

# 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  
**Senate Committee on Transportation**  
**Senate Committee on Government Operations**  
March 17, 2022 at 3:15 p.m.  
Room 224 and Via Videoconference

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

Honorable Chair Lee, Honorable Vice Chair Inouye, Honorable Chair Moriwaki, Honorable Vice Chair Dela Cruz, and Members of the Committees:

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.

# OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHILIG, MANAGING DIRECTOR

---



Testimony of

**Michael A. Dahilig**

Managing Director, County of Kaua'i

Before the

**Senate Committee on Transportation**

**Senate Committee on Government Operations**

March 17, 2022 at 3:15 p.m.

Room 224 and Via Videoconference

In consideration of

**HB 1688 HD1**

**Relating to the Registration of Vehicles**

Honorable Chair Lee, Honorable Vice Chair Inouye, Honorable Chair Moriwaki, Honorable Vice Chair Dela Cruz, and Members of the Committees:

The County of Kaua'i is in **strong support** of HB 1688 HD 1 which subjects U-drove 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.

As all motor vehicles impact our environment while assisting us in our daily lives, it is important that all registration fees contribute equally to fund the highway beautification, abandoned vehicle, and tourism-related traffic congestion revolving fund. The County of Kaua'i Abandoned Car Task Force seeks to address the blight of derelict and abandoned vehicles that are left strewn across our island when the life of the car ends.

We appreciate the Legislature's efforts in addressing this issue affecting all our islands and working to improve the quality of life for our residents and the experiences of our visitors.

Thank you for the opportunity to testify in **strong support** of HB1688 HD 1.

# 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 Transportation Committee on Government Operations

March 17, 2022 at 3:15 pm

224 Via Videoconference

In consideration of

### House Bill 1688 HD1

### Relating to the Registration of Vehicles

Honorable Chairs Lee and Moriwaki, Vice Chairs Inouye and Dela Cruz, and Members of the Committees:

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.



Testimony of the

**Hawai'i State Association of Counties**

on

**H.B. No. 1688, HD1**

**Relating to the Registration of Vehicles**

Committee on Transportation and Government Operations

Thursday, March 17, 2022, 3:15 p.m.

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.

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. Although 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, it does not recognize that the costs of dealing with abandoned and derelict vehicles may not be covered by the fees. The costs relating to abandoned/derelict vehicles include storage space, recycling facilities, and administrative services. Removing or amending the limit that the beautification fee may be raised acknowledges that the costs relating to the removal and disposal of abandoned and derelict vehicles vary from county to county.

We request that H.B. No. 1688, H.D1 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.

# 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



March 15, 2022

Testimony of Lauren Armstrong  
Maui MPO Executive Director  
On behalf of Maui MPO Policy Board

Before the Senate Committee on Transportation and Senate Committee on Government Operations

March 17, 2022 at 3:15pm  
Conference Room 224

HB1688 HD1 RELATING TO REGISTRATION OF VEHICLES

Honorable Chris Lee, Chair  
Honorable Lorraine R. Inouye, Vice Chair  
Honorable Members of the Senate Committee on Transportation

Honorable Sharon Y. Moriwaki, Chair  
Honorable Donovan M. Dela Cruz, Vice Chair  
Honorable Members of the Senate Committee on Government Operations

The Maui MPO Policy Board **supports** HB 1688 HD1. 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 equality between U-drive vehicles and all other motor vehicles. 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.

Sincerely,

A handwritten signature in black ink that reads "Lauren Armstrong".

Lauren Armstrong  
Executive Director, Maui MPO  
On behalf of the Maui MPO Policy Board



**Jim East**  
**Vice President**  
Jim.east@hertz.com

March 17, 2022

**COMMITTEE ON TRANSPORTATION**

Senator Chris Lee, Chair

Senator Lorraine R. Inouye, Vice Chair

**COMMITTEE ON GOVERNMENT OPERATIONS**

Senator Sharon Y. Moriwaki, Chair

Senator Donovan M. Dela Cruz, Vice Chair

DATE: Thursday, March 17, 2022, 3:15 pm, Conference Room 224 & Videoconference

**RE: HB1688, HD1 RELATING TO REGISTRATION OF VEHICLES**

Chair Lee, Chair Moriwaki, and members of the Committees on Transportation and Government Operations:

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: March 16, 2022

TO: Senator Chris Lee  
Chair, Committee on Transportation

Senator Sharon Moriwaki  
Chair, Committee on Government Operations

FROM: Mihoko Ito

RE: **H.B. 1688, H.D. 1, Relating to Registration of Vehicles**  
**Hearing Date: Thursday, March 17, 2022 at 3:15 p.m.**  
**Conference Room: 224**

---

Dear Chair Lee, Chair Moriwaki, and members of the Joint Committee:

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.



**MAUI**  
CHAMBER OF COMMERCE  
**VOICE OF BUSINESS**

**LATE**

**HEARING BEFORE THE SENATE COMMITTEES ON  
TRANSPORTATION and GOVERNMENT OPERATIONS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 224  
THURSDAY, MARCH 17, 2022 AT 3:15 P.M.**

To The Honorable Senator Chris Lee, Chair  
The Honorable Lorraine R. Inouye, Vice Chair  
Members of the committee on Transportation  
To The Honorable Senator Sharon Y. Moriwaki, Chair  
The Honorable Senator Donovan M. Dela Cruz, Vice Chair  
Members of the committee on Government Operations

**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.

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](http://www.MauiCounty.us)

March 16, 2022

TO: Honorable Chris Lee, Chair  
Senate Committee on Transportation  
Honorable Sharon Y. Moriwaki, Chair  
Senate Committee on Government Operations

FROM: Alice L. Lee  
Council Chair

DATE: March 16, 2022

SUBJECT: **SUPPORT OF HB 1688, HD1, RELATING TO 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 county certificate of registration fee by \$2 for all vehicles would create parity between rental vehicles and other motor vehicles, and allow 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.

**HB-1688-HD-1**

Submitted on: 3/14/2022 6:01:41 PM

Testimony for TRS on 3/17/2022 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

You are going to Kill the Car rental Company's!

**HB-1688-HD-1**

Submitted on: 3/15/2022 4:01:54 PM

Testimony for TRS on 3/17/2022 3:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andrea Quinn	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Committee Members:

Please support hb1688.

Thank you for the opportunity to present my testimony.

Andrea Quinn

Kihei, Maui