



Brian Kitagawa, President
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HADA TESTIMONY WITH COMMENTS

On SB3049

RELATING TO MOTOR VEHICLES

Presented to the Senate Committee on Transportation and Energy and the Senate Committee on Public Safety, Intergovernmental and Military Affairs
 At the Public Hearing, 9 a.m. Thursday, February 8, 2018
 Conference Room 225, Hawaii State Capitol

Chairs Inouye and Nishihara, Vice Chairs Espero and Wakai, and members of the committees:

The members of the Hawaii Automobile Dealers Association, Hawaii’s franchised new car dealers, appreciate the opportunity to offer comments on this bill which proposes to implement a \$10 motor vehicle importation fee for each motor vehicle that is imported into the State, paid to the county that is the final destination of the vehicle, for the purpose of disposing of abandoned vehicles.

Comment #1: Such a \$10 fee on all imported vehicles to the State would place an additional requirement for disposal of vehicles on one particular segment of the population-- incoming military personnel-- because of their transfers to the State for a period of only a few years, and which often includes importation of their personal vehicles.

Comment #2: The “beautification fee” included on the annual registration of motor vehicles registered by vehicle owners in each of the State’s four counties is already collected for the purpose of disposing of abandoned vehicles. Please see the attached Kokua Line story that appeared in the Honolulu Star-Advertiser:

Please note that the following “beautification fees” are included in the amounts collected from motor vehicle owners on their annual motor vehicle registrations:

- County of Honolulu \$7 beautification fee
- County of Hawaii \$1 beautification fee
- County of Kauai \$5 beautification fee*
- County of Maui \$1 beautification fee

*any amounts over \$2 per vehicle shall be expended to address derelict vehicles on Kauai

Comment #3: Counties, like Maui, also have provisions for recovering from the responsible party costs for removing abandoned vehicles.

20.20.080 - The highway beautification and disposal of abandoned or derelict vehicles revolving fund.

All costs recovered and other funds collected or received pursuant to this chapter or as may be appropriated, from time to time, by the council shall be deposited into the highway beautification and disposal of abandoned or derelict vehicles revolving fund established by [section 3.25.030](#) of the Maui County Code.

Drivers' 'beautification fee' used to tow abandoned cars

Honolulu Star-Advertiser 19 Mar 2015 JUNE WATANABE — Write to "Kokua Line" at Honolulu Star-Advertiser, 7 Waterfront Plaza, Suite 210, 500 Ala Moana Blvd., Honolulu 96813; call 529-4773; fax 529-4750; or email kokualine@staradvertiser.com.

QUESTION: Would you please find out why and when did the City and County of Honolulu start to charge/include an additional fee called a "beautification fee" of \$7 to register our cars? I recently renewed my registered vehicle online and saw the "beautification fee" included along with other taxes in the total cost of registration. What is the purpose of this fee?

ANSWER: It is a state law, Section 286-51 of the Hawaii Revised Statutes, that authorizes the counties to assess fees, by ordinance, to help pay for highway beautification and to deal with abandoned vehicles, said Gary Kurokawa,

deputy director, Department of Budget and Fiscal Services.

The fee has been around for about 40 years.

For Honolulu, Section 620 of the Revised Ordinances of Honolulu covers the "Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund."

It sets the fee at \$1 for "Udrive" vehicles and \$7 for all other motor vehicles.

The earliest city operating budget that included the highway beautification fund was the fiscal year 1974-75 budget, Kurokawa said.

A Kokua Line column from

2000 noted the fee at that time was \$2 per vehicle. The current \$7 fee took effect in July 2010.

For fiscal year 2014, \$4.5 million was collected from highway beautification fees, Kurokawa said.

The money collected is used for highway beautification "and other related activities of primary highways" under the city's jurisdiction, as well as to deal with abandoned or derelict vehicles.

In addition to hauling away vehicles abandoned on public roadways, the beautification fee covers hauling away vehicles "junked" with the owners' permission, for free.

Adding another funding mechanism on top of funding mechanisms that already exist for the purpose of addressing abandoned cars seems unnecessary duplication. Thank you for the opportunity to provide comments on SB3049.

Respectfully submitted,

David H. Rolf
For the Members of the Hawaii Automobile Dealers Association

