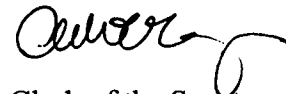
Brian L. Takeshita  
Chief Clerk  
House of Representatives

**THE SENATE OF THE STATE OF HAWAI‘I**

Date: April 27, 2021  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2021.

  
President of the Senate

  
Clerk of the Senate