
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1 SECTION 1. Section 291C-165.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§291C-165.5 Motor vehicle towing and storage; settlement.

4 (a) Notwithstanding any other provision of this chapter, any
5 vehicle identified for removal pursuant to any county ordinance
6 ordering removal of motor vehicles by any county police
7 department for traffic violations, including a vehicle which
8 constitutes an obstruction or hazard to traffic, may be towed
9 away at the expense of the registered owner of the vehicle, as
10 provided by this section.

11 (b) The towing company shall determine the name of the
12 lien holder and the registered owner of the vehicle from the
13 department of transportation or the county department of
14 finance. The lien holder and the registered owner shall be
15 notified by the towing company in writing at the address on
16 record with the department of transportation or with the county
17 department of finance by registered or certified mail of the
18 location of the vehicle, together with a description of the



1 vehicle, within a reasonable period not to exceed twenty days
2 following the tow. The notice shall state:

- 3 (1) The maximum towing charges and fees allowed by law;
- 4 (2) The telephone number of the county finance department
5 that arranged for or authorized the tow; and
- 6 (3) That if the vehicle is not recovered within thirty
7 days after the mailing of the notice, the vehicle
8 shall be deemed abandoned and will be sold or disposed
9 of as junk.

10 Any towing company engaged in towing pursuant to this section
11 shall comply with the requirements of section 291C-135. When
12 the vehicle is recovered after the tow by the registered owner
13 or lien holder, the party recovering the vehicle shall pay the
14 tow and storage charges which shall not exceed the charges as
15 provided by section 290-11(b) or the rates agreed upon with the
16 respective counties, whichever is lower, except that tow
17 operators may charge additional reasonable amounts for
18 excavating vehicles from off-road locations; provided that if
19 the notice required by this section was not sent within twenty
20 days after the tow, neither the registered owner nor the lien
21 holder shall be required to pay the tow and storage charges. No
22 notice shall be sent to a legal or registered owner or any



1 person with any unrecorded interest in the vehicle whose name or
2 address cannot be determined. A person, including but not
3 limited to the owner's or driver's insurer, who has been charged
4 in excess of the charges permitted under this section may sue
5 for damages sustained, and, if the judgment is for the
6 plaintiff, the court shall award the plaintiff a sum not to
7 exceed the amount of these damages and reasonable attorney's
8 fees together with the cost of the suit.

9 (c) When a vehicle is recovered by the owner or lien
10 holder before written notice is sent by registered or certified
11 mail, the towing company shall provide the owner or lien holder
12 with a receipt stating the maximum towing charges and fees
13 allowed by law and the telephone number of the county finance
14 department that arranged for or authorized the tow.

15 (d) Notwithstanding any other law to the contrary, a
16 towing company shall not release a motor vehicle towed pursuant
17 to this section unless the party recovering the vehicle provides
18 proof that the vehicle is currently:

19 (1) Registered pursuant to chapter 286; and

20 (2) Insured pursuant to article 10C of chapter 431.

21 [~~d~~] (e) When a vehicle is not recovered within thirty
22 days after the mailing of the notice, it shall be deemed



1 abandoned and the owner of the towing company, or the owner of
2 the towing company's authorized representative, after one
3 statewide public notice as required in section 1-28.5, may
4 negotiate a sale of the vehicle or dispose of it as junk.

5 ~~(e)~~ (f) The authorized seller of the vehicle shall be
6 entitled to the proceeds of the sale to the extent that
7 compensation is due the authorized seller for services rendered
8 in respect to the vehicle, including reasonable and customary
9 charges for towing, handling, storage, and the cost of the
10 notices and advertising required by this part. Any remaining
11 balance shall be forwarded to the registered owner or lien
12 holder of the vehicle if the registered owner or lien holder is
13 found. If the registered owner or lien holder cannot be found,
14 the balance shall be deposited with the director of finance of
15 the State and shall be paid out to the registered owner or lien
16 holder of the vehicle if a proper claim is filed therefor within
17 one year from the execution of the sales agreement. The lien
18 holder shall have first priority to the funds to the extent of
19 the lien holder's claim. If no claim is made within the year
20 allowed, the money shall escheat to the State.

21 ~~(f)~~ (g) The transfer of title and interest by sale under
22 this section is a transfer by operation of law; provided that if



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1 the certificate of ownership or registration is unavailable, a
 2 bill of sale executed by an authorized seller is satisfactory
 3 evidence authorizing the transfer of the title or interest.

4 ~~[(g)]~~ (h) This section shall not apply to a county that
 5 has adopted ordinances regulating towing operations~~[-]~~; provided
 6 that the county ordinances conform to the requirements of
 7 subsection (d)."

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.

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INTRODUCED BY:

Calvin K. Day

John R. Calk
Linda Lehman

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~~_____~~
~~_____~~
Shane V. De
Myrtle

JAN 18 2013



H.B. NO. 602

Report Title:

Motor Vehicle Towing and Storage

Description:

Prohibits a towing operator from releasing a motor vehicle unless the party recovering the vehicle provides proof that the motor vehicle is currently registered and insured. Requires county ordinances that regulate towing operations to include this prohibition.

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



**HOUSE COMMITTEE
ON
TRANSPORTATION**

February 6, 2013

House Bill 602 Relating to Motor Vehicles

Chair Yamane and members of the House Committee on Transportation, I am Rick Tsujimura, representing State Farm Mutual Automobile Insurance Company (State Farm). State Farm opposes House Bill 602 Relating to Motor Vehicles.

House Bill 602 would require that a tow company be provided proof that a vehicle is currently registered and insured before it could be released. While that might be appropriate for vehicles that have been towed for non-accident reasons, it could result in delays when an owner or that owner's insurer wants to move a vehicle to a repair facility (to commence repairs) or to a salvage processor (in the case of a total loss). Delays would add cost to "daily storage rates", etc. It could also delay the release of a "theft-recovery" vehicle.

We propose amending the bill language as follows:

“(d) Notwithstanding any other law to the contrary, and except when releasing a damaged or recovered-theft vehicle to a licensed salvage processor or body shop, or otherwise at the direction of an insurer, a towing company shall not release a motor vehicle towed pursuant to this section unless the party recovering the vehicle provides proof that the vehicle is currently:

- (1) Registered pursuant to chapter 286; and
- (2) Insured pursuant to article 10C of chapter 431.”

Thank you for the opportunity to present this testimony.