
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

SECTION 1. Chapter 437, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§437- Limitations on markups for new motor vehicles; maximum; state of emergency; documents; direct financing. (a)

No dealer shall sell or offer for sale a new motor vehicle to a consumer at a selling price that includes a markup in excess of five per cent of the manufacturer's suggested retail price.

(b) No dealer, when specified in the governor's proclamation declaring a state of emergency declared pursuant to chapter 127A, shall sell or offer for sale a new motor vehicle to a consumer that includes any markup in the sell price.

(c) The motor vehicle purchase agreement for a new motor vehicle or any addendum to the agreement shall disclose the amount of any markup and a justification for the markup. The buyer shall separately acknowledge and consent to the



1 disclosure. Records of markups and acknowledgments and consents
2 shall be retained by the dealer for no less than three years.

3 (d) For dealers that offer direct financing, rates shall
4 be solely based on the underwriting risk or credit
5 characteristics of the consumer. Dealers shall not add a charge
6 to the rate that is not based on the underwriting risk or credit
7 characteristics of the consumer.

8 (e) For purposes of this section:

9 "Destination charge" means the cost incurred by the
10 manufacturer to transport the motor vehicle to the dealer.

11 "Government charges" means all fees or charges imposed by a
12 federal, state, or local government agency, unit, or department,
13 including taxes, license and registration costs, inspection or
14 certification costs, and any other such fees or charges.

15 "Invoice price" means the cost of the motor vehicle paid by
16 the dealer to the manufacturer.

17 "Manufacturer's suggested retail price" means the price
18 that a new motor vehicle's manufacturer recommends a dealer sell
19 that new motor vehicle at retail.

20 "Markup" means the difference between:

21 (1) The selling price; and



1 (2) The sum of the motor vehicle's invoice price and
2 destination charge.

3 "Markup" excludes any government charges.

4 "New motor vehicle" means the initial transfer of legal
5 title of a vehicle to a consumer purchaser."

6 SECTION 2. New statutory material is underscored.

7 SECTION 3. This Act shall take effect on July 1, 2026.

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INTRODUCED BY:



JAN 20 2026



H.B. NO. 1666

Report Title:

New Motor Vehicles; Markups; Maximum; State of Emergency;
Documents; Direct Financing

Description:

Prohibits, for sales or offers for sale of new motor vehicles, markups in excess of five per cent of the manufacturer's suggested retail price, markups in excess of \$0 when specified in a proclamation declaring a state of emergency, and charges added to rates not based on the underwriting risk or credit characteristics of the consumer when dealers directly finance motor vehicle purchases. Requires dealers to retain records for markups for a period of no less than three years.

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