

JAN 20 2012

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1 SECTION 1. Article 10C of chapter 431, Hawaii Revised
2 Statutes, is amended by adding a new part to be appropriately
3 designated and to read as follows:

4 "PART . ELECTRONIC REPORTING OF MOTOR VEHICLE

5 INSURANCE COVERAGE

6 §431:10C-A Definitions. As used in this part:

7 "Insurance division" means the insurance division of the
8 department of commerce and consumer affairs.

9 §431:10C-B Electronic reporting of motor vehicle insurance
10 coverage; exceptions. (a) No later than December 31, 2013,
11 each insurer that issues motor vehicle insurance policies as
12 defined in section 431:10C-103, or motor vehicle liability
13 policies as defined in section 287-24, shall report all existing
14 motor vehicle insurance policies issued for vehicles registered
15 in this State to the insurance division; provided that the
16 reporting of existing motor vehicle insurance policies may be
17 done in a manner other than electronic reporting; provided
18 further that if the insurance commissioner makes a written



1 finding that, due to unusual circumstances, an insurer is not
2 likely to meet the mandatory reporting deadline set forth in
3 this section, the insurance commissioner may extend the
4 mandatory reporting deadline for that insurer.

5 (b) Beginning on January 1, 2014, each insurer shall
6 electronically report to the insurance division:

7 (1) All issued motor vehicle insurance policies and
8 additional information, as specified in rules adopted
9 by the insurance commissioner, within thirty days of
10 the effective date of the coverage; and

11 (2) Any termination of a reported policy or any change of
12 information previously reported pursuant to this
13 section, as specified in rules adopted by the
14 insurance commissioner, within forty-five days of the
15 date of termination or change. The report shall
16 include the effective date of the termination,
17 amendment, or cancellation and any other information
18 that does not exceed that required under paragraph

19 (1).

20 (c) Persons with alternative forms of financial
21 responsibility pursuant to part IV of this article shall provide



1 satisfactory evidence of financial responsibility, as specified
2 in rules adopted by the insurance commissioner.

3 (d) The insurance division shall establish an alternative
4 procedure for establishment of satisfactory evidence of
5 financial responsibility to permit the timely renewal of vehicle
6 registration when the electronic data has not been updated due
7 to circumstances beyond the vehicle owner's immediate control.
8 For purposes of this subsection, "circumstances beyond the
9 vehicle owner's immediate control" include:

- 10 (1) A vehicle identification error in the insurance
11 division's or the insurer's records; or
12 (2) If insurance was purchased too recently to have been
13 electronically transmitted to the insurance division.

14 If this alternative procedure is used, the insurance division
15 shall obtain electronic data from the insurer after the issuance
16 of the registration certificate.

17 **§431:10C-C Electronic verification of financial**
18 **responsibility by law enforcement and court personnel.** The
19 insurance division shall develop a method by which law
20 enforcement officers and court personnel, beginning on January
21 1, 2014, may electronically verify that an insurance policy or
22 bond for a motor vehicle has been issued.



1 **§431:10C-D Penalties.** Any insurer failing to report
2 information within the time required under this part, shall be
3 subject to the penalty provided in section 431:14-117."

4 SECTION 2. Section 286-51, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "**§286-51 Registration, expense.** (a) Beginning on January
7 1, 2014, no certificate of registration shall be issued for a
8 motor vehicle unless the director of finance in the county in
9 which registration is sought shall have received satisfactory
10 evidence of financial responsibility for the motor vehicle;
11 provided that this subsection shall not apply to the initial
12 registration of any motor vehicle.

13 ~~(a)~~ (b) The certificate of registration for each motor
14 vehicle in the counties of the State shall be renewed on a
15 staggered basis as established by each county. The director of
16 finance of each county may adopt rules to carry out the purposes
17 stated in this section and shall expend the necessary funds from
18 the director's operating funds as may be necessary for these
19 purposes; provided that the director of finance, if the director
20 has ascertained as of the date of the application that the
21 registered owner has not deposited or paid bail with respect to
22 any summons or citation issued to the registered owner for



1 stopping, standing, or parking in violation of traffic
2 ordinances within the county, may require, as a condition
3 precedent to the renewal, that the registered owner deposit or
4 pay bail with respect to all such summonses or citations. The
5 certificates of registration issued hereunder shall show, in
6 addition to all information required under section 286-47, the
7 serial number of the tag or emblem and shall be valid during the
8 registration year only for which they are issued. The
9 certificates of ownership need not be renewed annually but shall
10 remain valid as to any interest shown therein until canceled by
11 the director of finance as provided by law or replaced by new
12 certificates of ownership as hereinafter provided.

13 [~~(b)~~] (c) This part shall be administered by the director
14 of finance in conjunction with the requirements of sections 249-
15 1 to 249-13 and shall entail no additional expense or charge to
16 the person registering the ownership of a motor vehicle other
17 than as provided by this section or by other laws; provided that
18 for each new certificate of ownership issued by the director of
19 finance under section 286-52, the director of finance may charge
20 a fee which shall be deposited in the general fund. The fees
21 charged to issue a new certificate of ownership shall be
22 established by the county's legislative body.



1 Notwithstanding any other law to the contrary, an
2 additional fee of not more than \$1 for each certificate of
3 registration for a U-drive motor vehicle and \$2 for each
4 certificate of registration for all other motor vehicles may be
5 established by ordinance and collected annually by the director
6 of finance of each county, to be used and administered by each
7 county:

- 8 (1) For the purpose of beautification and other related
9 activities of highways under the ownership, control,
10 and jurisdiction of each county; and
- 11 (2) To defray the additional cost in the disposition and
12 other related activities of abandoned or derelict
13 vehicles as prescribed in chapter 290. For the
14 purposes of this paragraph, other related activities
15 shall include but need not be limited to any and all
16 storage fees that are negotiated between each county
17 and a towing company contracted by the county to
18 remove and dispose of abandoned or derelict vehicles.

19 The \$2 fee established pursuant to this subsection for
20 certificates of registration for motor vehicles other than U-
21 drive motor vehicles may be increased by ordinance up to a
22 maximum of \$10; provided that all amounts received from any fee



1 increase over \$2 shall be expended only for the purposes of
2 paragraph (2). The moneys so assessed and collected shall be
3 placed in a revolving fund entitled, "the highway beautification
4 and disposal of abandoned or derelict vehicles revolving fund".

5 SECTION 3. No later than June 30, 2013, each insurer that
6 issues motor vehicle insurance policies as defined in section
7 431:10C-103, Hawaii Revised Statutes, or motor vehicle liability
8 policies as defined in section 287-24, Hawaii Revised Statutes,
9 shall advise the insurance division of the department of
10 commerce and consumer affairs of the electronic method the
11 insurer intends to use for reporting insurance information
12 pursuant to section 431:10C-B(b), Hawaii Revised Statutes.

13 SECTION 4. In codifying the new sections added by section
14 1 of this Act, the revisor of statutes shall substitute
15 appropriate section numbers for the letters used in designating
16 the new sections in this Act.

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19



1 SECTION 6. This Act shall take effect upon its approval.

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INTRODUCED BY:

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S.B. NO. 2519

Report Title:

Electronic Reporting; Motor Vehicle Liability Insurance; Motor Vehicle Registration

Description:

Requires motor vehicle insurers to report to the insurance division all existing and newly issued motor vehicle insurance policies, as well as all terminations of and changes to any reported policy, no later than 12/31/2013, and to electronically report the same beginning 1/1/2014. Requires motor vehicle insurers to inform the insurance division of the DCCA on the method of electronic transmission that each insurer will utilize to report insurance information to the insurance division no later than 6/30/2013. Beginning 1/1/2014, prohibits renewal of registration of a motor vehicle registered in this State without satisfactory evidence of financial responsibility.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

