

OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR



Testimony of
Derek S.K Kawakami
Mayor, County of Kaua'i

Before the
House Committee on Finance
February 23, 2022 at 2:30 p.m.
Room 308 and Via Videoconference

In consideration of
House Bill 1688 HD1
Relating to the Registration of Vehicles

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

The County of Kaua'i is in **strong support of HB 1688 HD1** which subjects U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles, and authorizes the counties to use certain motor vehicle registration fees to mitigate and address the impacts of tourism-related traffic congestion.

Over the years our islands have continued to be impacted by the increase of abandoned and derelict vehicles left littering the sides of our roads and on vacant properties. To address this issue on Kaua'i, we initiated a county Abandoned Car Task Force with representatives from our finance department, solid waste division, police department, county council, and the private sector. One of our challenges, of course, is funding the removal and disposal of these vehicles; this measure helps in this task.

Registration fees that are equitable for all motor vehicles will certainly assist our effort in managing this challenge and keeping our Kaua'i as the Garden Island.

Mahalo for accepting my testimony in **strong support** of HB1688 HD1.

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 Finance
February 23, 2022 at 2:30 pm
308 Via Videoconference

In consideration of
House Bill 1688 HD1
Relating to the Registration of Vehicles

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

The Finance Department of the County of Kaua'i **strongly supports** HB 1688 HD1, which allows the director of finance of a county to charge u-drive vehicles the same beautification fee as any regular citizen would pay. Currently the County of Kaua'i charges \$1 for u-drive vehicles and \$5 for all others. We use this money to defray the costs of abandoned and derelict vehicles left for county disposal.

The abandoned and derelict vehicle problem is impacting the quality of life for our residents, impacts our environment, and is an eye-sore that detracts from our visitor experience. Mayor Kawakami put together an abandoned vehicle task force which made progress in identifying process issues. While we are making progress on addressing some of those issues, this increased fee would help to pay for the clean-up initiatives.

It is for these reasons, that we **strongly support** HB 1688 HD1. Thank you for your consideration of this testimony.

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Gabe Johnson
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

Deputy Director of Council Services
David M. Raatz, Jr., Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 19, 2022

TO: Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Alice L. Lee
Council Chair

DATE: February 19, 2022

SUBJECT: **SUPPORT OF HB 1688, HD1, REGISTRATION OF VEHICLES**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to subject rental vehicles to the same motor vehicle registration fees as other motor vehicles and to authorize the counties to use certain motor vehicle registration fees to mitigate and address the impacts of tourism-related traffic congestion.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

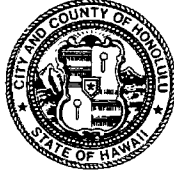
I **SUPPORT** this measure for the following reasons:

1. Raising the current county certificate of registration fee to \$2 for all vehicles would create parity between rental vehicles and all other motor vehicles and allows for a more equitable application of the fee.
2. This measure is a form of tourism management that can help to ensure quality of life for residents, the health of the environment, and the continued value of the visitor experience.
3. The additional revenue from motor vehicle registration fees will help the counties mitigate and address the impacts of tourism-related traffic congestion.

For the foregoing reasons, I **SUPPORT** this measure.

DEPARTMENT OF CUSTOMER SERVICES
CITY AND COUNTY OF HONOLULU
MISSION MEMORIAL BUILDING
550 SOUTH KING STREET, HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-3391 FAX: (808) 768-1591
<http://www.honolulu.gov>

RICK BLANGIARDI
MAYOR



KIMBERLY M. HASHIRO
ACTING DIRECTOR

February 22, 2022

The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
And Members of the Committee on Finance
Hawaii State Capitol, Conference Room 306
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Sylvia Luke, Vice Chair Kyle T. Yamashita, and Members of the
Committee on Finance,

SUBJECT: H.B. 1688 H.D.1 – Relating to Registration of Vehicles

The City and County of Honolulu, Department of Customer Services (CSD),
Motor Vehicles, Licensing and Permitting Division handles all requests for new and
renewals of motor vehicle registrations. CSD strongly supports H.B. 1688 H.D.1
Relating to Registration of Vehicles.

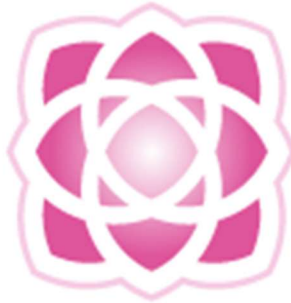
This bill would remove the exemption currently held by U-Drive vehicles and
allow the county to collect the standard \$2.00 for each registered motor vehicle,
annually. These fees are used by the county for the purpose of highway beautification
and keep our trees trimmed and roads clear for both residents and visitors.

Thank you for this opportunity to provide testimony on S.B. 1688 H.D.1.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly M. Hashiro".

Kimberly M. Hashiro
Acting Director



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
WEDNESDAY, FEBRUARY 23, 2022 AT 2:30 P.M.

To The Honorable Sylvia Luke, Chair
The Honorable Kyle T. Yamashita, Vice Chair
Members of the committee on Finance

COMMENTING ON HB1688 HD1 RELATING TO REGISTRATION OF VEHICLES

The Maui Chamber of Commerce would like to comment on HB1688 HD1 which subjects U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles. Authorizes the counties to use certain motor vehicle registration fees to mitigate and address the impacts of tourism-related traffic congestion.

The Chamber agrees that all motor vehicles should be charged the same fee for highway beautification, disposal of abandoned vehicles, etc. Our concern is that the additional use of these funds – to “mitigate and address the impacts of tourism-related traffic congestion” – may reduce the amount of funds available for the original purposes of this fund. We would prefer to see that only the **additional** revenue from rental car registration be used for mitigating and addressing the impacts of tourism-related traffic congestion.

Thank you for the opportunity to provide this testimony.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MOTOR VEHICLE, Registration Fees for U-drive Motor Vehicle

BILL NUMBER: HB 1688 HD 1

INTRODUCED BY: House Committee on Consumer Protection & Commerce

EXECUTIVE SUMMARY: Subjects U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles. Authorizes the counties to use certain motor vehicle registration fees to mitigate and address the impacts of tourism-related traffic congestion.

SYNOPSIS: Amends section 286-51, HRS, to raise the beautification fee for U-drive vehicle registrations from \$1 to \$2, which is the rate generally applicable to vehicles. Deletes the proviso that a county's power to increase the beautification fee up to \$10 by ordinance will not apply to U-drive vehicles, so that the county ordinance may apply to all vehicles.

Allows beautification fees to be used to mitigate and address the impacts of tourism-related traffic congestion.

EFFECTIVE DATE: January 1, 2050

STAFF COMMENTS: The special reduced beautification fee for U-drive vehicles was enacted by Act 274, SLH 1999, which raised the beautification fee from \$1 to \$2 and gave the counties the power to raise it further, but froze the beautification fee for U-drive vehicles at \$1. This bill reverses the preferential treatment of U-drive vehicles.

Digested: 2/20/2022



Jim East
Vice President
Jim.east@hertz.com

February 23, 2022

Rep. Sylvia Luke, Chair
Rep. Kyle T. Yamashita, Vice Chair
House Committee on Finance

DATE: Wednesday, February 23, 2022, 2:30 PM

RE: HB1688, HD1 RELATING TO REGISTRATION OF VEHICLES

Chair Luke and members of the Committee on Finance:

My name is Jim East, and I am the Vice President of Government Relations for Hertz. Hertz supports HB1688, HD1 which subjects U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles, and authorizes the counties to use certain motor vehicle registration fees to mitigate and address the impacts of tourism-related traffic congestion.

Over the past several months, Hertz has been in discussion with several counties and recognize that visitor destination management is a critical concern for their residents. Recognizing that the visitor industry plays an essential part of the State's economy, it is also important to address the impacts on infrastructure, traffic, and the environment. Expanding the use of vehicle registration fees to include the impacts of tourism-related traffic congestion is an appropriate and needed use.

Hertz supports HB1688, HD1. Thank you for the opportunity to testify on this matter.

Sincerely,

/S/

JIM EAST
Vice President, Government Relations
The Hertz Corporation



SanHi

GOVERNMENT STRATEGIES

A LIMITED LIABILITY LAW PARTNERSHIP

DATE: February 22, 2022

TO: Representative Sylvia Luke
Chair, Committee on Finance

FROM: Mihoko Ito

RE: **H.B. 1688, H.D. 1, Relating to Registration of Vehicles**
Hearing Date: Wednesday, February 23, 2022 at 2:30 p.m.
Conference Room: 308

Dear Chair Luke, Vice Chair Yamashita, and members of the House Committee on Finance:

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 **supports** H.B. 1688, H.D.1, which subjects U-drive motor vehicles to the same motor vehicle registration fees as other motor vehicles, and authorizes the counties to use certain motor vehicle registration fees to mitigate and address the impacts of tourism-related traffic congestion.

The rental car industry has been engaged in discussions with some of the counties to partner together to address the impacts of tourism related traffic congestion. As part of these discussions, this measure emerged as a concept having support from all stakeholders.

The current registration fee for U-drive motor vehicles, or rental motor vehicles, is less than all other motor vehicles. Raising the current county certificate of registration fee to \$2 for all vehicles would create parity between U-drive vehicles and all other motor vehicles and allows for a more equitable application of the fee.

In addition, allowing counties to use the fee to address the impacts of tourism congestion will help provide funding for the counties, as well as flexibility for the counties to use the fee to support county traffic programs and infrastructure.

For the above reasons, we support H.B. 1688, H.D.1 and respectfully request that the Committee pass the bill in its current form. Thank you for the opportunity to submit testimony on this bill.

Hawai'i State Association of Counties (HSAC)
Counties of Kaua'i, Maui, Hawai'i, and City & County of Honolulu
Website: hawaiicounties.org | Email: hsac@hawaiicounties.org



Testimony of the

Hawai'i State Association of Counties

on

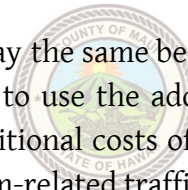
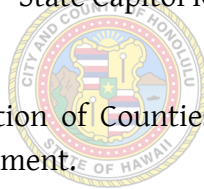
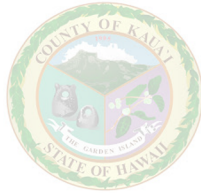
H.B. No. 1688, HD1

Relating to the Registration of Vehicles.

Committee on Finance

Wednesday, February 23, 2022, 2:30 p.m.

State Capitol Room 308



The Hawai'i State Association of Counties (HSAC) strongly supports H.B. No. 1688, H.D.1, with a recommended amendment.

H.B. No. 1688 H.D.1: requires U-drive motor vehicles to pay the same beautification fee as that charged to regular citizens; and authorizes the counties to use the additional motor vehicle registration fees to mitigate problems caused by the additional costs of disposing abandoned and derelict vehicles, and to address the impacts of tourism-related traffic congestion.

The Department of Environmental Management links a lot of the abandoned vehicles throughout our county to illegal chop shop activity - abandoned vehicles contribute to making our places look run down and not taken care of. Also, a lot of people lose their vehicles through theft to benefit illegal chop shops. It's a serious financial strain/setback on our hardworking families.

A lot of time illegal chop shop locations are known but without serious penalty there's more risk than anything else trying to clean up these places.

Currently, there is a \$10-limit on the amount the beautification fee a county may increase the fee and limits the amount over \$2 to be used for the disposal of abandoned and derelict vehicles. H.B. 1688, H.D.1, removes the restriction on the use of the amounts over \$2 to the disposal of abandoned and derelict vehicles.

The costs relating to abandoned/derelict vehicles, however, is as great a problem for some counties as tourism-related traffic congestion. During 2017, the County of Kauai handled the removal of 404 abandoned and derelict vehicles, 498 in 2018. Kauai taxpayers paid more than \$411,000 for the handling and disposal of abandoned and derelict vehicles in 2017; \$423,000 in 2018; and \$419,999 for the period up until September 2019. Because of the greater number of registered vehicles in some of the counties, the \$10 cap is sufficient. Removing the cap



acknowledges the varying conditions in different counties; storage space, recycling facilities, administrative services.

We request that H.B. No. 1688 H.D. 1 be amended to remove the \$10 cap on the beautification fee that a county may charge for the disposal of abandoned and derelict vehicles. Amend page 2, line 17 to page 3, line 1 to read:

“The \$2 fee established pursuant to this subsection for certificates of registration for all 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...”

For these reasons the Hawai‘i State Association of Counties strongly supports H.B. 1688, H.D.1, with the recommended amendment and requests your favorable consideration of this measure.