



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2020**

ON THE FOLLOWING MEASURE:

H.B. NO. 2556, H.D. 1, RELATING TO VEHICLES.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Monday, February 24, 2020 **TIME:** 11:00 a.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Clare E. Connors, Attorney General, or
Reuel S. Toyama, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General offers the following comments on this bill.

The purposes of this bill are to: (1) create a new misdemeanor offense punishable by a fine of \$250 to \$500 for a person who abandons any vehicle on any public or private roadway or property without the permission of the owner or lessee of the property; (2) allow the county to withhold the issuance or renewal of a certificate of registration for a person convicted of that offense; (3) require the court to report the conviction to the county director of finance for appropriate action; and (4) allow the county to withhold the issuance of any certificate of registration for any vehicle until the county is reimbursed for costs, charges, and fines related to the abandoned vehicle.

A misdemeanor offense may be punishable by up to one year incarceration pursuant to section 706-663, Hawaii Revised Statutes (HRS), which would in turn trigger the right to a jury trial pursuant to article I, section 14 of the Hawai'i State Constitution and section 806-60, HRS (Jury of twelve required).

If the intent of this bill is to create an offense to be adjudicated by the court and that the court "shall report the conviction to the appropriate county director of finance," without specifying the possibility of incarceration and thus not statutorily triggering the right to a jury trial, then (1) at section 1 on page 2, line 1, the word "misdemeanor" should be replaced with "violation"; (2) at section 3 on page 3, line 4, the word

“misdemeanor” should be replaced with “violation”; and (3) at section 3 on page 3, lines 9-10, the wording “guilty of a misdemeanor and” should be replaced with “convicted of a violation.”

The suggested amendments would be consistent with not grading the offense as a crime but as a violation pursuant to section 701-107(1), (5), (6), and (7), HRS.

Thank you for the opportunity to comment on this bill.

Testimony of the
Hawaii State Association of Counties
on
H.B. No. 2556, H.D.1
Relating to Registration of Vehicles
Committee on Finance
Monday, February 24, 2020, 11:00 a.m.
Room 308

The Hawaii State Association of Counties (HSAC) supports H.B. No. 2556, H.D. 1, with a proposed amendment.

H.B. No. 2556, H.D.1:

- Authorizes a county director of finance to withhold the issuance or renewal of a certificate of registration for a motor vehicle until the county is reimbursed for the costs of the disposition of an abandoned vehicle;
- Makes it a misdemeanor to abandon a vehicle on any roadway or property without the consent of the owner or lessee of the property;
- Requires a court to report to the county director of finance any conviction for abandoning a vehicle and prohibits the convicted person from operating a vehicle; and
- Authorizes the county to assess and collect fees and penalties for actions relating to the disposition of abandoned vehicles.

HSAC supports the intent of H.B. No. 2556, H.D.1, which will help in addressing the problem of abandoned and derelict vehicles. The more immediate problem are the costs for the removal and disposal of abandoned or derelict vehicles, which in many cases, are absorbed by the county. These costs may vary from county to county depending upon the availability of towing resources, storage areas for the vehicles, operating funds, recycling options for the vehicles, etc.

Kauai Police Department testified on HB 1729 that, "In the last quarter alone, we towed 247 abandoned or derelict vehicles. Towing charges for that quarter totaled \$66,462.

The Department of Customer Service, City and County of Honolulu, requested that the cap on the fee that a county may impose to defray the cost in the disposition and other related activities of abandoned or derelict vehicles be removed to address the rising number of abandoned vehicles.

HSAC requests that H.B. No. 2556, H.D.1, be further amended by amending subsection (b) of section 286-51, HRS, to delete the cap on the fee that a county may impose to defray the costs to remove and dispose of abandoned or derelict vehicles. As amended, the subsection would read:

“(b) This part shall be administered by the director of finance in conjunction with the requirements of sections 249-1 to 249-13 and shall entail no

additional expense or charge to the person registering the ownership of a motor vehicle other than as provided by this section or by other laws; provided that for each new certificate of ownership issued by the director of finance under section 286-52, the director of finance may charge a fee which shall be deposited in the general fund. The fees charged to issue a new certificate of ownership shall be established by the county's legislative body.

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

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

The \$2 fee established pursuant to this subsection for certificates of registration for motor vehicles other than U-drive motor vehicles may be increased by ordinance ~~[up to a maximum of \$10]~~; provided that all amounts received from any fee increase over \$2 shall be expended only for the purposes of paragraph (2). The moneys so assessed and collected shall be placed in a revolving fund entitled, "the highway beautification and disposal of abandoned or derelict vehicles revolving fund."

This amendment will authorize each county to determine their costs associated with the removal and disposal of abandoned or derelict vehicles and to set the charge for that county.

With this amendment, HSAC supports H.B. 2556.

Thank you for the opportunity to submit testimony on this legislation.



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GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 21, 2020

TO: Representative Sylvia Luke
Chair, Committee on Finance
Submitted Via Capitol Website

FROM: Matt Tsujimura

RE: **H.B. 2556, H.D.1 Relating to Vehicles**
Hearing Date: Monday, February 24, 2020, 11:00 a.m.
Conference Room: 308

Dear Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance:

We submit this testimony on behalf of Enterprise Holdings (“Enterprise”), which includes Enterprise Rent-A-Car, Alamo Rent-A-Car, National Car Rental, Enterprise CarShare and Enterprise Commute (Van Pool).

Enterprise **submits comments** H.B. 2556, H.D.1, which would, among other things, authorize the county to assess and collect fees, fines, and penalties for actions relating to the disposition of abandoned vehicles.

Enterprise is concerned that H.B. 2556, H.D.1 and Hawaii Revised Statutes § 286-51 are duplicative. § 286-51 imposes a fee for motor vehicle registrations to be used only for “beautification and other related activities of highways under the ownership, control, and jurisdiction of each county; and to defray the additional cost in the disposition and other related activities of abandoned or derelict vehicles.” If the counties are allowed to create additional rules to collect for the cost of disposal, this would negate the need for § 286-51.

Enterprise appreciates the intent to keep our roads clean and safe. If the committee is compelled to pass the measure, we would request that the cap on the beautification fee in § 286-51 be amended rather than allowing counties to create more duplicative fees.

Thank you for the opportunity to submit this testimony.

HB-2556-HD-1

Submitted on: 2/21/2020 8:57:52 PM

Testimony for FIN on 2/24/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
J Ashman	Individual	Support	No

Comments:

HB-2556-HD-1

Submitted on: 2/22/2020 7:26:14 AM

Testimony for FIN on 2/24/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Warren Watanabe	Individual	Support	No

Comments:

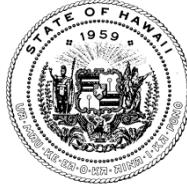
HB-2556-HD-1

Submitted on: 2/23/2020 2:23:25 PM

Testimony for FIN on 2/24/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kalani	Individual	Support	No

Comments:



TESTIMONY BY:

JADE T. BUTAY
DIRECTOR

Deputy Directors
LYNN A.S. ARAKI-REGAN
DEREK J. CHOW
ROSS M. HIGASHI
EDWIN H. SNIFFEN

LATE

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 24, 2020
11:00 A.M.
State Capitol, Room 308

H.B. 2556, H.D. 1
RELATING TO VEHICLES

House Committee on Finance

The Department of Transportation is providing **comments** on H.B. 2556, H.D. 1, which authorizes the withholding and revocation of vehicle registrations and driver's licenses for those who abandon a vehicle under specified conditions. In addition, it authorizes the assessment and collection of charges relating to abandoned and derelict vehicles.

The current statute, 286-51(b), HRS, established a special fund, The Highway Beautification and Disposal of Abandoned or Derelict Vehicles Revolving Fund, that provides the funding for the counties to remove and dispose of abandoned and derelict vehicles from public and certain private roadways. Registered owners currently pay a highway beautification fee each time they register their motor vehicle that is deposited into this fund and the rate may be set by each county up to a maximum of \$10.

The amendment proposes that the registered owner's driver's license be revoked if the registered owner is convicted of abandoning their vehicle. In order to correctly match the registered owner with their driver's license record other pieces of the driver's information will need to be captured in the motor vehicle registration (MVR) record.

In addition, the registered owner's name in the MVR system is not required to be a legal name and may not exactly match the name in the driver's license database. As an illustration, currently drivers are matched under nationwide systems by last name, first name, driver's license number or social security number, and birth date. The motor vehicle registration system and Department of Motor Vehicle procedures and database would need to be modified to capture these other non-name types of identity matching fields. Failure to do so will result in the counties not being able to match the registered owner with the driver's license record.

Thank you for the opportunity to provide testimony.



DEPARTMENT OF FINANCE
THE COUNTY OF KAUAI

DEREK S. K. KAWAKAMI, MAYOR
MICHAEL A. DAHLIG, MANAGING DIRECTOR

REIKO MATSUYAMA
DIRECTOR

MICHELLE L. LIZAMA
DEPUTY DIRECTOR

Testimony of Reiko Matsuyama
Director of Finance, County of Kauai

Before the
House Committee on Finance
February 24, 2020; 11:00 am
Conference Room 308

In consideration of
House Bill 2556 HD1
Relating to Vehicles

LATE

Honorable Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Finance Department of the County of Kauai **strongly supports** HB 2556 HD1, which provides leverage by the director of finance of a county to restrict issuance of a driver's license or registration. Accountability is a serious issue when it comes to addressing the root cause of abandoned/derelict vehicles. Rather than increase fees that will burden the entire community, we would rather address the problem and take action on those who are the contributors to the problem.

The County of Kauai, like many other jurisdictions, has a major issue with abandoned and derelict vehicles. While our Kauai Police Department (KPD) is faced with addressing the towing and removal of these vehicles, the motor vehicle division is trying to work closely with KPD to address the root cause of the issue.

In preliminary discussions with KPD, they have a difficult time enforcing the collection of outstanding towing and related costs. In addition, there are recurring offenders who litter our island with cars. When their names were mentioned in our meetings, our motor vehicle staff indicated that they are regularly in the DMV transferring and registering vehicles.

If we were able to turn away these recurring offenders from transferring and/or registering vehicles along with the revocation of driver's licenses, it would either force them to pay the bills that are now being absorbed by KPD or it would prevent them from improperly disposing these additional vehicles.

It is for these reasons, that we **strongly support** HB 2556 HD1. Thank you for your consideration of this testimony.

Sincerely,

Reiko Matsuyama
Finance Director

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