

# 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 Ways and Means**  
April 5, 2022 at 10:15 am  
211 Via Videoconference

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

Honorable Chair Dela Cruz, Vice Chair Keith-Agaran, 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](http://www.MauiCounty.us)

April 4, 2022

TO: Honorable Donovan M. Dela Cru, Chair  
Senate Committee on Ways and Means

FROM: Alice L. Lee  
Council Chair

DATE: April 4, 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.

# OFFICE OF THE MAYOR

DEREK S.K. KAWAKAMI, MAYOR

MICHAEL A. DAHLIG, MANAGING DIRECTOR

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Testimony of

**Michael A. Dahilig**

Managing Director, County of Kaua'i

Before the

**Senate Committee on Ways and Means**

April 5, 2022 at 10:15 a.m.

Room 211 and Via Videoconference

In consideration of

**HB 1688 HD1**

**Relating to the Registration of Vehicles**

Honorable Chair Dela Cruz, Honorable Vice Chair Keith-Agaran, and Members of the Committee:

The County of Kaua'i is in **strong support** of HB 1688 HD1 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 HD1.



**LATE**

THE SENATE  
THE THIRTY-FIRST LEGISLATURE  
COMMITTEE ON JUDICIARY  
Senator Karl Rhoads, Chair  
Senator Jarrett Keohokalole, Vice Chair  
COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S. C. Keith-Agaran, Vice Chair

Notice of Hearing

Testimony of Hawaii Council of Mayors  
on  
HB 1414, HD1  
Relating to Abandoned Vehicles; Repeat Offenders; Penalties  
Tuesday, April 5, 2022  
10:05 a.m.  
Conference Room 211  
State Capitol  
415 South Beretania Street

The Hawaii Council of Mayors supports H. B. 1414. The legislation of Bill 1414 makes a person who is a registered owner of a vehicle that has deemed abandoned or derelict to a tiered fine system. Supporting this bill provides a venue to deter and curtail individuals from abandoning their vehicles by expanding penalties for those who have multiple abandoned vehicles.

Too often the counties are inundated with complaints about derelict vehicles. The counties are burdened with fronting the cost of towing and disposition of said vehicles with no means to recoup the high cost of towing and disposing of the vehicles.

We ask the legislature to support this bill as a venue to help the counties keep our roadways and environment and roadways clean, healthy and safe.

Thank you for the opportunity to testify and we ask for your support to address all matters relating to abandoned vehicles.

Hawaii Council County of Mayors  
Derek Kawakami, Mayor, Kauai County  
Rick Blangiardi, Mayor, City and County of Honolulu  
Mitch Roth, Mayor, Mayor, Hawaii County  
Michael P. Victorino, Mayor, Maui County

HCOM President, Mayor Michael P. Victorino (808-270-7855)



Testimony of the

**Hawai'i State Association of Counties**

on

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

**Relating to the Registration of Vehicles**

Committee on Ways and Means

Tuesday, April 5, 2022, 10:15 a.m.

The Hawai'i State Association of Counties (HSAC) 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.



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

April 5, 2022

COMMITTEE ON WAYS AND MEANS  
Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Tuesday, April 5, 2022, 10:15 AM, Conference Room 211 & Videoconference

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

Chair Dela Cruz and members of the Committee on Ways and Means:

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: April 1, 2022

TO: Senator Donovan Dela Cruz  
Chair, Committee on Ways and Means

FROM: Mihoko Ito

RE: **H.B. 1688, H.D. 1, Relating to Registration of Vehicles**  
**Hearing Date: Tuesday, April 05, 2022 at 10:15 a.m.**  
**Conference Room: 211**

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Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of Committee on Ways and Means:

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.



# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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**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

**LATE**



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON  
WAYS AND MEANS  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 211  
TUESDAY, APRIL 5, 2022 AT 10:15 A.M.**

To The Honorable Senator Donovan M. Dela Cruz, Chair  
The Honorable Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the committee on Ways and Means

**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 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.