

DEREK S. K. KAWAKAMI
Mayor

MICHAEL A. DAHILIG
Managing Director

POLICE DEPARTMENT COUNTY OF KAUAI

3990 KAANA STREET, SUITE 200
LIHUE, HAWAII 96766-1268
TELEPHONE (808) 241-1600
FAX (808) 241-1604
www.kauai.gov/police



TODD G. RAYBUCK
Chief of Police

Testimony of Mark N Begley
Assistant Chief, Patrol Services Bureau
Kaua'i Police Department

Before the
Committee on Consumer Protection & Commerce
February 12, 2021; 2:00 pm
Conference Room 329

In consideration of
House Bills 161, 160, and 159
Relating to Registration and Transfer of Vehicles

Honorable Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

The Patrol Services Bureau supports House Bills 161, 160 and 159, which would (1) prevent the registration and transferring of vehicles for those who have outstanding towing and related charges owed to the Counties, (2) subject U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles; and (3) require a motor vehicle transferor or representative to appear in person with the transferee to execute the transfer of a motor vehicle, except in certain situations.

Bills 160 and 159 will significantly curtail the fraud that we have seen in the transfers of motor vehicles. They will drastically reduce the large number of vehicles that are carelessly abandoned around our Counties. They will reduce the significant cost born by our taxpayers in the towing and disposal of these vehicles. They will reduce the contamination caused by abandoned vehicles that are leaking gasoline, oil and other chemicals into our soil and waterways.

Notarization in vehicle transfers is a small price/effort to pay in exchange for eliminating a significant amount of fraud and illegal dumping. The benefits to our local governments, and our taxpayers, far outweigh any other concerns in this regard. It is a simple and painless process to certify additional notaries. Private companies can easily blend notary status into their existing staffing if needed.



We handle abandoned and derelict vehicle complaints on a daily basis, and we see firsthand how important this issue is to our residents and visitors alike. It has been extremely difficult to curtail this behavior and to enforce the collection of outstanding towing and related costs. People have learned that there is little chance that they will be held accountable if they fraudulently transfer a vehicle; fail to complete a transfer of a vehicle; or dump their unwanted vehicles on County and State land.

Respectfully Submitted,

Mark N. Begley
Assistant Chief
Patrol Services Bureau
Kauai Police Department



DEPARTMENT OF FINANCE

REIKO MATSUYAMA, DIRECTOR

MICHELLE L. LIZAMA, DEPUTY DIRECTOR



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

Testimony of Reiko Matsuyama Director of Finance, County of Kaua'i

Before the
Committee on Consumer Protection & Commerce
February 12, 2021 at 2:00 pm
Conference Room 329

In consideration of
House Bill 159
Relating to the Registration of Vehicles

Honorable Chair Johanson, Vice Chair Kitagawa, and Members of the Committee:

The Finance Department of the County of Kaua'i **strongly supports** HB 159 HD1, which requires both the transferor and transferee of a vehicle to appear in person to execute a vehicle transfer. Currently our county receives a number of fraudulent or erroneous notice of transfer forms. This prevents us from keeping current and accurate records of registered owners which is one of the primary issues contributing to the abandoned vehicle problems on our island.

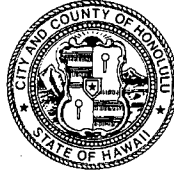
While it may seem counterproductive to invite increased foot traffic into the DMV in order to process transfers, it is an essential step in preventing fraud. We receive many notice of transfer slips through our drop box and mail which many times are not legible. There is no way to verify someone's identity. Our Kaua'i Police Department has done research on how the problem is handled throughout the nation and we feel that having both parties present at the same time offers the most assurance that we are processing title transfers with accurate information on registered owners.

It is for these reasons, that we **strongly support** HB 159 HD1. Thank you for your consideration of this testimony.

DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU

MISSION MEMORIAL BUILDING
550 SOUTH KING STREET, HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-3392 FAX: (808) 768-1591
<http://www.honolulu.gov>

RICK BLANGIARDI
MAYOR



NOLA MIYASAKI
DIRECTOR DESIGNATE

February 12, 2021

The Honorable Aaron Ling Johanson, Chair
The Honorable Lisa Kitagawa, Vice Chair
And Members of the Committee on Consumer Protection and Commerce
The State House of Representatives
State Capitol, Conference Room 329
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Johanson and Members of the Committee on Transportation:

SUBJECT: H.B. No. 159, H.D. 1 – Registration of Vehicles

The City and County of Honolulu, Department of Customer Services (CSD) **supports the intent** of this measure.

This bill requires a motor vehicle transferor, or the transferor's representative, and transferee to appear in person to execute the transfer of a motor vehicle and subjects motor vehicle transferors to certain fees previously assessed on motor vehicle transferees.

CSD supports the intent of this measure, however, it will create undue hardship on the transferor and transferee to both have to appear in person at a Satellite City Hall office. The COVID-19 safety requirements further complicate this requirement.

The effective date of this bill should be amended so the necessary internal county processes can be finalized and the public is duly notified of the new process before the enactment of this bill.

Thank you for this opportunity to provide testimony on H.B. No. 159, H.D.1.

Sincerely,

A handwritten signature in black ink that reads "Nola Miyazaki".

Nola Miyazaki
Director Designate

Testimony of the
Hawaii State Association of Counties
on
H.B. 159, H.D.1
Relating to Registration of Vehicles.
Committee on Consumer Protection & Commerce
Friday, February 12, 2021, 2:00 p.m.
Room 329

The Hawaii State Association of Counties (HSAC) strongly supports H.B. 159, H.D.1, which requires the transferor of a motor vehicle, or the transferor's representative, and the transferee to appear in person to execute the transfer of a motor vehicle, with exceptions for the businesses and organizations listed in the H.D.1.

H.B. 159, H.D.1, was proposed to address a number of issues that are often encountered by the counties when there is a transfer of ownership of a motor vehicle:

- Buyers often provide false, illegible, or unusable contact information to the sellers, and then fail to register the vehicle under the buyer's name;
- Sellers may provide fraudulent information about the transfer of the vehicle to an unidentifiable buyer, often to absolve themselves of the responsibility to properly dispose of an unwanted vehicle; and
- Buyers sometimes face undisclosed unpaid taxes, fraudulent registration stickers or other vehicle information.

H.B. 159, H.D.1, will assist the counties to keep accurate and current records of vehicle transfers, and will assist law enforcement, when necessary, in identifying and locating the buyer of a vehicle, who did not provide accurate contact information to the seller.

HSAC understands the burden that the measure will impose upon operators like IIA, rent-a-car operators, and insurers, and agrees with the amendments to accommodate the concerns raised by the various businesses and organization.

For these reasons, HSAC supports H.B. 159, H.D.1, and is happy to work with IIA, the Insurers Council, and others as this measure progresses. Thank you for the opportunity to submit testimony on H.B. No. 159, H.D.1.

TESTIMONY OF ROBERT TOYOFUKU ON BEHALF OF INSURANCE AUTO AUCTIONS, INC. (IAA) REGARDING H.B. NO. 159, HD 1

February 12, 2021

To: Chairman Aaron Johanson and Members of the House committee on Consumer Protection and Commerce:

My name is Bob Toyofuku and I am presenting this testimony on behalf of the Insurance Auto Auctions, Inc. (IAA) regarding HB 159, HD 1 Relating to Registration of Vehicles.

Insurance Auto Auctions is a salvage auction company that handles the sale of damaged and theft-recovered vehicles for the insurance industry. They have one location in the State of Hawaii in Kapolei, Oahu. Automobile insurers process thousands of total loss claims in Hawaii each year. For the vast majority of these claims, after the total loss settlement is paid to the vehicle owner and any lienholder, the certificate of title for the vehicle is available to the insurer and the further titling of the vehicle can be handled in accordance with Hawaii statutes.

Insurance Auto Auctions (“IAA”) opposed the initial HB 159 because the bill provided that, for many motor vehicle transfers, the transferor and transferee are to appear in person before a clerk at the “respective” county Department of Motor Vehicles to execute the transfer. The bill further provides that, if the transferor is not available to appear in person, the transferor shall sign the certificate of ownership before a notary public and then the transferee and “the transferor’s representative” shall both appear in person at the county Department of Motor Vehicles. IAA felt that this is an unworkable and impractical proposal.

The Transportation Committee inserted various exceptions including the situation facing IAA which has made the HD 1 more workable. However, IAA requests that the following amendments be mad to the HD 1 as follows:

1. On page 2, line 10, change the “and” to “or”

2. On page 3, line 16, the word “who” should be deleted
3. On page 4, line 18, delete the word “in”
4. On page 7 from line 19 to line 6 on page 8, subsection (j) should be reinserted and the phrase “listed in subsection (a) (1)” should be inserted after the word “person” in line 19. IAA maintains that for transfers that should not be required to take place before the county DMV, the notice of transfer requirement of subsection (j) should remain, as it is an integral part of the relief of liability in subsection (k).
5. On page 8, lines 7 and 8, the deleted language should be reinstated.
6. The lettering of the original subsections (j) and (k) should remain after the reinstatement of the original subsection (j) and the lettering of the original subsections (l) and (m) reinstated as in the current HRS section 286-52.

Thank you for the opportunity to submit this testimony on behalf of IAA and I am available to answer any questions.



**Testimony of Mark Binder from Copart, Inc.
In Support of House Bill 159 HD1
House Committee on Consumer Protection and Commerce
February 12, 2021**

Chair Johanson, Vice Chair Kitagawa and members of the Committee on Consumer Protection and Commerce,

My name is Mark Binder, Copart, Inc. Director of Government Affairs based out of Oklahoma City. Copart is a global leader in the salvage and auto auction industry. Copart has one Hawaii location and several sublots on the islands. We provide a service to insurance carriers, rental car companies, charities and anyone who wants to sell a vehicle at our yards. We are proud members of the Hawaii business community and provide a needed resource within the state.

I appreciate the opportunity to testify in **support** to House Bill 159 HD1. We appreciate the amendments made in the House Committee on Transportation that would exempt certain business transactions. **We are requesting an additional technical amendment** to help clarify the transactions within the high-volume auction community.

On page 2, line 9 we respectfully ask the committee to insert the following language.

(2) Vehicle is transferred by **[OR THROUGH AN]** auction as defined in section 437-1.1

Thank you for your time and for the opportunity to testify in support to House Bill 159 HD1. We hope to be able to work with this Committee to amend the bill to address our amendment.

I am available for any questions that you may have on this bill or Copart's operations.

TESTIMONY OF MICHAEL TANOUE

COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Friday, February 12, 2021
2:00 p.m.

HB 159, HD1

Chair Johanson, Vice Chair Kitagawa, and members of the Committee on Consumer Protection and Commerce, my name is Michael Tanoue, counsel for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council offers comments on this bill. We respectfully request the following two amendments to HB 159, HD1: (1) On page 1, line 17 of the bill, that the words, "An insurance company" be replaced with "A motor vehicle insurance company", and (2) on Page 2, line 10, that the word "and" be replaced by the word "or." The first amendment is merely to clarify that it is a "motor vehicle insurance company" that is exempt from this section. The second amendment is because there are situations where items 2 and 3 are not always applicable. There is on occasion, a situation where a motor vehicle may be transferred to a party other than an auctioneer and similarly, there are times where the motor vehicle being transferred does not have a salvage title.

Thank you for the opportunity to testify.



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 11, 2021

TO: Representative Aaron Johanson
Chair, Committee on Consumer Protection and Commerce

FROM: Mihoko Ito

RE: **H.B. 159, HD1 Relating to Registration of Vehicles**
Hearing Date: Friday, February 12, 2021 at 2:00 p.m.
Conference Room: 329

Dear Chair Johanson, Vice Chair Kitagawa, and members of the House Committee on Transportation:

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

Enterprise **submits comments** regarding H.B. 159 Relating to Registration of Vehicles, which requires a motor vehicle transferor, or the transferor's representative, and transferee to appear in person to execute the transfer of a motor vehicle.

Enterprise routinely sells motor vehicles to a variety of different entities when the vehicles reach the end of their rental life cycle. As a seller of these vehicles, Enterprise holds a motor vehicle dealer's license. These vehicles are sold to a variety of in-state and out-of-state sources. Due to the volume of these transactions, it would be impractical to require rental car companies as transferors and in-state or out-of-state transferees to appear in person to execute the transfer of the vehicles.

We support the amendments made in the H.D.1 because it exempts transactions involving licensed motor vehicle dealers. This allows the system that is presently being used to continue and will not disrupt current practices for the industry.

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