

THE FEASIBILITY OF CENTRALIZED MOTOR VEHICLE ADMINISTRATION IN HAWAII

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CHAPTER 1

INTRODUCTION

The primary functions of government include the provision of services which ensure public safety, regulate commerce, develop and maintain large-scale public projects (including, but not limited to, roads, airports, parks and other related activities), and the equitable collection and distribution of taxes and revenues.

Among the services which must be provided in every state, and which affects virtually every adult at one time or another, is a motor vehicle registration and drivers licensing system. No two states have identical systems, and some work better than others. Each state must design and maintain a systematic approach to administering motor vehicle functions which meets both the geographic and other unique needs characteristic of that state.

Hawaii frequently is touted as being unique among the fifty states, and in many ways it is. One way Hawaii is unique, although much of the public does not realize it, is that Hawaii has a decentralized system of motor vehicle administration. Most of the basic services are provided by the individual county governments, with only limited oversight and control from state officials. As a consequence, in effect, many of the basic aspects of Hawaii's system to provide and administer motor vehicle functions are handled as if Hawaii were four separate states.

For many of the individuals working in this system, or for those who are affected regularly by this mix of county-run services, there are problems and issues which might be resolved through the creation of a centralized State Office of Motor Vehicles.

Conduct of the Study

To provide legislators with background information, the House of Representatives of the Hawaii State Legislature adopted House Resolution No. 155 (Appendix A) during the 1989 Regular Session. The resolution requests the Legislative Reference Bureau to study the feasibility of developing a State Office of Motor Vehicles. The resolution states that the study was to include the following:

1. The department's possible duties, functions, and responsibilities;
2. An approximate cost to the State and counties for establishing and maintaining this new state department;
3. A cost-benefit analysis to both the State and counties for creating this new state department; and

4. Recommended legislation to create this new state department.

The question addressed by the resolution concerns an important aspect of the lives of the residents of Hawaii, and relates to the tourism industry as well. Implicit in the resolution is the suggestion that there are but two choices in the matter: forming a new department or leaving the present system alone. The resolution left the scope of the study open, however. It is the intent of this study to explore not only the areas mentioned above, but to consider options open to the State in its attempts to address the existing problems with its system of motor vehicle administration.

Methodology of Study

At the beginning of this study, it was clear that it would be necessary to determine what the other states have done and are doing to administer motor vehicle functions and to discuss the operation of Hawaii's system thoroughly with a number of its key actors. Only after these steps had been undertaken would it be possible to provide the required information and to suggest options for Hawaii to consider adopting. Accordingly, the research consisted of the following:

- (1) A survey of the other forty-nine states concerning their systems of motor vehicle administration;
- (2) Pre-interview letters to state and county officials responsible for motor vehicle functions suggesting possible discussion topics;
- (3) Interviews in the field (see Appendix B for list of resource persons); and
- (4) Follow-up discussions, confirmation of facts, and analysis.

The study examines the feasibility of establishing a state office of motor vehicles and suggests other options for the legislature's consideration.

Organization of the Report

The study is organized as follows:

Chapter 1 introduces the report.

Chapter 2 describes the general functions of an efficient and effective statewide motor vehicle registration, drivers licensing, and safety inspection system.

INTRODUCTION

Chapter 3 reviews the motor vehicle administration systems of the other states surveyed including specific system attributes and the perceived advantages and disadvantages of the individual state systems. Narrative examples of selected states also are provided for comparison.

Chapter 4 examines the structure, administration, and mix of services currently being provided in Hawaii.

Chapter 5 provides a description of the issues and problems with Hawaii's structure to provide motor vehicle services identified in the course of the study.

Chapter 6 provides a detailed analysis of these issues and problems with respect to the options of either developing a new centralized state office or making selected changes in the current system.

Chapter 7 reports the conclusions and recommendations of this study.

CHAPTER 2

OVERVIEW OF MOTOR VEHICLE REGISTRATION, DRIVER LICENSING, AND SAFETY INSPECTION

Introduction

The primary policy questions most apparent in this study focus on the best way to organize and manage vehicle registration and drivers license functions so that all vehicles and drivers are listed and different individuals or organizations can have access to the information. To be efficient and effective, the vehicle registration and drivers licensing system must be able to deliver service to the general public with strong consideration given to both ease and convenience. Also, to the extent possible, it must be able to operate harmoniously among all levels of government, and inherently, use the best available technology for data storage, retrieval, reporting, and communication.

There is a set of basic services and tasks which every centralized motor vehicle registration and licensing regulatory body, usually called the Department of Motor Vehicles (DMV), must accomplish. These include, but are not limited to: (1) taking and processing applications for new and duplicate certificates of title; (2) issuing new, renewal, temporary, and duplicate vehicle registrations; (3) issuing new, renewal and duplicate photo licenses; (4) examining applicants for operator licenses; and (5) inspecting motor vehicles.¹

Additional activities often found within a DMV also include:

- customer relations and service;
- maintenance of motor vehicle records;
- court-related violations record keeping;
- driver improvement activities; and
- motor vehicle financial responsibility.

Each state provides these services under a variety of systems. A central theme and point of regular scrutiny is the question of how to provide these services in an efficient, cost-effective manner, with as much ease and access to the public, the "customers" of these services as possible. Over the years, most states have had to face the challenge of providing these services on a statewide, centrally-managed yet "decentralized" basis. In other words, there should be branch offices or a similar arrangement so that these services can be delivered on a regional, county, or other local basis allowing customers to receive these services without having

significant inconvenience in either time or travel. At the same time, the responsible state agency must maintain overview and control.

Another facet which has an effect on the decisions of how best to deliver these services is the advancement of technology, especially communications, local computer and main frame computer on-line access and FAX equipment. Although conversion to these new systems is expensive, they bring a new and added dimension to the ability to deliver services on a broader basis.

The following sections provide an overview of the generic functions of a motor vehicle and drivers licensing registration system.

Vehicle Titling/Registration

Title

"Title" to a motor vehicle is represented by the certificate of ownership. A title document usually is issued at the time of purchase or when the vehicle is re-sold or otherwise transferred.

The title provides the initial and primary data on both the vehicle and the individual or company responsible for the vehicle. Although specific information may vary somewhat among the states, the basic data usually collected include:

- vehicle identification number;
- vehicle description (make, color, style, year, etc.);
- date first sold;
- vehicle weight;
- special features (reconstruction, salvage, class, etc.);
- date of issue;
- title number;
- owner(s) name and address;
- lienholders' names and addresses (if applicable);
- type of title request (original or duplicate);

- odometer reading;
- county of registration; and
- license plate number/type.

It is at this point that vehicle license plates also are issued or re-authorized.

In addition to automobiles and light trucks, a variety of other vehicles need to be titled. Other vehicles include bicycles, motorcycles and scooters, mopeds, buses, recreation vehicles, trailers, farm vehicles, and larger trucks. There usually is also a need to make accommodations for organizations with fleets of vehicles, new and used car dealers, commercial vehicles (including trucks and ambulances), possibly lunch wagons, and various other commercial carriers such as rental cars, U-drive truck rentals, taxi cabs, and bus companies. Within these categories, the DMV also must title state, county, and local government vehicles.

The titling process varies from one jurisdiction to the next. Most jurisdictions require an in-person visit to an official station to establish proof of ownership and insurance, at least initially, with subsequent transfers being handled by mail. Considerations such as batch processing are often given to companies or agencies having to title a group or fleet of vehicles. This includes, for example, new car dealers, U-Drive/rental agencies, and utility companies.

The title, registration, and licensing process also must be able to accommodate reciprocal agreements with other states.

Registration

Every vehicle owner must register the vehicle and re-register it on a periodic basis. Most states require annual renewals.

Virtually all states have some version of mail-in re-registration service which requires an automated system of tracking and verification of ownership, insurance, safety check, court-imposed restrictions, outstanding violations, or significant changes in the vehicle's condition.

To process vehicle registrations effectively, a number of ancillary functions also must be accomplished. These include, but are not limited to:

- waiting on customers;
- researching vehicle information;
- handling and passing on of transaction documents and fees;
- providing general information to the public on a regular, if not constant, basis;

REGISTRATION, DRIVER LICENSING, AND SAFETY INSPECTION

- filling out/verifying forms;
- record keeping;
- physical counts of inventory items (decals, plates, registration forms, etc.);
- data entry and verification;
- notifying owners to re-register;
- auto emission/safety inspection requirements;
- insurance requirements;
- owner financial responsibility requirements;
- assessment and collection of fees;
- strict financial accounting and auditing requirements; and
- data analysis and report generation for a variety of other internal and external agency needs.

Within the registration system, as with other areas, there also must be a process to handle complaints and adjudicate appeals from decisions adverse to the public.

An important function usually associated with vehicle registration is the collection and processing of a variety of fees, penalties, and taxes. This often provides an important revenue source to offset the cost of providing these services, a source of other general revenue, or both. While this matter will be explained in more detail, it should be kept in mind that vehicle registration functions always will go hand-in-hand with the simultaneous need to collect and account for money.

Operator Licensing/Testing

Driver Licensing

Every individual wanting to drive on public highways and roads must have a valid operators license. Initially this requires a written and on-road driving test. Most states require periodic re-licensing involving some form of in-person re-examination and testing. Driver licensing responsibilities further include determining whether any special conditions must be met by the driver, such as vision-related and other driving restrictions which should be included in

the license. Special provisions might also cover parental consent and responsibility for minor drivers, disabled drivers, and the need for commercial licenses and licenses for special categories of vehicles such as large trucks, trailers, tractors, ambulances, those transporting hazardous materials, and others.

A critical part of the operator licensing function is the ability to access information about the individuals' driving record such as current violations (local and out-of-state), restrictions, suspensions or revocations, having proof of insurance, and verification of personal data, including name, current address, and any other information which might affect the driver's ability to handle a vehicle on the public highway legally and safely.

System needs include:

- walk-in customer service;
- telephone public information and inquiry service;
- easy access to driver records, violations, and other enforcement information (both locally and out-of-state);
- vision screening, including acuity, color vision, depth perception, and field of vision testing;
- photo and fingerprint taking facilities (or capabilities);
- an efficient method of establishing proof of age and parental consent in the case of minors; and
- issuance of permits and temporary licenses, and a process to create and distribute the final product (license).

Driver Testing

All states require some form of driver testing, including both written and on-road exams. Although these activities often are separate from the licensing system, the functions need to be linked closely. To be most effective, they would be handled at the same place.

A primary requirement of operator testing is the establishment of, and adherence to, appropriate standards in road proficiency testing and driver knowledge examinations. Examiners doing the testing must be well-trained and able to use judgment in applying uniform criteria in assessing an individual's ability to handle a vehicle in both everyday driving as well as in emergency situations.

Driving and written examinations must be detailed enough to provide the information needed to make an accurate assessment of the driver and at the same time not be overly cumbersome, thereby creating a serious backlog of waiting examinees.

System needs include:

- a controlled area for giving and monitoring written examinations;
- a well-designed route for the on-road test containing as many "real world" driving situations as possible, while not unduly hindering the normal flow or safety of traffic in an area around the testing station;
- appropriate procedures for retesting of either or both parts of the driving test, as needed;
- cooperation with driving schools;
- the development and updating of a uniform driver's manual; and
- in many areas, such as Hawaii, adequate accommodation for testing individuals whose primary language is not English or when an oral examination may be required.

Safety Inspection

Virtually every state also requires a periodic vehicle inspection. This varies from semi-annual to bi-annual cycles. Most are required yearly and requirements may vary according to the category and age of the vehicle. Vehicle inspection requirements and approaches differ from area to area. Requirements usually include combinations of vehicle emissions testing with vehicle safety and equipment checks. These services also are provided in an array of state or county-operated stations or in certified/licensed, private inspection stations.

Primary elements of motor vehicle inspections include:

- brakes
- head and rear lights
- wheel alignment
- tire condition
- steering operation
- muffler/exhaust condition
- mirrors
- horn
- hand brake
- turn signals
- reflectors
- windshield/wiper condition

Motor vehicle inspections is an area in which close control and monitoring should be practiced. Standards for inspection should be uniform and safeguards should be established as much as possible to ensure the integrity of the system. For centralized stations, waiting time

should be kept to a minimum, while simultaneously providing adequate time for an effective inspection.

System needs include:

- inventory control over inspection decals/certificates;
- uniform standards;
- monitoring of private inspection facilities;
- established criteria for reinspection when deficiencies are found;
- uniform fees;
- adequate penalties for violations of the established rules and procedures for both the driver and private inspection station (where applicable); and
- a close working relationship with the vehicle registration functions.

Driver Improvement

Many motor vehicle operator licensing offices have a section devoted to driver improvement--to assure the safety of the licensee and of other persons using the public roads. This section is dedicated primarily to:

- (1) Improving the attitudes and driving performances of drivers who, because of traffic violations, accidents, or both, may be dangerous; and
- (2) Determining whether problem drivers may suffer from physical or mental deficiencies, which might impair their ability to operate a motor vehicle.

Administratively, this section usually works closely with the court systems to identify accident prone problem drivers, habitual offenders, driving under influence of alcohol (DUI) convictions, drivers who have reached a maximum point limit, and others with license suspensions or revocations.²

Often the hearings and appeals process for suspended licenses or other adverse actions will be handled in the drivers improvement section. Some states also have financial responsibility or bonding requirements for individuals who have been involved in certain accidents or have been found guilty of serious violations.

Additional Responsibilities

Business Activities

In addition to the customer service activities, a DMV also has to design, implement, and administer typical business functions. These include, but are not limited to:

- cash accounting, including the receipt, safekeeping, deposit, distribution, and reconciliation of funds;
- inventory accounting, including the accounting for, and safekeeping of, registration stickers, title documents, and other accountable items;
- reporting, on both financial and statistical data, within and among various departmental offices, other agencies, and auditors, ranging from daily transaction summaries to annual reports;
- performance auditing (i.e., review or verification of work already completed by others for the purposes of quality control); and
- data entry, storage, and retrieval, to support the other functions and business objectives described above.

Customer Service Activities

Every motor vehicle system should be designed to meet the needs of both the department and the customer. The system must be able to accommodate a steady, and often heavy, stream of telephone and walk-in inquiries about every facet of the system. This customer service aspect also includes the ability to facilitate handling complaints and to verify and correct any human or computer errors, or both.

Additionally, customer service includes a system for transaction processing, notifying drivers of registration renewal dates, delivery of registration stickers, mailing new titles and licenses, and a variety of related functions all designed to eliminate waiting times for transactions and to ease consumer access to the system.

Data Base Activities

A master file of all driving and registration records must be kept and made accessible to all branch offices, other agencies involved in the receipt of taxes or processing of transactions, and law enforcement organizations. The master file usually contains the data from the current vehicle title and registration for every vehicle registered in the State. It will be the central reference point for law enforcement needs at all levels of government, as well as the reference point for statistical inquiries and studies. From the data stored in the master file, reregistration,

licensing, safety inspection, and related notification will be made and delinquencies will be identified. The court system will have to be able to make entries into the system concerning any court-imposed restrictions, or otherwise have access to ensure records are identified and updated on a regular basis.

The most effective systems can be accessed and updated from a computer-linked system of a variety of mainframe, personal computers, and remote terminals throughout the State, as well as being able to print forms at the counter for the customer from the data entered at the remote terminals.

There is a wide variety of reporting requirements whose fulfillment will rely upon the information contained in the master data file. Some of these reporting requirements include:

- timely summaries of new/re-registration transactions, numbers of new licensed drivers;
- numbers of applications rejected and reasons;
- identification of individuals for notification of the need to re-register a vehicle or to renew a license;
- provision of driver abstracts to official agencies and insurance companies;
- accommodation of special study/inquiries from a variety of requesting agencies; and
- inventory information concerning the number of decals, plates, and receipts, among other things.

In addition to the registration and licensing statistics, the other critical requirement for the data base is the ability to handle the budgeting and financial transactions and the data requirements of the system. Even in the most centralized system, there is a regular need for accurate financial records concerning the amount, type, and distribution of the various fees and taxes collected through the vehicle system. This need increases as the system becomes less centralized in either management control or geographical location, or both.

Revenue Activities

Every motor vehicle and operator registration system collects and distributes funds. Each transaction, the vehicle titling, transfer, registration, inspection, and so forth, has required fees and penalties for late compliance. In addition, very often states, counties, or other agencies assess an extra set of fees or taxes on the transaction as an additional source of revenue. This can vary from a combination of vehicle weight taxes to special designation funds, such as a fee to pay for a computer or highway improvements.

When the motor vehicle system extends through multiple levels of government, as is the case with Hawaii, it is not unusual for there also to be a multiple set of fee structures, with each county setting a separate amount for the weight tax, the registration fee, testing fees, and others. These assessments are added to any state-required fees.

When planning to modernize or otherwise change motor vehicle registrations and drivers licensing operations in a system, fees often come under extra scrutiny. The funds generated through the assessed fees and taxes are an important source of revenue for the State and counties. Any decisions made to alter the management and control of the motor vehicle system will need to take into account the right of the different jurisdictions to set fees and the equitable distribution of the revenue generated.

Summary

Each state has had to develop a motor vehicle and operator registration system which best fits its geographic and other unique characteristics. No two states have the same configuration for the control and administration of their system. However, each state has had to develop a process which includes all the basic functions described in this section. There is no doubt that some systems work better than others, and all should be reviewed regularly to ensure an equitable system and convenience to the consumer public.

The primary difference among the states is in the level of centralized management and the specific arrangements made, either through total state control, contract relationships, or having the county or other local governments act as the direct access agents for the system. The other area of difference among the states is the degree to which modern computer-based technology is used to support the motor vehicle registration, drivers licensing, and law enforcement functions of the system.

Chapter 3 provides more specific information on how other states provide these services.

CHAPTER 3

MOTOR VEHICLE OPERATIONS IN OTHER STATES

In order to better understand the variety of systems available to provide motor vehicle registration and drivers licensing services, the Bureau surveyed the other states through a mailed questionnaire.

Each state has to provide these services based on their specific needs, geographic constraints, population centers, preferred government or political "philosophy" (strong central government or decentralized, county rule), and on other unique characteristics.

Part 1 of this chapter contains a series of charts showing the data from that survey (see Charts 1 through 5). The charts provide an overview of the system attributes, perceived advantages and disadvantages, and a description of the safety inspection procedures of the different motor vehicle administration structures in operation for each state.

Part 2 is a narrative section providing greater detail of various state systems, giving a set of examples clarifying how selected states have designed the mechanics and structure in order to provide motor vehicle services to their population most efficiently and effectively.

It is important to note that there is not one "best" system. Each state must reflect its own unique characteristics and style in deciding how best to provide these services. Each system should be reviewed in order to ensure that these services still are being provided in a cost-efficient and consumer-oriented manner.

In reviewing other states' motor vehicle systems, attention should be given to the organizational structure, the degree of centralized control and decision-making, and to the use of modern computer and communication technology.

PART I. Organization of the Motor Vehicle System in Each State

See Charts 1 through 5.

Chart 1

Motor Vehicle System Attributes of Other States

	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming							
A. Computerized statewide data base for motor vehicle registration and licensing	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x				x	x	x	x	x	x	x	x	x	x	x	x	x							
Data base access by:																																																									
Satellite offices	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					x	x	x	x	x	x	x	x	x	x	x	x	x					
Law enforcement agencies:																																																									
State	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x					x	x	x	x	x	x	x	x	x	x	x	x					
County	x		x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x																					
Local	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x																				
B. Standardized statewide																																																									
Rules	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x																				
Forms	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x																			
Fees/assessments	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x																			
Financial responsibility enforcement	x	x	x	x	x	x	x	x		x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x																			
C. Special group categories, rules, considerations to ease/facilitate registration																																																									
New/used car dealers	x		x	x	x		x	x		x	x	x																																													
Rental car agencies			x																																																						
Fleets	x		x	x																																																					
Commercial vehicles			x				x				x	x	x																																												
Other			x				x																																																		

Chart 4

Disadvantages Claimed for Other States' Systems

	Alabama	Alaska	Arizona	Arkansas	California	Colorado	Connecticut	Delaware	Florida	Georgia	Hawaii	Idaho	Illinois	Indiana	Iowa	Kansas	Kentucky	Louisiana	Maine	Maryland	Massachusetts	Michigan	Minnesota	Mississippi	Missouri	Montana	Nebraska	Nevada	New Hampshire	New Jersey	New Mexico	New York	North Carolina	North Dakota	Ohio	Oklahoma	Oregon	Pennsylvania	Rhode Island	South Carolina	South Dakota	Tennessee	Texas	Utah	Vermont	Virginia	Washington	West Virginia	Wisconsin	Wyoming				
Non-uniform application of law	x																							x																														
Errors made by (non-state) service providers	x																																																					
Incomplete data passed to state by service providers	x																																																					
"Less control"					x																																																	
More training required					x																																																	
Slower title issuance							x																																															
Communication, Coordination [problems]														x	x																																							
Lack of accountability																								x																														
Conflict between state personnel and agents																							x																															
State master file not up-to-date																									x																													
Delay between registration issuance and availability of Information to law enforcement agencies																												x																										
Vehicle registration tie to property tax can cause "unnecessary trouble for the public"																																																						
Uniformity of procedures																																																						
Confusion with other jurisdictions because of atypical organization																																																						
Photo licenses available only at central office																																																						
Waiting times at central office																																																						
Inconvenient office locations																																																						

Chart 5

Additional Data on Other States' Systems - Inspections

State	Vehicle Safety Testing or Inspection Requirement	Vehicle Emissions testing or Inspection Requirement	Testing or Inspection Site				Safety Check Fee	Emissions Check Fee
			State Operated Stations	Private Stations	County/Municipal Stations	Other		
Alabama								
Alaska		X		X			Up to \$50.00	
Arizona		X		X		NS	\$7.50	
Arkansas								
California		X		X		V	V	
Colorado		X		X		NS	NS	
Connecticut								
Delaware	X	X	X			NC	NC	
Florida	X	X		X			Up to \$10.00	
Georgia								
Hawaii	X			X				
Idaho		X			X	\$10.75	\$10.00	
Illinois	X	X	X	X		NC	NC	
Indiana								
Iowa								
Kansas								
Kentucky								
Louisiana	X	X				NS	NS	
Maine								
Maryland	X	X		X		NS	\$8.50	
Massachusetts	X	X		X			\$15.00	
Michigan	X	X		X		NS	\$10.00	
Minnesota								
Mississippi	X		X			\$5.00		
Missouri	X	X	X	X	X		\$4.50	
Montana	X					X	NC	
Nebraska								
Nevada		X		X			NS	
New Hampshire	X	X		X		V	V	

E - Emissions only
 S - Safety checks done randomly by state patrol
 V - Varies

NS - None stated
 NC - No charge
 PH - Per hour charge

State	Vehicle Safety Testing or Inspection Requirement	Vehicle Emissions testing or Inspection Requirement	Testing or Inspection Site				Safety Check Fee	Emissions Check Fee
			State Operated Stations	Private Stations	County/Municipal Stations	Other		
New Jersey	X	X	X	X			\$2.50 to \$25.00	
New Mexico								
New York	X	X		X			\$10.00 \$7.00	
North Carolina								
North Dakota								
Ohio	X	X		E		S	NS \$8.00	
Oklahoma								
Oregon								
Pennsylvania	X	X		X			V V	
Rhode Island	X	X		X			\$10.00	
South Carolina	X			X			\$3.00	
South Dakota								
Tennessee								
Texas	X	X		X			NS NS	
Utah	X	X		X			\$9.00 \$9.00	
Vermont	X			X			PH	
Virginia	X	X		X			\$6.00 \$12.50	
Washington		X		X			\$9.00	
West Virginia	X			X			\$7.50	
Wisconsin	X	X				X	NC NC	
Wyoming								

E - Emissions only
S - Safety checks done randomly by state patrol
V - Varies

NS - None stated
NC - No charge
PH - Per hour charge

PART II. Organization Structure of Selected State Motor Vehicle Systems

New Jersey¹

New Jersey has one state-level agency responsible for all motor vehicle and driver licensing activities: the Division of Motor Vehicle Services located in the Department of Law and Public Safety (Attorney General). There are no county personnel or revenues involved in the motor vehicle services system. There is one centralized computer which handles all functions for the department and is able to offer on-line access to 52 state motor services offices located throughout the state in state-owned or leased facilities. These offices can meet all public service needs including vehicle titling and registration, driver testing and issuing photograph licenses, complaint and error processing, and court-imposed restrictions and suspensions.

New Jersey has 34 state inspection stations and 3,900 licensed private stations for motor vehicle safety inspections. Re-registration is by mail to one office and is done on a staggered basis.

The motor vehicle services system has implemented a toll-free "800" number for public inquiries and has 240 operators dedicated to handling 12,000 to 17,000 calls received daily.

Utah²

In Utah the responsible office for the administration of the state's motor vehicle services functions is the Motor Vehicle Division, located within the Utah State Tax Commission (Department). There are two other divisions in the Tax Commission which also have a part in the system, one setting the book value for the vehicles in the state and another providing data processing. Driver licensing is handled by the county police departments. Although there is one computer dedicated to the motor vehicle data base, access is not easily shared and the counties often have to provide their own computers to accommodate county level taxation functions. There is no centralized state service point for communication, for either the public or the counties.

Utah has a complex system, a state-county mix of services and activities. The state is responsible for registering and titling vehicles; the counties are responsible for taxation. The tax system is based on a "property tax" formula under which each district gets to set a value tax, within state guidelines. (This is different from most states which use a weight tax on the vehicles, as in Hawaii.) There are different taxes set on similar vehicles throughout the state. In addition, to successfully re-register a vehicle on a yearly basis, individuals usually first have to go to a county employee and then to a state employee, at different places. In an effort to assist the public, the state has begun to "contract" with certain counties to provide both services.

Connecticut³

Connecticut has a single state department dedicated to all motor vehicle and driver licensing activities. It is divided into two bureaus, a Programs Bureau and an Administrative Bureau. There are no county functions or private inspection services involved in the state DMV system.

The Programs Bureau is responsible for all customer services, which are handled through a centralized processing office and a branch or "field services" system. The branch offices, located in state facilities in the large cities and counties of Connecticut, are responsible for all walk-in activities and customer services, including registration, title, driver testing, photo-license, and vehicle inspection.

The central operations center is responsible for operating a statewide telephone information center, issuing titles, and processing transactions not generated by walk-in customers, including refunds, corrections, and requests for copies of records. In addition, there is a regulation and enforcement system for programs to control and improve drivers, the regulation and control of motor vehicle businesses, and provision of other related services such as insurance, public service vehicles, and judiciary activities.

The Administrative Bureau handles all the policy, adjudication, support, fiscal, planning, evaluation, and personnel functions for the department. Connecticut has a centralized computer for the statewide traffic records system with on-line access available to the branch offices and the court system.

Texas⁴

Texas has a dual state and county system. The Division of Motor Vehicles (DMV), a subsidiary of the state Department of Highways and Public Transportation, is responsible for the overall planning and management of the motor vehicles system. The county tax assessors, under the supervision of a local elected official, act as agents for the state for the purposes of processing registration and title transactions, collecting fees, and forwarding the state's portion to the Department. The counties, although ultimately responsible for following state laws and regulations, are relatively autonomous in how they develop procedures to accomplish their duties.

The DMV maintains and updates the master file of the motor vehicle system. The system is accessible electronically for inquiries from county tax offices, DMV users, and others. However, this is a one-way data transmission system only. The master file may not be updated by users outside of the DMV. The counties are able to retrieve a vehicle record, edit the record and log a transaction for reconciliation. From this process, the counties provide for customer service needs at the local level, including form printing at the counter.

MOTOR VEHICLE OPERATIONS IN OTHER STATES

Texas, because of the size of the state, also has 17 regional centers which provide assistance to the counties, handle problems and requests that cannot be handled at the county level, and perform county and other field audits for the department. There is no centralized information system. However, the central processing office does mail notices to the public statewide concerning registration and license plate renewal. This is done on a staggered basis. The forms are brought or mailed back to the individual county offices, with the appropriate fees. The counties keep half of the fees collected and send the remainder with the forms back to the state processing center for updating of the master file.

CHAPTER 4

MOTOR VEHICLE REGISTRATION, DRIVER'S LICENSING, AND SAFETY INSPECTIONS IN HAWAII

Introduction

No two states provide motor vehicle registration and related services in the same way. Hawaii has many features which make it unique among the other states. Inherent in some of these features are the problems which led to the Legislature's request to study the feasibility of developing a state office of motor vehicles in order to bring more control and to centralize the operations and management of the services provided in Hawaii.

The Hawaii System

The administration and management responsibilities for Hawaii are defined in title 17, Hawaii Revised Statutes, primarily chapters 286 and 287, and chapter 249 entitled "County Vehicular Taxes." The state Department of Transportation (DOT) also has developed and adopted a series of rules, pursuant to the Hawaii Administrative Procedure Act (Chapter 91, Hawaii Revised Statutes), to implement the statutes.

Fundamental to the study and discussion of the current system in operation in Hawaii is the following law which provides the authority to the Director of Transportation to plan, manage, and administer the system and which obligates the Director to take an active role in the review and oversight and direction of the system.

PART 1A. MOTOR VEHICLE REGULATION

§286-16 Powers and duties. The director of transportation shall prescribe uniform standards and procedures for motor vehicle inspection, driver licensing, and registration, including the form and content of records to be maintained for the registration of vehicles and the licensing of drivers.

§286-17 Enforcement. The director of transportation shall have such powers and duties of enforcement of statutes and of rules adopted by the director as are necessary to implement this part. The director may delegate the enforcement of this part to the county executive officers.

§286-18 Rules. The director of transportation shall adopt rules pursuant to chapter 91 for the purposes of this part.

Subsequent sections of the motor vehicle statutes establish that the responsibility for managing and implementing the motor vehicle and driver licensing functions of Hawaii is to be shared between the state Department of Transportation and the Directors of Finance of the four individual counties. With some notable exceptions, the system in operation has been able to meet the basic needs of both state and local government in a reasonably efficient manner.

The present system has evolved in response to Hawaii's unique island-based, four-county orientation, with a strong underlying belief in "home rule". What exists now is a structure in which the state Director of Transportation has limited overview and management responsibilities, with each county operating, in essence, as an individual "state" for the purposes of vehicle registration, safety inspection, and operator licensing. Most of the interpretation of the statutes and rules, enforcement, and decision-making is carried by the different counties. The "success" of these actions primarily is the result of the active cooperation among the individuals responsible for providing the services at the county level rather than the result of state level management.

Although the counties seem to operate the respective motor vehicle programs reasonably well, there is a lack of standardization both in regard to fees and in registration and certification procedures. Those adversely affected by this system include some members of the general public, rental car companies (the tourist industry), and new and used car dealers. In addition, the desired qualities of systemwide efficiency, compatibility among agencies, and a harmonious county/state relationship are missing or jeopardized.

The following sections describe the motor vehicle and operator licensing system of Hawaii as it is presently configured.

Vehicle Titling/Registration

All motor vehicles operated on public highways must be registered with the Director of Finance of the county where the vehicle is to be used. Vehicles being imported to the county must surrender any existing title. If all information provided by the applicant is found to be legal and sufficient, the county issues a certificate of registration to the owner and a certificate of ownership (title) to the legal owner or lien holder (such as a bank, credit union, or other lender), including licensed motor vehicle dealers.

Recent changes allow vehicles moving from one county to another to keep the registration of the previous county until the expiration date, when the vehicle then must be registered in the new county. Notice also must be given to the county when the vehicle ownership is transferred. There are penalties for violation of these provisions.

The vehicle registration must be kept within the vehicle. Notification within thirty days is required for any change of address or change of name from that stated on the certificate. Similar provisions also are established, with additional information required, for salvaged or reconstructed vehicles. There also are provisions established for registering vehicles to bona fide residents of Hawaii residing out-of-state, and to nonresidents having a valid out-of-state registration and vehicle plates. Owners are required to notify the applicable county office if the certificates are lost, mutilated, or destroyed.

The counties have implemented a staggered re-registration system under which each registered vehicle owner receives the new form by mail with a list of the fees to be remitted to the county.

Appeals from adverse decisions made by the county Finance Director on these provisions for titling and registration are handled by the circuit District Court of jurisdiction of the specific county.

License Plates

Hawaii state license plates are issued by the counties with color-coded emblems showing the month and year the registration expires. Upon re-registration and payment of fees, a new emblem is provided to the owner to be affixed to the current plate. New plate designs occur about every ten years.

Provisions have been made for individuals to acquire special or personalized plates as well as for the identification of official and fleet vehicles. Extra fees are imposed for the personalized plates. New car dealers/purchasers may use temporary, non-metal plates for up to thirty working days after the new owner has taken possession, while the application for a permanent plate is being processed. No special license plate provisions have been made for the rental car fleets.

Operator Licensing

The legal provisions regulating operator licenses are set forth in part IV of chapter 286, Hawaii Revised Statutes, sections 286-101 through 286-140 and in chapter 19-122 of the Hawaii Administrative Rules, adopted by the state Department of Transportation. The counties are responsible for implementing the provisions of the operator license statutes and rules.

Every person driving a vehicle in Hawaii must have a valid license for the type or class of vehicle being driven. There are exemptions from that requirement for individuals holding a valid military license or a current license issued by another state or territory of the United States. However, regardless of the point of issue, individuals must meet the provisions required for the category of vehicle to be driven. As an example, individuals wishing to drive large trucks must

REGISTRATION, DRIVER'S LICENSING, AND SAFETY INSPECTIONS

meet the Hawaii requirements for these types of vehicles regardless of where the original license was issued.

In Hawaii the categories of vehicle licenses include:

- (1) Motor scooters;
- (2) Motorcycles and motor scooters (dual category);
- (3) Passenger cars, light trucks, and buses having a gross vehicle weight (GVW) of 10,000 pounds or less; and
- (4) Tractor-semitrailer combinations.

Separate licensing also is required for combinations or overlaps of categories, such as all vehicles listed in (3), plus trucks (or buses, semi-trailer combinations) over 10,000 pounds GVW. Further examination and certification also are required for tractor-semitrailers, truck-trailers, buses, and trucks over 10,000 pounds GVW.

Certain individuals are prohibited from obtaining a license including:

- anyone whose license has been suspended or revoked by a competent jurisdiction, until the expiration of the penalty;
- any person convicted within the last two years of driving under the influence of alcohol while unlicensed;
- individuals required to provide proof of financial responsibility who have not deposited such proof;
- individuals, for reasons of physical or mental disability, who would not be able to operate a vehicle safely; and
- individuals under the age of seventeen, with certain exceptions.¹

No individual may possess more than one valid license at a time. For most individuals, the license will be valid until the fourth birthday of the licensee following the date of issuance. Exceptions include suspensions, revocations, those age 65 or older, those age 24 or under, and those who have physical or mental characteristics which might need review sooner than every four years.

The operator licensing examination includes:

CENTRALIZED MOTOR VEHICLE ADMINISTRATION IN HAWAII

- testing of the applicant's eyesight and other physical examinations considered necessary by the examiner,
- testing the applicant's knowledge of the rules of the road based on the traffic laws of the State, and
- actual on-road demonstration of the individual's ability to control a motor vehicle reasonably.

The driving test may be waived for persons older than 18 who hold a current operator's license (for example, adults who have moved to Hawaii from other states). Minors under the age of eighteen are required to have signed and notarized parental consent before an instruction permit or license will be issued.

When driving, all drivers are required to have with them a current operator's license and proof of Hawaii no-fault insurance applicable to that motor vehicle.

Motor Vehicle Safety Inspection

The provisions for the motor vehicle safety inspection process are listed in chapter 286, part II, Hawaii Revised Statutes, entitled "Inspection Of Vehicles," consisting of sections 286-21 through 286-30, and chapter 19-133.1, Hawaii Administrative Rules, adopted by the state Department of Transportation.

All vehicles are required to have a current Hawaii safety inspection certificate prior to the registration or re-registration of the vehicle. Certification every six months is required for:

- ambulances,
- trucks, truck-tractors, semitrailers, and pole trailers of 10,000 pounds GVW or more,
- buses,
- rental or U-drive motor vehicles, and
- taxi cabs.

All other vehicles are certified every twelve months, with limited exceptions such as vehicles so damaged as to be unsafe.

Inspections are provided at "official inspection stations," usually private service stations licensed by the counties. The counties set the fees for the inspection and the standards, with guidance from the State. The counties charge a small fee for the decals and forms.

Chapter 19-133.1, Hawaii Administrative Rules, describes the standards and procedures for the inspection, collection and distribution of fees, and reporting requirements. There are penalties for violation of the safety inspection provisions by individuals or stations.

Motor Vehicle Safety Responsibility

Although not specifically established as "driver improvement" laws, there are various provisions in the laws and rules which are intended to keep the roads as safe as possible, with particular focus on the problem drivers.

Section 286-4.1, Hawaii Revised Statutes, establishes a "Medical Advisory Board" within the office of the Director of Transportation to work with the county Examiners of Licenses on the criteria for evaluation and the identification of potentially dangerous drivers.

Sections 286-91 through 286-97, Hawaii Revised Statutes, outline the regulations for driver training schools and driving instructors in an effort to have uniform standards and a quality driver training program in the State.

Chapter 286G, Hawaii Revised Statutes, creates a driver education and training fund to provide resources to the driver education and training programs administered by the state Judiciary.

Financial Responsibility

Chapter 287, Hawaii Revised Statutes, the "Motor Vehicle Safety Responsibility Act," provides the foundation for other efforts aimed at maintaining individual and road safety. The counties are responsible for the implementation of chapter 287, and although encouraged by the law to be the same, the programs do not have to be uniform among the counties.

The chapter provides for the following requirements:

- A driver involved in an accident in Hawaii resulting in a death, injury, or property damage of \$300 or more must report in writing within 24 hours to the Chief of Police of the appropriate county.
- Such a driver, unless found not liable for the accident, will have to provide proof of insurance, a bond, or other form of financial security to the county, the amount determined by the county official responsible for this section, within guidelines.
- The driver's license will be suspended, and remain so until all judgments have been satisfied or other court-ordered arrangements have been made.

- Similar provisions also are in effect for individuals convicted of reckless driving and other related serious driving offenses.

Appeals from actions by the counties based on this law are heard in the appropriate circuit court of the county involved.

Safety Councils

Section 286-5, Hawaii Revised Statutes, establishes the "State Highway Safety Council" under the authority of the Director of Transportation, for the purpose of bringing state and county officials together to advise the Governor on highway-related safety issues, including management and problem solving for the system.

Section 286-6 allows the development of county traffic or highway safety councils, funded by and for the purpose of encouraging focused communication among the respective county traffic and motor vehicle administrative personnel, the prosecutor, police and other officials and mayors.

There is no provision for the counties to convene a body among themselves for problem-solving and coordination. This has been voluntarily undertaken over the years by the individuals responsible for implementing the system at the county level. It may be the most effective method at this point, albeit on an ad hoc basis, for keeping the system in operation with as much coordination as there is.

Additional Responsibilities

Business Activities

The Motor Vehicle Safety Office, located in the state Department of Transportation (DOT), has the responsibility to coordinate as much as possible the motor vehicle registration and driver licensing system among the counties. The office also is charged with collecting data related to highway safety and to represent the State's interests in the system. This responsibility includes the planning and distribution of federal funds provided to the State to support highway safety efforts. The Staff Services Office within the Highways Division of DOT is responsible for collecting financial and related registration data. It also acts as the State's negotiator with the counties for the reimbursement of funds to the counties for their costs in collecting the State's portion of motor vehicle-related fees.

The counties are responsible for the implementation and operation of the motor vehicle and driver licensing activities. The counties also are required to establish their own procedures for the budgeting, planning, and operation of the different functions, the management of the employees involved in motor vehicle activities, inventory and safe-keeping of accountable items

and fees collected, reporting to the other county and state offices, and all other functions applicable to county government operations.

In addition, each county must work closely with the other counties as well as with and, by statute at least, under the "coordination" of, the state Department of Transportation.

Customer Service Activities

Each county has at least one location to provide the required services to the public. Honolulu has its main branch at the Beretania Street police station, with many of the registration and licensing functions also available at satellite city halls associated with district police stations and elsewhere, such as Ala Moana Shopping Center, Fort Street Mall, and the new licensing facility near Aala Park.

Kauai county has one office for all services. Maui county has one vehicle certification and registration office on the island of Maui and drivers licensing and testing available at police stations on the islands of Maui, Molokai, and Lanai. Hawaii county divides the registration/titling and drivers licensing functions between the county Director of Finance and the Police Department. Examinations and licensing are available at district police stations; registration and related activities are available at county offices in Hilo and Kona.

Other customer services are provided to walk-in customers and by phone from each of the county offices. The services are usually provided by the processing clerks and officials involved in the daily functions of the system. Often employees must answer phone inquiries at the same time as providing counter services. Most registration and titling locations have special accommodations for new car dealers and other large-volume customers.

Identification and notification of owners for re-registration are accomplished by the individual counties, with the assistance of the City and County of Honolulu central computer.

Database Activities

A motor vehicle and drivers license system succeeds or fails on its ability to update, access, and share data through a master file of current and error-free vehicle and driver information. Sections 286-171 and 286-172, Hawaii Revised Statutes, and chapter 19-121, Hawaii Administrative Rules, provide the authority for a statewide motor vehicle data system for motor vehicle and driver information:

§286-171 Statewide traffic records system. (a) There is established a statewide traffic records system. The state director of transportation shall be responsible for the administration and operation of the system and for this purpose shall adopt rules and regulations pursuant to chapter 91.

Although the Director of Transportation is responsible for the above activity, the statewide system actually resides in the county finance computer of the City and County of Honolulu, along with all the other financial, police, and budgetary data. This computer is shared on a fee for service basis by the other counties for various uses, including the motor vehicle and driver information system.

The daily functions do not appear to be excessively problematic for the data system as it is set up currently. However, because there are so many agencies, cross-cutting jurisdictions, and demands on this system, there are regular problems associated with access and with requests for special needs and changes submitted by different counties to assist their operations. As this is a critical point in the function and design of a statewide motor vehicle system, this area will be covered in more detail in a later chapter. It is fair to say, though, that all data access and use of the computer must conform to the needs of the City and County of Honolulu, with secondary consideration being given to other counties, state agencies (including the DOT), and to any other special requests. It also was alleged that certain state requirements and changes in the laws are being ignored arbitrarily, even though some counties attempted to conform, because it did not meet the City and County of Honolulu's data entry system.²

At present, with respect to the use of, and access to, computerized services, the present system design appears to be meeting the bare minimum in support of the needs of a statewide system. Any significant improvement in the state system will be directly linked to improving the use of computer technology and expanding access to, and capabilities of, the statewide traffic records system.

As has been described earlier, the use of computerized record keeping in a motor vehicle administration program is of critical importance to be effective and be able to support the various entities needing access, to interact with the Judiciary, and to assist law enforcement activities throughout the State. The other area of significance, especially in Hawaii, will be the need to determine the appropriate distribution of the revenues collected from the motor vehicle administration services.

Revenue Activities

The primary reasons behind the present system of providing motor vehicle registration and driver licensing services through the semi-autonomous county governments are first, the convenience of the State and secondly, to allow each county to collect revenue based on the weight tax applied to every vehicle registered within its geographic territory. The counties would like to give up the responsibility for performing the activities, but keep the guaranteed revenue coming in.

Any changes and improvements to the current system will have to keep intact the counties' ability to set and somehow collect the weight tax and other miscellaneous fees associated with the system such as licenses, safety inspections, and related services.

Currently, the counties are required to cover the costs of providing the services within their jurisdiction. The State, through negotiation, reimburses each county for the portion of the expense associated with collecting the state fees established for the services.

In addition, the other counties must also negotiate fees for service and payments for access to the City and County of Honolulu's computer, as their part of the mandate to support and be part of the statewide traffic records system.

Summary

Many factors need to be kept in mind when reviewing the Hawaii system of motor vehicle registration and driver licensing administration. First, are the geographic problems inherent in an island-based state. Next, there are a variety of historic and "home-rule" based issues which affect the way the state and county governments have evolved in their political relationships, taxing powers, and decision making authority. Any decisions made to change the current management and control responsibilities of the system will need to seriously consider these and other issues.

Although the system as it is currently configured is able to provide the required services to the public, there is a distinct lack of centralization built into the system which causes problems at all levels of administration. These issues will be described in greater detail in subsequent chapters.

It is important to note, however, that the individuals involved in the current system at each level of government and administration approach their responsibilities with enthusiasm, a helpful and professional attitude, and with the sincere overall shared goal to have a more effective system which is responsive to the needs of consumers.

CHAPTER 5

PROBLEMS IN THE HAWAII MOTOR VEHICLE ADMINISTRATION SYSTEM

During the research and interview phase of this study, a number of issues surfaced concerning the effectiveness and efficiency of the current motor vehicle administration system in Hawaii. Many of these issues overlap. Some problem areas identified are related directly to the present organizational structure in Hawaii, under which jurisdiction (authority) and decision-making functions are shared by the state Department of Transportation and the four counties. Other problem areas are inherent in any complex, shared state and county activity. The following is an overview of the issues identified during the research process.

No Centralized State Level Database

Currently the motor vehicle registration and driver licensing system database is housed in the City and County of Honolulu's computer, with "access" available to the other counties and to the state Department of Transportation on a contract basis. The computer also is used for the financial, personnel, and other administrative functions for the City and County of Honolulu, and by the other counties for a variety of other uses, mostly associated with county-level management functions.

The present database management system causes problems in at least two important areas: (1) data control, and (2) use priority. Specific questions to be considered are: Who is the responsible agency for control of the data and the right of access for occasional special studies and research? What priority should be given to the motor vehicle system's needs for program configuration changes requested by the other counties, the State, or by other agencies? Who decides?

Responsible Agency

Although the state statutes provide that the Director of Transportation is the responsible officer for the oversight and control of the state traffic system, the current use of the Honolulu computer creates an "ownership" problem. There are conflicting Attorney General and County Corporation Counsel rulings over the issue "Who is the responsible, final authority over the data in the system?"

This conflict of "ownership" of the data in the Honolulu computer can have serious and crippling consequences. For example, a federal agency recently made a formal request to the State for a list of registered drivers, for use in the Selective Service process. When the Director of Transportation requested this information from the City and County of Honolulu's Data

Services Department, the request was denied because all four counties did not agree to the release of this information to an agency wishing to use the data for reasons other than motor vehicle and driver registration activities.

The state Attorney General ruled that the Director of Transportation is the responsible party, and does not need county permission to have access to the system for any of its needs. The Honolulu Corporation Counsel, however, contends the Privacy Act overrules the State's authority to release the data, and information cannot be released unless permission is granted by all counties.¹ Notwithstanding any significant change in the current system, this issue most likely will need to be resolved in court. This policy prevents the State from having easy access to "its" data. Additionally, the individual counties often have similar problems obtaining lists of registered drivers or other research data until all other counties have agreed to their requests.

Priority Issues

As the "central" computer is a multi-purpose system for the City and County of Honolulu, and for the other counties to a lesser extent, it is difficult for the system managers to accommodate all the normal service needs required. Any additional special requests coming in from other county, state, and federal agencies create more demands for the computer system and the data managers in charge of it. Primarily this is because separate computer programs often must be created for these changes and requests, and the computer must be reconfigured. During this process the computer is not available for normal operations which results in extra time and expense to do tasks and may hamper fulfilling the required daily needs of the system.

Each county official interviewed felt the current system met their basic needs, but at the same time they expressed frustration at the difficulty in getting any additional "service" from the system. Aside from the access issue described above, any program configuration changes or similar requests must compete with the other requests from all other agencies. The City and County of Honolulu has had to establish a priority list for requests to use or change anything in the computer system.

The current computer program for motor vehicle and driver licensing functions as well as other computer capabilities are scheduled to be reconfigured within the next two years. Many of the changes requested by the other counties are among the revisions which likely will be included in the new configuration. This systemwide change is rare, and any further requests will be subject to the same problems as now encountered.

One area of the motor vehicle administration functions which works well, in general, is the annual renewal of vehicle registrations. The Honolulu-based computer generates renewal and other periodic reminder forms for all the counties which have been programmed to be mailed on a staggered basis, so that not all vehicles are re-registered at the same time. However, even this use of the computer is not without problems.

One issue emerged during the investigation and, although seemingly insignificant, is representative of other potentially more serious problems of the current operation. Act 296, Session Laws of Hawaii, 1989, changed the driver's license renewal requirements with the intent of assuring that the license would be effective for the full two-year or four-year term, as appropriate, before renewal. Previously, depending on the birth date of the applicant and the time of license application, some individuals had to renew their licenses sooner than the term established by law. There is no indication in the new law that there should be any difference between a new license application and a renewal application.

Despite the apparent clarity of the statute, there is a difference of opinion among the responsible individuals of the neighbor island counties, state officials, and Honolulu officials responsible for the computer system. Neighbor island and state officials read the law to apply to both new and renewal applicants; Honolulu officials feel it was meant only for new license applicants.² Honolulu, therefore, has not changed its computer input program to accept the new provisions for a renewal license. When the other counties submit the renewal applications with the date changed in accord with the new law, the system in Honolulu will not accept the applications and they get sent back unprocessed.³

This situation has left the other counties with a difficult choice: comply with the new law and not have forms processed, or follow Honolulu's decision and fail to comply with the law as they interpret it. The counties went along with Honolulu to avoid a breakdown of the licensing system. This example is an unusual case. However, it does provide insight into the problems associated with having conflicting control and dual authority over the motor vehicle master file for the State.

Another example which highlights the need for cooperation and a more centralized, shared access system is the process of targeting drivers licenses for suspension and reinstatement, stemming from court-imposed sanctions. Currently, because of technical and staff problems, the Judiciary is not able to have on-line access to the driver file. When driver privileges are suspended, transferring this information between the courts and the officials responsible for administering the operations becomes a laborious and time-consuming process. Each county driver licensing office is now forced to get the daily District Court calendar and manually go through the list to identify individuals whose licenses have been suspended. The county then must send letters to the drivers notifying them of the financial and other responsibilities with which they must comply.

Also, there is a monthly exchange of computer tapes between the District Courts and the City and County of Honolulu, to "flag" the records of drivers who have outstanding violations which must be cleared before their licenses can be renewed. Because of the time involved to send these tapes back and forth, the records of drivers who have paid their fines may not be cleared for some time. In contrast, other drivers do not get flagged when they should because the timing is such that they are not included in the most current computer tape.

Although not directly related to interagency communication, sending a notification letter to suspended drivers also causes problems for the county level authorities. There currently is no state law defining the presumption of due process in sending these letters of notification.⁴ The counties do not have proof that a driver has received notification of driving privileges being revoked or suspended. If the driver is later stopped or otherwise found to be driving, the driver can legally claim not to have received the required notification. This is not a serious flaw in the system but should be clarified by statute allowing the presumption of notification when a certified letter has been sent to the last registered address of the driver.

Although problems do exist, there is the semblance of a "centralized" computer and database for the motor vehicle administration system. The four counties are able to have on-line access to the computer from their county offices. The State can review data in the system, but can not update records or do any special studies.

Commercial Drivers Licenses

Recent federal law changes also have created problems for the smooth operation of motor vehicle administration in Hawaii. Every state now must issue a separate Commercial Drivers License (CDL) to operators of vehicles over 10,000 pounds Gross Vehicle Weight (GVW). The CDL data programs must be connected to a nationwide database. Federal highway funds will be reduced or denied to states not in compliance with these new requirements by 1992.⁵

The City and County of Honolulu does not feel that this is a county level function, thereby forcing the State to consider seriously creating a separate operators licensing service and data base. The result likely would be two parallel systems in operation.⁶ Although negotiations between the State and the counties are on-going, this situation provides the opportunity to focus on the need for one system for the management of all drivers licensing and registration services or, conversely, a situation in which the current problems of access and responsible data management are doubled. Either way, there promises to be significant changes ahead for Hawaii.

Tentative agreements have been made between the State and counties to enlist the assistance of an outside consultant to review the current system, to consider the future requirements needed to fulfill the federal obligation, and to determine the costs and impacts of using the City and County of Honolulu's computer and current county licensing administration. The recommendations will have to be approved by the Governor, the state Department of Transportation, the Mayors of each county, County Chiefs of Police, and the City and County of Honolulu data managers. The costs for the consultant, any needed system changes, and additional county work load are currently slated to be the responsibility of the State, and will require legislative appropriations.⁷

Autonomous Registration and Titling

One of the most significant aspect of the Hawaii system is that, unlike any other state, each county acts as an independent jurisdiction for the registration and titling of automobiles and the licensing of drivers. One could call this the "separate state syndrome." In other words, a vehicle in one county is registered with that county only, and subject to that county's regulations, fees, procedures, inspections, and other registration requirements.

Should a vehicle be moved from one county to another county within the State, the owner is required to surrender all previous certificates of registration and title and to re-register and retitle the vehicle in the "new" county. This is tantamount to moving a vehicle from state to state. Although other states often use county or local government as agents for motor vehicle system needs and services, each state issues only one state title. Regardless of where the vehicle is operated within that state, no new title is needed unless the vehicle is sold, in which case a new state title is issued to the new owner.

Each county in Hawaii has different fee structures, different procedures, different levels of enforcement and different interpretations of the same state laws and rules. Although they are basically the same, each county has its own forms for registration and title. The primary "victims" of this autonomous county system are the general public and the rental car companies, an important part of the tourist industry.

The General Public

If an individual purchases a vehicle with a bank or other loan agency (and therefore has a lien on the vehicle's title), registers the vehicle, and later moves to another county, several problems may be encountered.

For example, if the individual bought a vehicle on Maui and registered it in Maui County, the bank extending the loan on Maui will hold the title to the vehicle and there will be a lien on the title until the note is paid off. If this vehicle is moved to Oahu, it must be registered with the City and County of Honolulu. That process involves providing proof of ownership and surrendering the previous title (being held by the Maui bank). To surrender that initial title to the City and County of Honolulu, the owner must convince the bank holding the initial title to release it so the vehicle can be registered legally on Oahu with a clear, marketable title. If the bank does not cooperate, a title which is not transferable will be issued. This is especially problematic when the lien is held by a bank outside of Hawaii.⁸

The situation easily can become more complicated. If the individual wants to sell the vehicle, the lien on the title must be released and a clear, marketable title issued by Maui County. This title must be retrieved from the bank so a clear, marketable title then can be issued by the City and County of Honolulu.

Rental Agencies

Rental car agencies import cars to four islands in Hawaii. Upon arrival, these cars must be titled, registered, and inspected on the island where delivered.

A common practice among the many rental agencies is to periodically move cars from island to island depending on the fluctuating demands in the different areas at different times. Each time that a vehicle is moved to another island, it must be reregistered and retitled. When a number of cars are moved, it is a headache for these agencies. One aspect of this headache is the paperwork involved in this process. Another is the hidden problem of having a lien on the title in the county in which the vehicle is first registered and the fact that subsequent moves result in the issuance of titles which are not transferable until exchanged for the title with the lien on it.

In addition, the larger, national agencies, usually bring in hundreds of new vehicles to be divided among the islands throughout the year. Two or three times a year, they also send back to the mainland hundreds of vehicles for resale. Departing vehicles require title transfers. Most of these vehicles are purchased directly from the automobile manufacturers or from other large volume dealers outside of Hawaii, so the liens are held outside of Hawaii as well, making the problem even more complicated.⁹

There currently are approximately 35,000 rental vehicles in Hawaii, on various islands. With such a turnover of vehicles, it is clear that there is a large problem for rental car agencies.¹⁰ Very few special accommodations have been made to assist these agencies in their bulk processing of applications, or to give consideration for a special license plate for rental fleet vehicles, which might reduce the problems of the agencies and decrease the work load for the counties. County officials expressed hesitation about special plates for rental vehicles, based on concerns about difficulties of keeping track of different vehicles using the same plates.¹¹

As has been noted, moving a vehicle from one county to another requires retitling and reregistering. This multi-county registration phenomenon is directly connected to the counties' desire to generate revenue from the fees and weight taxes associated with vehicle registration.

Autonomously Set Fees and Procedures

Similar, and related to the issue of vehicle registration and titling, is the autonomous approach taken by the counties in establishing fees and procedures and in adopting their interpretations of state laws. This is another example of the "separate state syndrome."

The officials responsible for motor vehicle administration in the different counties have a close working relationship and communicate often--including annual meetings--to work out common problems and differences. These meetings, however, do not include state officials. As a result of the county officials' meetings and the flow of communication among the counties, most activities of the system on the different islands are similar. Many of the problems which

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still exist are the result of separate county government bodies setting rates and procedures, and the infrequent state oversight into the system.

Fees

One of the results of multi-county autonomy and decentralization of authority is that each county is free to set, and is at liberty to change, the fees for the various services provided, as well as the weight tax associated with vehicle registration. Although this is not a critical flaw in the system, it is confusing and possibly a disservice to residents and companies which transfer vehicles between the counties.

The following tables are examples of the fee structure among the counties.

**TABLE 1
AUTO FEES**

	<u>Hawaii</u>	<u>Honolulu</u>	<u>Kauai</u>	<u>Maui</u>
Vehicle Weight Tax (per lb.)				
Passenger & NCT (per lb.)	1/2c	3/4c	3/4c	3/4c
Commercial Trucks	1 c	1.75c	2 c	1.5c
Penalty for late registration:	10%	20%	20%	10%
Fees:				
License plates	\$3.50	\$5.00	\$5.00	\$2.00
Emblems	\$0.50	\$0.50	\$0.50	\$0.50
Transfer fee	\$2.00	\$3.00	\$3.00	\$2.00
Dealer correction	\$2.00	\$3.00	\$3.00	\$2.00
Duplicate ROC or LOC	\$2.00	\$3.00	\$3.00	\$2.00
Late transfer penalty	\$5.00	\$5.00	\$5.00	\$5.00
Dealer plates	\$30.00	\$30.00	\$30.00	\$25.00
Beautification fees	\$1.00	\$1.00	\$1.00	\$0.00

(These fees are subject to change in January, 1990.)

PROBLEMS IN THE MOTOR VEHICLE ADMINISTRATION SYSTEM

TABLE 2
OPERATORS LICENSE FEES

	<u>HAWAII</u>	<u>MAUI</u>	<u>KAUAI</u>	<u>HONOLULU</u>
2 year renewal	\$6.00	\$4.00	\$6.00	Age 15-24 \$5.50 65/over \$4.25
4 year renewal	\$12.00	\$8.00	\$12.00	\$8.50
Examine fees	\$5-14.00	\$5-12.00	\$ 1.00	0
Permit (90 day)	\$5.00	\$4.00	\$ 4.00	*
Reinstatement fee	0	\$9.00	\$10.00	0

(* included in the 2 or 4 year application fee)

SOURCE: City and County of Honolulu, Counties of Kauai, Maui and Hawaii Motor Vehicle Administration Offices.

The above is a partial listing of fees. Additional fees which may be incurred include those for personalized license plates. The City and County of Honolulu currently charges a "one-time" fee of \$100.00 for such plates. However, if the design of the State's license plates is changed, a person must pay another fee to maintain the personalized plate. This system is inequitable: a person purchasing a personalized plate toward the end of the lifetime of a plate design (about 10 years) pays much more per year of use of that plate than a person purchasing a personalized plate as soon as a new design is adopted. To eliminate this inequity, the City and County of Honolulu is considering adopting an annual fee for personalized plates instead of a "one-time" fee.

Periodic Motor Vehicle Inspection (PMVI) (Safety Inspection)

The state Director of Transportation is responsible for developing and enforcing the periodic safety inspection system for the State. Each county has been designated as the agent for the Director to implement the requirements.¹² Each county, however, approaches this responsibility with a different degree of enforcement.

There are some inherent problems associated with using private service stations to provide vehicle inspections. Counties appear to do the best they can, but there is no uniformity in the inspection of these stations.

This problem soon will become more complicated when a moped inspection requirement is implemented. The neighbor island counties will, most likely, be able to find service stations to conduct the inspections. Because of the number of mopeds and the slim profit margin from

inspections, Honolulu cannot find enough private stations willing to participate in the moped inspection program.¹³

In addition it is difficult for the private service stations to be completely impartial in their inspections, as they do not want to jeopardize customer relations by being overly harsh or critical of their current (or potential) service customers.

The counties currently are operating the inspection system without a formal contract with the State. Although state rules describe the required elements of the PMVI, there is no formal authorization from the State for the counties to be conducting the required safety inspection system oversight and station certification. This results in a long delay in reimbursing the counties for funds expended and causes numerous problems for the stations receiving citations of problems or noncompliance as they have no authorized appeals process. Also, because the State will not reimburse the counties for basic costs such as postage, some counties do not send out reminders for inspection, although others do.¹⁴

License and Plate Design

Under section 286-109, Hawaii Revised Statutes, the Director of Transportation is granted the authority to establish the design, content, arrangement of elements, and color of the Hawaii state drivers license. Additionally, there is an agency agreement to this effect between the State and counties.¹⁵

The counties, however, have decided that a new state driver's license is needed and have taken it upon themselves to design and go about the business of developing it. The proposed new license is an improvement over the current "credit card" license issued by the State because it will be less susceptible to tampering; will use modern "digitizing imaging," thereby providing a more reliable document for photo identification; and will facilitate faster issuance of the permanent license. The new license is scheduled for use starting in March, 1990.¹⁶

The counties also have begun the process of designing and developing new color-coded registration and titling documents for each county and a new state license plate, also without initial involvement of the state Department of Transportation. The new plates are scheduled to be issued beginning with the 1991 registrations. The new registration forms are scheduled to be used starting with the 1990 reregistrations.¹⁷

Although the process to accomplish these new system forms and plates very likely has been much smoother without complicated cross-jurisdiction bureaucratic interference, the State thus far has not been given the formal opportunity to review or approve the new designs on any of these soon-to-be-implemented changes in the "state" motor vehicle and driver's license system.

Standard Manual

State law grants the right and responsibility to each county Director of Finance to develop its own operations manual defining the process each county will use to accomplish its responsibilities.¹⁸ Because of the ambiguity of the law and the fact that only a few procedures are defined clearly through the administrative rules process, there is no central authority to ensure standardization among the counties. One notable exception to this pattern is the state Driver's Manual, developed by the state Department of Transportation and adopted by the counties.¹⁹

Questions of interpretation and assistance in decision-making are often forwarded to each jurisdiction's legal counsel. For the counties, this is the county Corporation Counsel or County Attorney, while the Attorney General handles these inquiries for the department of transportation. As has been seen in the problems concerning access and control of the data in the Honolulu computer, there is constant potential for conflicting opinions, both among the counties and between the counties and the State. Centralized management would provide one point of reference for these questions, one uniform authority, and less confusion in the system.

Because most of the system revolves around the City and County of Honolulu's computer system, this county often takes the lead in updating and developing new procedures. When these new procedures are developed, Honolulu sends copies to the other counties to review and to use at their option. This practice has become more important as Honolulu moves toward renovating its current motor vehicle system computer and programs.

Operator Licensing

The counties are responsible for issuing the Hawaii State Driver's License to all categories of drivers. As has been noted previously, a Commercial Drivers License (CDL) soon will be required for the operation of vehicles weighing 10,000 pounds or more. Responsibility for the CDL may be under the Department of Transportation. This new federal requirement will complicate an already-complex licensing program.

One of the several ways in which Hawaii is unique among the states in its administration of motor vehicles is its issuance of driver's licenses. Although the licenses now issued are state documents, the procedures to obtain a license vary from county to county. One important area of difference among the counties is their use of the National Law Enforcement Telecommunication System (NLETS), part of the National Crime Information Center (NCIC), authorized through the county police departments. Although all the county police departments have access to NLETS, only Maui and Hawaii counties use NLETS for motor vehicle purposes.²⁰

Although this may not appear to be significant at first glance,²¹ NLETS allows on-line access to a national drivers licensing database in which all other states participate. Primarily, NLETS identifies drivers who have had their licenses revoked or their driving privileges suspended anywhere else in the country. It also includes other criminal and enforcement data,

potentially relevant to assisting in the identification of individuals wanted by law enforcement authorities anywhere in the country.

Eight to ten applicants a day (out of 150-170) in Hawaii county,²¹ and about 25 applicants (out of 100)²² a week on Maui are denied a Hawaii operators license through the use of this system. Because of the volume of drivers on Oahu and the "criminal nature" of the data, Honolulu uses the National Drivers Registration (NDR) system (which is less precise and comprehensive) to review each license request before the license is issued.²³

Organization

Although each county has the same overall responsibilities, each county has different job classifications and pay schedules for the individuals performing the services.

In addition, there also are a variety of ways that motor vehicle functions are divided among the treasurers' offices and the police departments in the different counties.

Customer Service

An area of great concern to the officials who administer motor vehicle functions in Hawaii is the quality of service to their "customers," the citizens of Hawaii. Most of those officials consulted for this study favored standardization of procedures for improved service.

In addition to a need for standardized procedures and rules, one of the commonly-mentioned areas cited as needing improvement was telephone service. Readily-available telephone service, with supportive and knowledgeable staff, appears indeed to be needed badly.

Honolulu recently implemented a new automated phone service. A computer gives out general licensing information; callers with touch phones can press a number to be connected to the appropriate section. The computerized system handles calls concerning motor vehicle registration and renewal, drivers licenses, financial responsibility, business licenses, abandoned vehicles, and road test reservations. Although this is a vast improvement over the past, the system is not available statewide. Further, because the procedures are different for each county, the Honolulu telephone system will not be useful to neighbor island customers.

The rental car industry in Hawaii generates a large portion of the work load for the vehicle registration sections in the different counties. As this is directly related to the requirement to reregister vehicles as they move from county to county, a single state registration certificate may reduce the current work load significantly.

Another desirable customer service, especially for Honolulu, would be the implementation of batch processing or a separate window for processing rental vehicles' registrations, similar to the special handling that is now enjoyed by the automobile dealers in Honolulu. The volume of business alone justifies looking at this as an easy improvement in the current registration system

in Honolulu County. Some neighbor island counties already have implemented assistance for these rental agencies. Where they have not, the daily volume is not enough to warrant special consideration or serious problems do not exist for the agencies.

Salvaged/Reconstructed Vehicles

Current state law requires motor vehicle repair shops wishing to participate in the salvaged vehicle repair, inspection, and certification business to post a \$25,000 bond and to assure that each vehicle meets all safety requirements and certification standards. It is difficult to find stations willing to be licensed for this service in all the counties, thereby leading to another example of the "separate state syndrome." This is a problem for Hawaii county, especially.²⁴

Very much like the private safety inspection system used for the periodic motor vehicle inspection requirements, salvaged vehicle repair shops also are reluctant to jeopardize customer relations by imposing stiff and expensive restrictions on their customers wishing to certify a salvaged vehicle.

Another example of differences among the counties in motor vehicle administration is that of reconstructed vehicles. For these vehicles, the law provides no requirement for special inspections or permits in counties with a population less than 500,000, which exempts all counties other than Honolulu. Although this arrangement was an attempt to eliminate a variety of approaches for reconstructed vehicles among the counties, problems still arise. Most often this occurs when such vehicles are brought to Oahu and registration is attempted.

Revenues

The motor vehicle registration and driver licensing functions generate revenue to the general and highway funds for the State and counties through the collection of various fees, penalties, and taxes. The State is involved only minimally with the actual collection of these funds. The counties collect the money from the public and pass on to the State its portion of the revenues. The ability to set local fees and taxes and keep the revenue generated from the system is a critical issue for the counties. As it now stands, the personnel and prorated administration expenses required to collect the state-imposed fees and taxes are determined by the state Department of Transportation. These costs, through negotiation, are reimbursed to the counties.

The counties feel that there is a great disparity between themselves and the State with respect to the amount of work load, responsibility, and expense they must incur to accomplish all of the duties imposed by state statutes and rules. Second only to the "separate state syndrome" described earlier, the aspect of the system most criticized by the county officials interviewed is the difference between the amount of money collected by the counties and the amount they are able to keep.

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The following table indicates the revenues and fees generated for the State through the counties' efforts by the registration and operator licensing system.

TABLE 3
REVENUES GENERATED FROM THE MOTOR VEHICLE SYSTEM

	1987			
	OAHU	HAWAII	MAUI	KAUAI
Registration #	471,883	89,228	82,929	41,365
Regis. Revenue	\$ 4,821,222	\$ 896,989	\$ 832,578	\$ 419,232
State Weight Tax	\$ 7,393,857	\$ 1,411,923	\$ 1,247,147	\$ 614,071
Penalties	\$ 205,807	\$ 23,519	\$ 36,606	\$ 18,040
County Total	\$12,422,887	\$2,333,431	\$2,116,328	\$1,051,343

STATE TOTAL COLLECTED: \$17,921,399

State

Reimbursement:	\$ 179,486	\$ 47,075	\$ 59,790	\$ 24,092
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TOTAL STATE REIMBURSEMENT: \$310,449

	1988			
	OAHU	HAWAII	MAUI	KAUAI
Registration #	487,976	93,698	87,212	44,282
Regis. Revenue	\$ 4,984,634	\$ 949,071	\$ 881,510	\$ 450,920
State Weight Tax	\$ 7,624,154	\$ 1,495,929	\$ 1,311,656	\$ 661,384
Penalties	\$ 220,914	\$ 24,707	\$ 43,199	\$ 19,597
County Total	\$12,829,702	\$2,469,707	\$2,236,366	\$1,131,901

STATE TOTAL COLLECTED: \$18,664,708

State

Reimbursement:	\$ 183,266	\$ 52,939	\$ 61,820	\$ 26,376
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TOTAL STATE REIMBURSEMENT: \$324,350

PROBLEMS IN THE MOTOR VEHICLE ADMINISTRATION SYSTEM

1989

	OAHU	HAWAII	MAUI	KAUAI
Registration #	494,870	96,950	94,057	47,250
Regis. Revenue	\$ 511,457	\$ 984,453	\$ 947,680	\$ 483,274
State Weight Tax	\$ 7,868,043	\$1,551,920	\$1,409,472	\$ 718,492
Penalties	<u>\$ 236,665</u>	<u>\$ 23,675</u>	<u>\$ 43,468</u>	<u>\$ 19,876</u>
County Total	\$13,216,165	\$2,560,048	\$2,400,620	\$1,221,642

STATE TOTAL COLLECTED: \$19,395,405

State

Reimbursement:	\$ 312,208	\$ 49,973	\$ 59,004	\$ 23,377
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TOTAL STATE REIMBURSEMENT: \$448,927

Some of the reimbursement amounts include periodic equipment costs covered by the state.

State totals may have adjustments because of refunds.

Totals have been rounded to the nearest dollar)

SOURCE: Hawaii, Department of Transportation, Staff Services Office.

The City and County of Honolulu claims that it expended \$7.5 million in 1988 to administer and enforce the provisions of these programs. This includes the costs for the plates, postage, forms, computer time and accessories, personnel, and a wide variety of other expenses not reimbursed by the State.²⁵

Conclusion

There are a variety of areas where problems have been identified and where systemic changes may be in order. There are central themes which prevail in the discussion of problem areas, primarily focusing on the current division of powers and responsibilities among the counties and the State, and the lack of effective communication among the officials responsible for the operation of the motor vehicle system in Hawaii.

It is also important to note that a recurrent theme sounded by all individuals interviewed, and the basis for several suggestions which were presented for improvements, was a sincere desire to bring more effective and responsive management to the system and to improve the services provided to the residents and businesses of Hawaii.

CHAPTER 6

WEIGHING THE ISSUES FOR HAWAII

Introduction

Hawaii's current system of motor vehicle registration and titling, operator licensing, periodic vehicle inspection, and all the other duties of enforcement, planning, and administration, is complicated and fragmented. Primarily this is because of the cross-jurisdiction management responsibilities, divided among the state Department of Transportation and the four county governments.

In an effort to address the issues presented in this study most effectively and to explore the feasibility of creating a separate state Office of Motor Vehicles, this chapter provides two perspectives on the options available to the Legislature.

The options available are to: (1) consolidate management and control of all the services under one roof, a new state department or a division within the current Department of Transportation; or (2) make selective changes in the present system, eliminating some of the more significant problem areas identified in this study.

Part I of this chapter describes the possible design, duties, functions, and responsibilities of a new, centralized state Office of Motor Vehicles. It also provides a variation of this idea: centralize the management and control of the system, have a state-controlled computer and inspection system, and then establish formal contract relationships with the counties to provide the services to the public.

Part II of this chapter provides an overview of areas where modification of the current system is possible, a "shopping list" approach to making selective improvements in the effectiveness of providing the required services statewide, short of completely eliminating this system.

Part I. Hawaii State Office of Motor Vehicles Concept

The core policy issues which became evident in the research for this report can be summarized as follows:

- (1) The need for centralized, state level decision-making and control;
- (2) The need for services to be provided in an efficient and equitable manner, statewide;

- (3) The need for a multi-access, centrally-managed computer and data processing system;
- (4) The need to retain the counties' ability to set local weight taxes and to collect the revenue from these fees; and
- (5) The need for statewide standardization in the forms, procedures, safety inspection, enforcement, and interpretation of the services provided.

The easiest (conceptually) and certainly most expensive way to address these issues and to solve many of the problems identified in this study is to completely renovate the system, with all management, control and financial responsibility under one roof by creating a new state Department of Motor Vehicles (DMV) or separate office within the state Department of Transportation (DOT). For purposes of this discussion, it will be assumed that the decision is to create a new centralized department, a State DMV, as opposed to a new office within the DOT. However, except for the added dimensions of a new cabinet level post, and the extra administrative trappings of a separate department, all points covered in this section can be based in either a new department or in a new, separate DOT Division.

Blueprint of a State Department of Motor Vehicles

Once the decision is made to create a state DMV, a thorough statutory and administrative rule revision will be needed to eliminate all references to the county Directors' of Finance authority and responsibilities, changing them to the authority of the new DMV Director.

Next, the decision must be made whether to convert all the current county employees providing motor vehicle services into state employees, or to open new state positions to anyone who might apply and meet the qualifications. State facilities will need to be renovated, leased, or constructed to accommodate the need to provide a variety of services at a number of branch office locations throughout the State.

A primary requisite will be to purchase or otherwise make available a large computer dedicated to 24-hour DMV functions. The state DOT already has a statewide computerized database capability in its harbors and airports divisions. It is unlikely that the present capacity of this system will be able to accommodate the volume of activity and records a statewide DMV computer will require. Consideration should be given to investing in a computer system that has the size and attributes necessary to handle the needs of two departments, such as the DMV and the court system (Judiciary). Such an investment would use economy-of-scale savings and would ease the communication process between two agencies needing access to the motor vehicle related data. It also might be possible to consolidate all DOT needs and functions into a new larger system, leaving the present computer system for other state uses.

Inherent in the design of the state DMV is the need to develop a centralized, state level decision-making authority whose responsibilities will include the statewide standardization of fees, procedures, forms, interpretation, and enforcement. In designing the new state office, the state statutes and rules will need to be reviewed and changed, as appropriate, to reduce or eliminate the deficiencies noted in this study, with particular attention given to the area-specific problems outlined in Part II of this chapter.

Again, the counties will need to retain their current ability to set local weight taxes and derive revenue based on the vehicles registered in their jurisdiction, regardless of the system design implemented. Under the state DMV scenario, accounting can be handled by the State and payments can be made to the counties on a periodic basis for all new or annual renewal registrations, rather than requiring the reregistration of a vehicle whenever it is moved from county to county.

A single state DMV also would eliminate the problems associated with priority and control over the data in the motor vehicle records database as well as other cross-jurisdiction problems such as the current issue of how to develop a separate Commercial Driver's License system.

Another system improvement should be the creation of a "Driver's Improvement" section within the DMV. This section would handle the financial responsibility, adverse decision appeals, and other quality control services now scattered or non-existent in the present, multi-county motor vehicle and drivers licensing administration systems in operation.

The responsibility for the administration, training, and control of the Periodic Motor Vehicle Inspection process also would be under one authority. This change should include the consideration of eliminating the present practice of certifying private service stations to conduct the safety inspection program requirements. Such a move would involve developing state inspection facilities on the different islands to ensure uniformity and to reduce the problems surrounding the conflict of interest inherent in having private stations inspecting their current or potential valued customers.

The Contracting of Services Option

Another option available for consideration, and one that is used in many other states, is the establishment of formal contractual relationships between the state DOT and the county governments.

Under this option the decision again should be made to centralize management, control, and financial responsibility for motor vehicle services under a state umbrella. Under this system, the requirement to change the current statutes defining this responsibility and authority also would remain. At the same time, the criteria for a single state title, registration form, and uniform procedures should be established. Other conflicting requirements also should be

changed so that it is clear that the counties are acting as agents of the State, using state forms and uniform procedures regardless of where the services are provided.

This option still would leave the personnel providing services under the management of the counties. Standardization and equal treatment could be built into the system, a central authority could be established, and the counties could retain their authority to set and collect weight taxes based on the vehicles registered in their counties.

Regardless of whether the decision is to create a new state office of DMV or to contract with the counties as agents for the State, there still should be a state-controlled computer for the use and storage of the motor vehicle system records. In addition, a reconstructed Periodic Motor Vehicle Inspection program is still very much in order, to bring credibility and uniformity to the program. As described earlier, both of these improvements would require a large state appropriation, but the standardization this will provide, the reduction of redundant activity, the time saved, and the credibility established in the system will make the investment worthwhile.

In order to maintain stability and to reduce the communication problems now present in the motor vehicle system, the Safety Committees now established in the law¹ need to be made mandatory. Alternatively, the law should be amended to increase the scope and responsibility of these joint government committees. This would facilitate management of the system and increase the level of participation by the officials from the different levels of government in the planning, problem solving, and decision-making for the state system.

Part II. Renovation of the Current Hawaii Motor Vehicle System

After review of the current system, it became clear that a number of issues merit re-evaluation in order to provide motor vehicle administration services more effectively and efficiently throughout the State. It may be more cost-effective to alter certain aspects of the current system, as opposed to completely starting from scratch.

The issues identified are in areas where selected improvements are possible and desirable even if a new state DMV is not created. These issues include:

- state-level registration and certification;
- access to computerized vehicle and driver data;
- more centralized, state-level management and control;
- responsibility to support the system financially;
- more effective state-county communication, cooperation, and planning;

- standardized fees and procedures;
- state-level vehicle inspection;
- use of technology; and
- driver improvement.

State-Level Registration and Certification

Under the current system, each county registers, titles, and conducts the motor vehicle certification and operator licensing functions for the State. The system is inefficient, redundant, costly, and unfair to the public. Although there is some logic in the counties operating as the agents for the State to provide these services, there is little justification for having each county operate separately, each with its own forms, fees, and procedures.

The primary reasoning behind this system is that the counties wish to derive the maximum amount of revenue possible from the public and other registered owners, based on the vehicles and drivers currently operating in their counties. All other states were surveyed. None indicated that it operates under such a protracted and duplicative system.

At the very least, the system should be changed so that there is one state title and annual registration form issued, whether these are issued by a state department of motor vehicles or by the counties as agents of the State.

This change alone would improve the service to the public and cut down the volume of work now done by each of the counties. An equitable process can be developed to allow the four county councils the ability to set local weight taxes, continuing to keep the revenues they now receive from the system.

Access to Computerized Vehicle and Driver Data

The core element in an effective and cost-efficient motor vehicle system is the use of a centralized computer, with access available to every level of system function and administration. Not all entities may need to have the means of updating the data, but there should be access at all levels with sufficient ability to accomplish the daily requirements to meet their responsibilities, and for system-wide review when needed.

Under the system now in operation, this would reduce or eliminate the adversary issues of ownership and control of the data. In addition, the data needed for law enforcement and court-imposed restrictions would be more current and therefore more valuable to those who need these data. A centralized computer also would reduce the errors and delays now encountered

because of the need to check District Court calendars manually, the need to exchange motor vehicle records computer tapes between the Judiciary and the county motor vehicle employees, and the neighbor island counties' need to wait in line to have more efficient program changes implemented.

The best system would have one centralized computer, dedicated to the motor vehicle system, with a central data manager. The computer would be able to respond both to the specific needs of the motor vehicle system and to any other research or appropriate outside requests for information.

More Centralized, State-Level Management and Control

Current state statutes give the authority and responsibility to manage the state motor vehicle system to the Director of Transportation.² However, most of the decisions concerning administration, enforcement, and control of this system now are being made by the counties, outside of the State's control or participation. To their credit, the counties make a significant effort to coordinate their activities and to share procedural ideas and changes on a regular basis. This, however, is not an appropriate substitute for a central authority and responsible statewide management. Although the current process of county officials designing and implementing a new set of certification forms, vehicle plates, and state driver's licenses without the participation of the State is probably easier and more efficient, given the fragmented nature of the system, it is outside of the letter and intent of the state statutes and Department of Transportation rules. A statewide manual of standard operating procedures should be developed which sets policy and gives uniform direction to those administering the motor vehicle system. Such a manual would be beneficial to all involved in the daily operations, as well as providing a needed reference to the public and other appropriate state and county officials.

In addition, a central phone information system should be developed, and made available at no charge throughout the State. Currently, there is a computerized touch-tone telephone information system for city and county of Honolulu, which has helped relieve the pressure on the individuals providing these services on Oahu. For specific questions, and on the neighbor islands, the people conducting the daily motor vehicle administration operations must interrupt their duties to answer the phone.

The issues surrounding the present practice of inquiries for legal opinions being made at various places also could be improved if there were one office to field all these inquiries. A consistent and definitive source of legal opinions also would improve the standardization in the system. It makes more sense to have the state Attorney General receive and process these inquiries, as opposed to the present practice of separate inquiries going to the State's lawyers and to the various county corporation counsels.

Responsibility to Support the System Financially

The current system of having the counties collect all of the fees and taxes from the motor vehicle and licensing functions is very beneficial to the State. The State gets a major portion of the revenues without incurring many of the expenses involved in administering the system. This inequality is, understandably, a critical issue for the counties.³

A more equitable sharing of the costs of administration and the personnel needed to maintain an efficient motor vehicle system would require a significant increase of the state appropriation to the Department of Transportation. However, the State has more resource available than the counties and the State is getting most of the money generated by the motor vehicle system now. State-level centralized control and management of the system would be more credible than the existing arrangement. This includes an equitable set of personnel policies which will provide extra stability and standardization among the individuals performing the services and the salaries these individuals receive. The benefits inherent in a more efficient and less redundant system might be worth the extra expense.

More Effective State-County Communication, Cooperation, and Planning

Regardless of whether the final decision is to centralize all operations, mix the services, or use the counties as agents for the State, there should be both more formal and informal lines of communication developed among the individuals and agencies responsible for motor vehicle administration. That includes motor vehicle registration, operator licensing, vehicle inspection, law enforcement, and related court activities across the State.

Presently, there are multiple bureaucracies and conflicting loyalties involved in the management and operations of the state system. Each county Director of Finance is responsible for carrying out the functions of the current system. These individuals, guided in part by state statutes and rules, are directly accountable only to the Mayor and Council of their respective counties. Most of the motor vehicle system functions are delegated further to other county employees and to the police departments. Because of the autonomous nature of the current system, these individuals must interact with others from the other counties, the state government, and the court system, as well as answer to their county Director of Finance.

The state DOT, through its Motor Vehicle Safety Office, has statutory obligations to plan for and to oversee the entire state system, as well as to accommodate many federal requirements.⁴ The state Director of Transportation, although statutorily responsible for managing this planning and oversight requirement, also has responsibility for highway design, construction, and maintenance; traffic planning; the statewide airport and harbors systems; and a wide variety of other tasks and duties.

The individuals delegated responsibility for the state motor vehicle system oversight and planning functions often are left to their best devices to interact with the counties, the state

Attorney General, the Judiciary, and other organizations.⁵ As the DOT is a large department they also must work through layers of superiors and chains-of-command, including the very busy Director of Transportation for decision-making and formal communication with the counties and other state agencies. As can be seen and imagined, this cross-jurisdiction and divided-loyalty structure does not foster easy or effective planning. Many times it has led to problems of communication and unproductive, adversarial relationships among the many individuals involved in this structure.

There are statutory provisions for formal planning and review committees requiring membership of officials including representatives of the state DOT and Judiciary, as well as county government officials.⁶ These committees do not meet with adequate frequency (if at all) to be effective. When they do meet, the problems inherent in the current complex structure make effective planning and sharing of authority nearly impossible. Unfortunately, it takes the looming threat of the loss of federal highway funds, or similar sanction, to force the State and counties to work together actively and to come to agreement. Recently this was the case with the new federal requirement to have a Commercial Drivers License system in place by 1992.

Many of these problems can be solved by having a centralized decision-making authority or body which includes the appropriate mix of officials from state and county governments, mandated to meet on a regular basis, and to report on their activities to the legislature as needed.

Standardized Fees and Procedures

As has been discussed, and notwithstanding the respective County Council's authority to set county taxes, it is a disservice to the public--and inappropriate for a statewide system--to have different fees and procedures for the same service in the different counties. It is appropriate to review critically the time and work load involved in providing these services, and to set the fee schedules accordingly. When set, however, these fees should be the same regardless of which county or state agent provides these services. Again, centralized authority and decision-making would decrease this disparity among the counties and provide a more manageable and equitable system.

A statewide operations manual, described earlier, would eliminate conflicting procedures and provide standardized administrative guidance to those involved in fulfilling the duties of registration, titling, and operator licensing. Conflicts of statutory interpretation also can be eliminated and the number of accounting requirements and many errors can be reduced.

State-Level Vehicle Inspection

The current system of private service stations acting as state and county agents to provide periodic motor vehicle inspection does provide a convenience to the public. However, the current system is subject to inequities and is difficult to monitor.

The inspection stations have a natural conflict of interest when they conduct the inspections: they are obligated to act as agents to certify the safety and road-worthiness of vehicles on a yearly basis; but these service stations also are in business. Many do not want to jeopardize customer relations by being too harsh or overly critical in their inspections, such that they might offend current or potential customers for the other services they provide. Conversely, it has also been alleged that some stations see inspections as an opportunity to get additional business by finding a wide variety of faults. Either way, not all inspections are equal and therefore the intent of the inspection requirement may be lost.

In addition, although there are established criteria to be included in the inspection, very often these criteria are based on subjective and visual interpretations. Not all inspectors will address these standards uniformly, and it is virtually impossible to monitor all stations providing these services to ensure equity in this interpretation.

Although some of the convenience now enjoyed by the public needing to fulfill this requirement may be sacrificed, serious consideration should be given to establishing regional state-controlled inspection centers for the safety inspection of vehicles, including mopeds and other vehicles requiring this certification. Uniformity in inspections would be easier to monitor if there were direct supervision and common training for all inspectors. Also, the conflict of interest issue would be reduced because the inspectors would not be worried about offending their customers, nor would they have any personal interest or gain in finding extra faults with the vehicles. Finally, the present problem of finding inspection stations willing to inspect mopeds would be eliminated.

If a new state-operated safety inspection system is not implemented, there are specific changes that are needed to improve the present system. First, a state-county contract should be developed so that reimbursement issues are solved, an appeals process is established, and clear authorization is provided to the counties to conduct the oversight and regulatory functions required under the law.⁷ In addition, standard procedures for sending inspection due reminders to the public and establishing reconstructed vehicle permits statewide should be developed.

For this important program to be accepted by the officials and private service stations involved in the operation of the PMVI, as well as by the public required to comply with the safety inspection requirement, it is important to establish a well organized and "honest" safety inspection process, under state authority.

Use of Technology

An essential element in every motor vehicle system, as highlighted earlier, is the shared use of modern computer and communication technology. The Hawaii statewide motor vehicle and drivers licensing functions are all being managed through the use of the City and County of Honolulu's finance department computer. This situation causes the numerous problems defined in this report, not the least of which is the concern of ownership and control of the data.

Currently, there is a mix of computers, some counties being more modern than others; an inefficient and time-consuming need to check court records manually; difficulty in updating computer programs; very limited ability for the different agencies involved to share, or have access to, the data; and in general, an overuse of paper-based forms and recordkeeping. Although it is an expensive proposition, it is now time for the State of Hawaii to make the decision to overhaul its antiquated and patchwork system.

The state DOT is now able to register boats and boat trailers as well as to maintain records of the boat, trailer, and mooring permits required statewide, in a state computer, including annual renewals.⁸ Although the need to accommodate and account for county-set revenues is not an issue in the use of the harbors and other boating requirements, this should not be a barrier to having a state-controlled, computerized motor vehicle data system.

Standardized, and system-wide use of the national NLETS database would improve service to the public, ensure a safety factor by not issuing licenses to individuals ineligible for such privileges, and would assist with law enforcement activities in Hawaii. Other bottlenecks in the present system can be eliminated. For example, modern FAX and similar devices are available to send copies of signature cards statewide to satisfy the need to verify signatures at the different county offices.

Driver Improvement

The basic elements which make up an effective driver improvement program exist within the present mix of services provided by the State and counties. These services, however, are disjointed and are not practiced the same way statewide. Many of the other states surveyed have established a specific official or section responsible for these services and many have standardized the operation of their program statewide.

As described earlier in this study, the primary functions of driver improvement services are to identify problem drivers in the State, determine whether problem drivers suffer from physical or mental deficiencies, apply restrictions where needed, eliminate incompetent or unqualified drivers, and in general, to make the highways a safer environment for everyone.

A specific driver improvement section in the motor vehicle administration system would be beneficial in the effort to improve highway safety and to provide uniform criteria for enforcement of driver improvement requirements.

Other issues identified as being system-wide problems could also fall under this section. These include, for example, the problems of meeting due process requirements now encountered by the counties when formally notifying drivers of their court-imposed loss of driving privileges as well as the need to have uniform procedures for administering the financial responsibility requirements now in force.⁹

Cost Estimates

The primary focus of H.R. No. 155 and this study is the feasibility of developing a state Office of Motor Vehicles. Additionally, it was requested to include a discussion of the approximate cost to the State and counties for establishing and maintaining this new state department.

Time limitations did not allow the development of final and complete answers for the identification of all specific costs to both the State and counties for each area addressed, which would have required a management audit of every state and county office presently involved in motor vehicle matters. This section provides a description of the approximate costs associated with the findings of the study. There are also two areas where additional studies are recommended as being the best method to identify the specific costs involved in implementing the full set of recommendations of this report.

Creating a State Department of Motor Vehicles

The creation of a new state department would clear many of the cross-jurisdictional problems inherent in and specific to the present Hawaii system. It also would be very expensive and entail serious problems associated with the counties' right to set fees and collect revenue from the system. This action would necessitate converting dozens of county employees to state employees; and would require the construction, leasing, or purchasing of state facilities to house the motor vehicle and licensing operations now based in county facilities. In addition, a new cabinet-level post and another bureaucratic infrastructure might need to be created to support the new state DMV.

It is impossible at this time to provide precise figures for these required elements of a new state department. As a point of reference, however, the following is rough estimate of the costs involved for developing a new state Office of Motor Vehicles. It should be understood that these costs are in addition to, and not instead of, the other recommended actions of this report.

- (1) Converting county personnel to state employees. There are approximately 100 individuals involved in providing motor vehicle services to the public,

with an average salary range of between \$18,000 to \$40,000. At least this number of individuals will be required if the State assumes full responsibility for the provision of these services. All ancillary functions such as administration, accounting, personnel, clerical, and other support staff will be needed for the department as well. These staff expenses will be in addition to the motor vehicle services line staff.

- (2) Construction, leasing, or purchasing new state facilities. These costs are, again, impossible to completely assess at this time. However, as the services, to be accessible to the consumer, will need to be located on all major islands, and in various locations on these islands these costs could easily run in the millions of dollars for the construction or purchasing of buildings and the many thousands of dollars for continued maintenance and utility expenses. The services are currently available at central locations in county facilities throughout the State. Developing a separate set of state buildings for these services would appear to be an unnecessary expenditure of government funds.

This is a simple overview of the kinds of costs associated with creating a separate, new state department. These costs are in addition to the cost of the other significant option, that of establishing greater central authority in the state DOT while leaving most of the functions with the counties. The cost of this other option is discussed in the next section.

Centralization of Authority and Management Responsibilities at the State Level

The first step toward accomplishing this task is to revise the statutes and administrative rules identifying the county director of finance as the responsible authority for administering the motor vehicle titling and registration functions. The resulting changes will put additional responsibility and workload on the state Office of Motor Vehicle Safety.

Currently, this office has a staff of 23 full-time equivalent (FTE) positions and an annual budget of approximately \$986,000 (\$866,000 state funding plus \$120,000 federal funds). At a minimum, this office should be expanded to 35 FTE, with an increase of annual state funding of approximately \$500,000.

A need for additional state funds should be anticipated to reimburse the county agencies more equitably for providing motor vehicle and related services to the public on behalf of the State. The additional funding amount will depend on the findings of the recommended independent study and audit on the actual costs of providing these services. As an estimate, this should be an increase of between \$150,000 and \$300,000 annually in state funds to the counties. In all likelihood, this expense would be deducted from the overall revenues collected by the counties for the State, that is, the fees and taxes associated with motor vehicle services, as opposed to needing new funding from the State.

The expense for the independent audit and the study to determine the specific needs and design of the computer requirements for a statewide motor vehicle records system also should be anticipated to be a one time cost to the State of approximately \$400,000.

An independent study should be conducted to identify the precise needs and options available for a statewide motor vehicle records system, multi-access mainframe computer and software. A thorough cost analysis should also be done to determine the purchase and maintenance expenses to the State for the development of a computerized data storage and retrieval system for the statewide motor vehicle records system. This study should be done in conjunction with the audit to assess the costs associated with the counties providing motor vehicle services to the public, as described earlier in this chapter.

As a rough estimate, the Legislature should anticipate a one time expense of \$5,000,000 to \$8,000,000 for the purchase, installation, and programming of the computer, including training of staff. Annual maintenance fees and personnel expenses to run the system should be between \$250,000 and \$400,000 a year.

Conclusion

This chapter outlines two methods available for improving the motor vehicle administration system for Hawaii. All of the implications should be seriously considered before a decision is made to create a new state Office of Motor Vehicles, as compared to the selective improvement of the current system.

The other option described in Part I of this chapter is to redesign the current system, basing more of the management and control within the state Department of Transportation (DOT) and establishing formal contract relationships with the counties for providing the services to the public. Within this option should still be the centralization, under state DOT control, of all computer-based recordkeeping and financial management of the system.

Part II provides an overview of selected areas where changes can be made which would improve the system overall and would bring standardization where there is none or very little. These identified problem areas provide a "shopping list" to much-needed, selective system-wide renovations and improvements to the system. These changes would not be as expensive, can be done incrementally, would alleviate many of the serious problems now encountered by the officials in the system, and would improve service to the public, whom this system is meant to serve.

CHAPTER 7

FINDINGS AND RECOMMENDATIONS

The specific issues raised by H.R. No. 155 is the feasibility of creating a new state Office of Motor Vehicles, which in turn, raises the questions of how to improve basic motor vehicle titling and registration services as well as drivers testing and licensing in an efficient, equitable, and consumer-oriented manner in Hawaii. Underlying this request is a recognition that the current system has problems in delivering and administering these motor vehicle and related services.

The primary focus of this chapter is to summarize the findings of this study and to provide recommendations for the implementation of options which will result in a more efficient and cost-effective statewide motor vehicles system.

The conclusions of this study are based on research which included: a survey of other state systems, a series of interviews with state and county officials, as well as with representatives of organizations affected by the current motor vehicle system, and an analysis of the specific issues raised in these interviews.

Findings

Hawaii presently has a complicated and fragmented system of motor vehicle registration and titling, operator licensing, periodic vehicle inspection, and enforcement, planning, and administration. Primarily this is because there are cross-jurisdiction management responsibilities, divided among the state Department of Transportation and the four county governments.

The following is a summary of the problems identified in this study.

1. No Centralized State Level Database

The current procedure of housing all of the State's traffic records in the computer owned and operated by the Department of Finance of the City and County of Honolulu, causes problems in at least two important areas: data control and use priority. The issues which need to be resolved are:

- (a) Who is the responsible agency for control of the data and the right of access for occasional special studies and research?

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- (b) What priority should be given to the motor vehicle services needs for program configuration changes requested by the counties, the State, or by other agencies?

2. Autonomous Registration and Titling

Unlike any other state, each county in Hawaii acts as an independent jurisdiction for the registration and titling of automobiles and the licensing of drivers. This can be called a "separate state syndrome" in that a vehicle in one county is registered with that county only, and subject to that county's regulations, fees, procedures, inspections, and other registration requirements. This system causes the most confusion and inconvenience to the general public and rental car agencies, although others also are affected.

3. Autonomously Set Fees and Procedures

Similarly, and related to the issue of vehicle registration and titling, is the "separate state syndrome" approach taken by the counties in establishing fees, procedures and in adopting their interpretations of state laws and rules.

County officials responsible for the motor vehicle registration in the different counties meet to work out common problems and differences where it is possible. These meetings, however, do not include state officials. Although this is not a critical flaw in the system, it is confusing and possibly a disservice to residents and companies which transfer vehicles between the counties.

There are a variety of areas where this multi-jurisdiction system impacts the equity and standardization of services provided to the public. The following is a list of some of the important areas which should be remedied.

4. Periodic Motor Vehicle Inspection (Safety Inspection)

The counties, through delegation of authority from the state Director of Transportation, are responsible for administering the state safety inspection system. Each county, however, approaches this responsibility with a different degree of enforcement. The process is also complicated in that private service stations are licensed to perform these inspections for the public. It is difficult for the private stations to be completely impartial in their inspections, as they do not want to jeopardize customer relations by being overly critical or harsh of their current, or potential, customers.

Although the counties appear to do the best they can, there is no uniformity or standardization in the present configuration of implementing the state safety inspection laws.

5. Document and Plate Design

The Director of Transportation is the legal authority for establishing the design, content, and arrangement of elements of the Hawaii State Drivers License. Similar provisions are established for the design of the vehicle license plate. To circumvent cross-jurisdiction interference, the counties have begun the process of designing and implementing a new set of color coded registration and titling documents, a new state drivers license, and a new state vehicle license plate, all without involvement of the state Department of Transportation.

6. Standard Operations and Legal Reference

State law allows each county to develop its own operations, procedures, and manuals. Because of the ambiguity of the law and the fact that only a few procedures are defined clearly through the administrative rule process, there is no central authority to ensure standardization among the counties.

Closely linked to this lack of standardization, and an area where conflict exists between the counties and the State, questions of interpretation and assistance in decision-making are forwarded to different sources of reference. The counties are advised by the respective county Corporation Counsels and the State is advised by the state Attorney General. There is constant potential for conflicting opinions between these two sources. Centralized management would provide one point of reference for these questions, one uniform authority, and less confusion in the system.

A shortfall of the current system identified in the system, falling within the need for standardization and legal assistance is the issue of notifying drivers upon suspension or revocation of their driving privileges. There currently is no state law defining the presumption of due process in sending these letters of notification. This should be clarified by statute.

Analysis

The core policy issues which became evident in the research for this report can be summarized as follows:

- (1) The need for centralized, state level decision-making and control;
- (2) The need for services to be provided in an efficient and equitable manner, statewide;
- (3) The need for a multi-access, centrally-managed computer and data processing system;

- (4) The need to retain the counties' ability to set local weight taxes and to collect the revenue from these fees; and
- (5) The need for statewide standardization in the forms, procedures, safety inspection, enforcement, and interpretation of the services provided.

As the issues became clearer and the scope of the problems was identified, possible methods to better provide motor vehicle registration and related services and to address the concerns raised in the Resolution were developed. Briefly, these options included:

- (1) Creating a new, autonomous state department or establishing a new office within the state Department of Transportation;
- (2) Leaving the system in place as it is currently defined, and having the State contract with the counties to provide the services in a more equitable method than is presently employed; or
- (3) Making selective changes in the system, thereby achieving substantially similar results without creating a new department or a new office within the Department of Transportation.

Although it is feasible to create a new department or other separate entity to provide these services statewide, the Bureau finds that it is not in the best interest of the State to do so at this time. However, the State should address the issues raised and take appropriate steps to improve the overly cumbersome and fragmented system currently in operation.

Recommendations

The Bureau recommends that the state Department of Transportation take full responsibility for the centralization of decision-making and management of all state motor vehicle services and develop the capability of fulfilling the data processing needs of a statewide, multi-access system.

This best can be achieved by:

- (1) Establishing centralized responsibility and decision-making in the state Department of Transportation;
- (2) Using a central, state-controlled computer to accommodate the needs for a statewide motor vehicle records system;
- (3) Expanding the scope and practice of the state Highway Safety Council; and

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- (4) Conducting a follow-up study to determine the feasibility of establishing a state-managed vehicle inspection system, eliminating the current practice of private service stations providing these inspection services.

Specific recommendations are as follows:

1. Establishing Centralized Responsibility and Decision-Making in the State Department of Transportation

The first recommendation is to centralize management of motor vehicle services in Hawaii by expanding the responsibility, functions, and staff of the Motor Vehicle Safety Office, in the state Department of Transportation. The office would assume oversight and management of a statewide vehicle titling and registration system. The specific focus of this expansion is to centralize decision-making and control in a single state office.

The initial and later efforts of this expanded office would be to ensure standardization in the interpretation and enforcement of the established rules for administering these services as well as in related procedures. Inherent in this charge will be the need to develop a single state title and registration form, a "Standard Operating Procedures" manual and a single point of reference for appeals of adverse decisions, as well as for referring any issues which may require legal opinion.

To maintain the current convenience and accessibility to the public, the present system of providing motor vehicle titling registration, driver testing and licensing, and other related services should still be provided at the county offices currently in operation. This will require revising the current legislative and regulatory definitions of responsibility now in place.

In order to maintain both ease of access and equity in the system, two areas will need to be specifically addressed:

- (a) The counties will still need to retain their ability and prerogative to set and collect weight taxes on the vehicles registered in their jurisdiction. These fees should be computed at the time of the initial registration and upon annual reregistration thereafter. There should not be a requirement to reregister a vehicle every time it is moved from one county to another. To reduce confusion, eliminate the potential for registering vehicles in a county other than where the vehicle is used, and to simplify bookkeeping, all counties should be encouraged to use the same weight tax schedule. This, however, should remain a county government decision.
- (b) An important issue raised during the interview process was the concern that the State was getting too much of the benefit in the current system but not assuming its fair share of the work load. The Bureau recommends that the Department of Transportation contract an independent accounting firm to analyze the costs of providing these services at county offices (including staff, equipment, and

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supplies) as an unbiased method for establishing the appropriate reimbursement to the counties from the State.

The current system of driver testing and licensing is working well and should be kept in place. Specific adjustments should be made to ensure proper oversight by the State, clear lines of authority, and to require statewide use of the NLETS national drivers database by the officials issuing the licenses to prevent issuance of licenses to those who were denied a license in other states because of their driving records.

Through the expansion of the staff and functions of the Motor Vehicle Safety Office and the establishment of full responsibility for centralized management and standardization at the state level, most of the significant problems addressed in H.R No. 155 and identified in the study can be remedied. This will, in essence, create the "State Office of Motor Vehicles" discussed in the Resolution. In order to develop an efficient and an effective system fully, this step should be taken in concert with the centralization of motor vehicle data processing needs under state control and authority, and within the jurisdiction of the Motor Vehicle Safety Office.

In addition to the duties currently assigned and accomplished by the state Motor Vehicle Safety Office, this office should:

- (a) Have as a principal function the responsibility to manage and act as the planning agency for the statewide motor vehicle system, to improve and maintain effectiveness and standardization. The office should be responsible for conducting such studies and investigations as may be necessary to accomplish this function;
- (b) Oversee motor vehicle registration and titling, as well as licensing activities conducted in the counties on behalf of the State;
- (c) Develop and maintain a central information service for the public and provide assistance to county officials involved in the provision of motor vehicle and related services to the public; this should include acting as the central point of reference for legal opinion requests;
- (d) Act as staff, and provide technical assistance to, a redefined state Motor Safety Council; and
- (e) Be responsible for the planning and management of the statewide computerized motor vehicle records system, including coordination of the agencies and offices with access to the records system.

2. Using a Central, State-Controlled Computer to Accommodate the Needs for a Statewide Motor Vehicle Records System

As described in the study, the effectiveness and efficiency of a statewide motor vehicle and driver registration system is very much dependent on the use of a centralized computer. The Department of Transportation currently uses a central computer to manage the boat and trailer registration needs statewide. This also should be done for motor vehicle and related services. It is important to conduct a complete and thorough evaluation of the specific needs and user requirements for such a system before final decisions are made about the hardware, software, and multi-user capability of the computer system. This evaluation should include at a minimum:

- (a) Storage capacity for both the motor vehicle and driver data;
- (b) Multi-user and access capability, to include the state Department of Transportation, the state Judiciary, each county office providing the basic motor vehicle and related services, and the law enforcement organizations at the state and county levels; and
- (c) The ability to handle administrative and financial services, as well as motor vehicle data-processing.

The Bureau's recommendation is that an independent study be conducted to identify the precise needs and options available for a statewide motor vehicle records system. Additionally, a thorough cost analysis should be conducted to determine the purchase and maintenance expenses to the State for the development of a computerized data storage and retrieval system for this system. This study should be done in conjunction with the audit to assess the costs associated with the counties providing motor vehicle services to the public, as described earlier in this chapter.

3. Expanding the Scope and Practice of the State Highway Safety Council

Due to the unique geographic characteristics of Hawaii and the fact that most of the basic services are in place at county offices, these facilities should continue to provide motor vehicle and driver licensing services to the public.

In order to maintain efficiency, conduct effective planning and promote communication and collective problem solving, it is essential that the individuals involved in the management and operation of the state motor vehicle system meet in an open and productive manner, on a regular basis. Section 286-5, Hawaii Revised Statutes, establishes the Hawaii Highway Safety Council which includes as members, among others, the Director of Transportation (as chair), representatives of the Chief Justice and the Attorney General, and representatives from each county. According to individuals interviewed during the course of this study, although this council exists "on the books," it has not met regularly, and when it met, the issues covered at

the meetings were of a general information-sharing nature rather than of a system-wide planning and problem solving nature.

The council provides an excellent base from which to develop a state motor vehicle system planning group. In concert with the other suggestions for improving the state motor vehicle system in this report, the Bureau recommends that the council be revised to expand the scope and frequency of meetings and to provide specific staff and duties for the council. There should also be a requirement for a formal annual report from the council to the Governor and the Legislature which identifies the issues covered during the year and the relevant activities undertaken or accomplished towards the objective of improving the statewide motor vehicle registration, titling, and drivers licensing system under the direction and authority of the council and the state Motor Vehicle Safety Office.

4. Conducting a Follow-Up Study to Determine the Feasibility of Establishing a State-Managed Vehicle Inspection System, Eliminating the Current Practice of Private Service Stations Providing These Inspection Services

At this time, the Bureau does not feel that it is critical to include motor vehicle safety activities in the initial revision of the state motor vehicle system. There are specific issues which have been identified in this study as necessary to improve the operation, standardization, and equitable treatment of the public now subject to interpretation. These issues should be addressed. The recommendation is to revisit this area after the statewide management and centralization changes have been accomplished and the lines of authority and management responsibility are in place.

Conclusion

In conclusion, it is important to note that although there are a number of problems in the management and provision of motor vehicle and related services in Hawaii, and some basic policy issues which should be addressed to improve the overall performance and efficiency, the system in place currently is working. This is due primarily to the dedication and hard work of the individuals in both the state and county agencies who are responsible for providing these services. Throughout the course of this study, the motivation and desire of each individual interviewed was to provide the best service possible to the public and to eliminate the confusion and conflicts present in Hawaii's split-jurisdiction motor vehicle services system.

To accomplish this goal, the policy issues identified to be addressed and the recommendations suggested in this report attempt to offer the most cost-effective and least disruptive approach to improving the overall motor vehicle services system in Hawaii. In addition, it is believed the system established through these recommendations will provide the foundation to enable the State of Hawaii to continue to manage and deliver motor vehicle services to the public in a cost-effective and equitable manner well into the future.

FOOTNOTES

Chapter 2

1. General information for this chapter was taken from various studies conducted by other states, including:

Connecticut, General Assembly, Department of Motor Vehicles Summary, Performance Audit, Legislative Program Review and Investigations Committee; January, 1986.

Study of the Motor Vehicle Title and Registration Systems in Texas, for the State Department of Highways and Public Transportation, Coopers & Lybrand; August, 1986.

Utah, Legislative Auditor General, A Performance Audit of the Motor Vehicle Division, Report 88-10; August, 1988.

New Jersey, Department of Law and Public Safety, Division of Motor Vehicles, Motor Vehicle Services Report 1988, "On the Road Again"; November, 1988.

Wisconsin, Department of Transportation, Division of Motor Vehicles, Strategic Data and Systems Planning Project, Final Report; August, 1988.

2. Ibid.

American Association of Motor Vehicle Administrators, Driver Improvement, A Manual for Motor Vehicle Administrators, Washington, D.C., 1967.

Chapter 3

1. New Jersey, Department of Law and Public Safety, Division of Motor Vehicles, Motor Vehicle Services Report 1988, "On the Road Again"; November, 1988.
2. Utah, Legislative Auditor General, A Performance Audit of the Motor Vehicle Division, Report 88-10; August, 1988.
3. Connecticut, General Assembly, Legislative Program Review and Investigations Committee, Department of Motor Vehicles Summary, Performance Audit, January, 1986.
4. Coopers & Lybrand, Study of the Motor Vehicle Title and Registration Systems in Texas, for the State Department of Highways and Public Transportation, August, 1986.

Chapter 4

1. Hawaii Rev. Stat., sec. 286-104; a person who is fifteen or sixteen years of age may be granted a special license, if they satisfy the other requirements for licensure. This license may be revoked or suspended by a judge having jurisdiction over the holder of the special license. Should this license be revoked, the person is not eligible to operate a motor vehicle until age seventeen, and again has satisfied the standard requirements for licensure, listed in sections 286-108 and 286-109.
2. Interview with officials of the State of Hawaii Department of Transportation, Motor Vehicle

Safety Office, September 12, 1989.

Chapter 5

1. Interview, State Department of Transportation, September 12, 1989.
2. Ibid., interview with Hawaii County officials, August 30, 1989.
3. Interview with Dennis A. Kamimura, Motor Vehicle and Licensing Division, City and County of Honolulu, September 22, 1989.
4. Interview with Sgt. Antone Basque, Hawaii County Police Department, August 30, 1989.
5. Interview with John Lovstedt, Motor Vehicle Safety Office, State Department of Transportation, September 12, 1989.
6. Ibid.
7. Kamimura interview.
8. Interviews with county officials.
9. Interview with Robert White and Lionel Freitas, Anglo-American Auto Actions, and G.A. "Red" Morris, Car and Truck Renting and Leasing Association-Hawaii Chapter, July 14, 1989.
10. Ibid.
11. Interviews with county officials.
12. Hawaii Rev. Stat., secs. 286-16 and 286-17.
13. Kamimura interview.
14. Lovstedt interview.
15. Hawaii, Department of Transportation, An Agency Agreement Concerning the Design of the State of Hawaii Driver's License, December 12, 1986.
16. Interview with Henry Rosa, Maui County, Department of Finance (Drivers Licensing), August 30, 1989; and Kamimura interview.
17. Kamimura interview.
18. Hawaii Rev. Stat., sec. 286-42.
19. Hawaii, Department of Transportation, State of Hawaii Drivers Manual, 1977.
20. Interviews with county officials.
21. Basque interview.
22. Rosa interview.
23. Kamimura interview.
24. Basque interview.
25. Testimony of Theodore Jung, (position?), before House Committee on Transportation on House Resolution No. 155, March 22, 1989.

Chapter 6

1. Hawaii Rev. Stat., secs. 286-4.1, 286-5, and 286-6.
2. Hawaii Rev. Stat., secs. 286-16, 286-17, and 286-18.
3. Interviews with county officials.
4. Interview with John Lovstedt, September 12, 1989.
5. Interviews with officials of the state Motor Vehicle Safety Office, Department of Transportation, September 12, 1989.

6. Hawaii Rev. Stat., secs. 286-4.1, 286-5, and 286-6.
7. Hawaii Rev. Stat., chapter 286, Highway Safety, Part II. Inspection of Vehicles, secs. 286-21 thru 286-69; and secs. 19-133.1-1 thru 19-133.1-41, Hawaii Administrative Rules (Department of Transportation), September 8, 1989.
8. Telephone interview David E. Parsons, State Boating Manager, Department of Transportation, September 8, 1989.
9. Hawaii Rev. Stat., chapter 287, Motor Vehicle Safety Responsibility Act.

HOUSE OF REPRESENTATIVES
FIFTEENTH LEGISLATURE, 1989
STATE OF HAWAII

H.R. NO. 155

HOUSE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE
FEASIBILITY OF DEVELOPING A STATE OFFICE OF MOTOR VEHICLES.

WHEREAS, Section 286-16, Hawaii Revised Statutes, allows the State Department of Transportation to promulgate rules relating to motor vehicle inspection, driver licensing, and motor vehicle registration, including the form and content of records to be maintained for the registration of vehicles and the licensing of drivers; and

WHEREAS, these rules are interpreted, administered, and enforced by the different counties; and

WHEREAS, the State Department of Transportation may not be aware of certain aspects of the administrative and enforcement issues experienced by the counties who are involved in the implementation of these programs; and

WHEREAS, Hawaii is the only state that administers certain motor vehicle safety functions at the county level; and

WHEREAS, the various duties and responsibilities, relating to motor vehicle safety, motor vehicle registration, and driver licensing currently administered by the different counties and the State Department of Transportation may be consolidated under a single state agency to facilitate control, standardize procedures, modes of enforcement, and the implementation of state rules; and

WHEREAS, the duties of this State Office of Motor Vehicle Safety may include, but not be limited to: the promulgation and enforcement of rules and regulations relating to motor vehicle safety inspection; driver licensing; and motor vehicle financial responsibility; now, therefore,

BE IT RESOLVED by the House of Representatives of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1989, that the Legislative Reference Bureau is requested to study the feasibility of developing a State Office of Motor Vehicles; and

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BE IT FURTHER RESOLVED that the study include, but not be limited to the following:

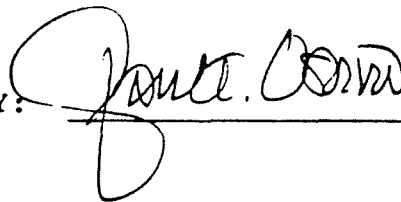
1. The Department's possible duties, functions, and responsibilities;
2. An approximate cost to the State and Counties for establishing and maintaining this new state department;
3. A cost-benefit analysis to both the State and Counties for creating this new state department;
4. Recommended legislation to create this new state department.

BE IT FURTHER RESOLVED that the Legislative Reference Bureau coordinate its study with other State Departments of Motor Vehicles, the State Director of Transportation, and the administrators of these programs in the various counties; and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau submit its findings and recommendations twenty days prior to the convening of the Regular Session of 1990; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of the Legislative Reference Bureau, the State Director of Transportation, the Director of Finance of the City and County of Honolulu, the Director of Finance of the County of Hawaii, the Director of Finance of the County of Kauai, the Director of Finance of the County of Maui, and the Chief of Police for the County of Hawaii.

OFFERED BY:



James A. Aiona

Appendix B

PASSENGER VEHICLES REGISTERED, BY COUNTIES: 1978 TO 1988

[Taxable and non-taxable, including military non-resident exempt vehicles. Excludes ambulances, hearses, buses, trucks, motorcycles, and trailers]

Year	State total	City and County of Honolulu	County of Hawaii	County of Kauai	County of Maui
1978	489,878	376,260	47,764	21,411	44,443
1979 1/ ...	510,353	388,788	51,159	22,790	47,616
1980	514,669	389,576	52,682	23,561	48,850
1981	541,932	409,305	57,397	25,363	49,867
1982	566,060	429,244	59,103	26,297	51,416
1983	(NA)	(NA)	(NA)	(NA)	(NA)
1984	599,845	447,872	63,182	27,376	61,415
1985	625,823	460,906	68,602	29,890	66,425
1986	642,636	466,938	73,356	32,853	69,489
1987	661,674	475,140	76,655	35,862	74,017
1988	670,877	477,362	78,467	38,128	76,920

NA Not available.

1/ Beginning in 1979, vans and other trucks under 6,500 lb. in personal use were legally classified as passenger vehicles, but the 1979 and subsequent data shown here have been adjusted to continue inclusion of such vehicles in the totals for trucks.

Source: City and County of Honolulu, Department of Data Systems, records..

REGISTERED TAXICABS AND BICYCLES, BY ISLANDS: 1987 AND 1988

Island	Taxicabs		Bicycles and mopeds	
	1987 1/	1988	1987	1988
State total	1,716	2/ 1,765	111,542	113,311
Hawaii	93	95	3,675	3,780
Maui	123	123	2,739	2,472
Lanai	-	1	223	180
Molokai	-	-	238	258
Oahu	1,473	1,546	100,753	103,529
Kauai	27	(NA)	3,914	3,092

NA Not available.

1/ The figure for Kauai is incomplete.

2/ Excludes Kauai.

Source: Compiled by the Hawaii State Department of Business and Economic Development from the County Departments of Finance.

TAXABLE VEHICLES, BY TYPE AND EMPTY WEIGHT: DECEMBER 1988

Empty weight	Pass- vehicles	Buses	Trucks 1/	Truck tow trucks	cycles	Trailer
All taxable vehicles	618,854	2,764	42,228	716	6,776	13,780
Under 2,000 lb.	41,875	-	19	-	6,770	10,395
2,000 to 2,999 lb.	337,963	36	9,064	9	2	521
3,000 to 3,999 lb.	194,874	68	12,501	12	1	179
4,000 to 4,999 lb.	40,483	718	9,722	12	2	187
5,000 to 5,999 lb.	2,955	895	2,564	13	0	192
6,000 to 9,999 lb.	454	440	3,883	104	1	959
10,000 lb. and over	250	607	4,475	566	-	1,347
Median weight (lb.)	2,792	5,626	3,962	14,175	2,000	2,000

1/ Vans and other trucks under 6,500 lb. in personal use are classified as passenger vehicles.

Source: Hawaii State Department of Transportation, Highways Division, Staff Services Office, Budget, Methods and Systems Staff; printouts from Honolulu Department of Data Systems. Medians calculated by Hawaii State Department of Business and Economic Development.

VEHICLE REGISTRATION, BY TYPE OF VEHICLE: 1978 TO 1988

[Taxable and non-taxable, including military non-resident exempt vehicles]

Motor vehicles					
Year	All vehicles registered	All motor vehicles	Passenger vehicles 1/	Ambulances, hearses, patrol wagons	Buses
1978	599,990	583,601	489,878	84	3,052
1979	626,841	610,570	510,353	91	3,267
1980	633,846	617,571	514,669	85	3,366
1981	667,019	649,350	541,932	88	3,577
1982	689,468	671,513	566,060	80	3,863
1983	(NA)	702,854	(NA)	(NA)	(NA)
1984	735,458	717,171	599,845	68	4,034
1985	767,892	749,034	625,823	66	4,189
1986	790,855	771,575	642,636	60	4,158
1987	818,430	798,317	661,674	54	4,198
1988	838,327	817,609	670,877	52	4,215

Year	Trucks 1/	Truck tractors, tow trucks	Truck crane, misc.	Motor-cycles, motor scooters 2/	Trailers and semi-trailers
1978	78,447	1,809	560	9,771	16,389
1979	84,578	1,784	511	9,986	16,271
1980	87,542	1,725	488	9,696	16,275
1981	90,954	1,641	458	10,700	17,669
1982	88,410	1,395	388	11,317	17,955
1983	(NA)	(NA)	(NA)	(NA)	(NA)
1984	101,233	1,428	364	10,199	18,287
1985	106,673	1,334	342	10,607	18,858
1986	112,053	1,290	323	11,055	19,280
1987	119,338	1,220	318	11,515	20,113
1988	129,452	1,176	293	11,544	20,718

NA Not available.

1/ Beginning in 1979, vans and other trucks under 6,500 lb. in personal use were legally classified as passenger vehicles, but the data shown here have been adjusted to continue inclusion of such vehicles in the totals for trucks.

2/ Excluding mopeds (1.5 HP or less), which are legally classified as bicycles.

Source: City and County of Honolulu, Department of Data Systems, records; present report, table 527.

HAWAII DRIVERS LICENSES IN FORCE, BY COUNTIES:
1983 TO 1988

[As of December 31]

Year	State total	City and County of Honolulu	County of Hawaii	County of Kauai	County of Maui
1983	574,533	428,897	64,560	29,169	51,907
1984	582,218	434,053	65,778	28,801	53,586
1985	593,952	441,278	68,177	29,188	55,309
1986	612,101	453,220	70,493	30,374	58,014
1987	628,027	463,522	72,142	31,831	60,532
1988	634,880	465,331	74,545	33,007	61,997

Source: Tabulations by City and County of Honolulu, Department of Data Systems, provided by Hawaii State Department of Transportation, Motor Vehicle Safety Office.

MOTOR VEHICLES REGISTERED, BY COUNTIES:
1978 TO 1988

[Taxable and non-taxable, including military non-resident exempt vehicles. Includes passenger cars, buses, trucks, and motor-cycles but excludes trailers and semi-trailers]

Year	State total	City and County of Honolulu	County of Hawaii	County of Kauai	County of Maui
1978	583,601	436,347	63,025	27,614	56,615
1979	610,570	452,449	67,718	29,492	60,911
1980	617,571	454,316	70,047	30,604	62,604
1981	649,350	476,995	75,812	32,932	63,611
1982	671,513	495,629	77,024	33,931	64,929
1983	702,854	515,002	80,090	35,365	72,397
1984	717,171	525,599	80,840	35,236	75,496
1985	749,034	544,976	85,806	37,659	80,593
1986	771,575	556,935	89,918	40,585	84,137
1987	798,317	571,738	93,095	43,925	89,559
1988	817,609	579,998	96,360	47,235	94,016

Source: City and County of Honolulu, Department of Data Systems, records; present report, table 527.

VEHICLE REGISTRATION, BY TYPE OF VEHICLE, FOR COUNTIES:
1988 AND 1983

[Taxable and non-taxable, including military non-resident exempt vehicles]

Type of vehicle	State total	City and County of Honolulu	County of Hawaii	County of Kauai	County of Maui
1988					
All vehicles	838,327	591,594	100,915	49,430	96,388
Motor vehicles	817,609	579,998	96,360	47,235	94,016
Passenger vehicles 1/	670,877	477,362	78,467	38,128	76,920
Ambulances 2/	52	37	11	1	3
Buses	4,215	3,370	260	119	466
Trucks 1/	129,452	89,321	16,023	8,371	15,737
Truck tractors 3/	1,176	564	274	124	214
Truck cranes 4/	293	110	67	30	86
Motorcycles 5/	11,544	9,234	1,258	462	590
Trailers and semi-trailers ..	20,718	11,596	4,555	2,195	2,372
1983					
Motor vehicles	702,854	515,002	80,090	35,365	72,397
U-drive	30,442	18,580	2,891	1,478	7,493
All others	672,412	496,422	77,199	33,887	64,904

1/ Vans and other trucks under 6,500 lb. in personal use, legally classified as passenger vehicles, are included in the trucks category.

2/ Including hearses and patrol wagons.

3/ Including tow trucks.

4/ Including miscellaneous vehicles.

5/ Including motorscooters but excluding mopeds (1.5 HP or less), legally classified as bicycles.

Source: 1988 from City and County of Honolulu, Department of Data Systems, records; 1983 from Applied Analysis, Inc., Estimating Annual Vehicle-miles Traveled (VMT) in the State of Hawaii (August 1987), and records.

NEW PASSENGER CAR AND TRUCK REGISTRATIONS,
BY COUNTIES: 1985 TO 1988

Year	State total	Hono- lulu	Maui	Hawaii	Kauai
1985	68,676	50,058	8,095	7,660	2,863
1986	68,379	48,497	8,535	7,896	3,451
1987	71,987	49,028	10,865	7,436	4,658
1988	74,962	49,401	11,413	8,410	5,738

Source: Hawaii Automobile Dealers' Association, 1988
HADA Yearbook, p. 10, and 1989 HADA Yearbook, p. 8.

NEW PASSENGER CARS AND MOTOR TRUCKS
REGISTERED: 1983 TO 1988

Year	Total	Passenger cars	Motor trucks
1983	52,927	42,772	10,155
1984	63,625	48,791	14,834
1985	67,875	51,330	16,545
1986	68,060	49,680	18,380
1987	73,138	51,446	21,692
1988	78,454	56,278	22,176

Source: R.L. Polk and Co., cited in Motor Vehicle
Manufacturers Association of the United States, Inc., MVMA
Motor Vehicle Facts and Figures (annual).

Appendix C

1989 FEASIBILITY STUDY ON MOTOR VEHICLE REGISTRATION, DRIVER LICENSING AND RELATED FUNCTIONS

I. The current system in your state.

Please check all applicable.

____(A) Separate, centralized, state level motor vehicle department.

____(B) Centralized motor vehicle functions in another state level department, e.g., Transportation, Judiciary, etc.

____(C) Some functions centralized; some functions delegated/contracted out.

If C: Are these services delegated/contracted to:

____(1) Counties or other political subdivisions

____(2) Private

____(3) Other _____

Please describe the functions delegated/contracted out.

If your system does not fit any of the above examples, please briefly describe your state's program.

Please list any specific advantages/disadvantages to your system.

(If additional space is needed, please feel free to attach additional sheets.)

II. Does your state have:

___ (A) Statewide computerized data base for motor vehicle registration and licensing?

If so, can this system be accessed by:

___ (1) Satellite offices

___ (2) Law enforcement agencies:

- ___ (a) State
- ___ (b) County
- ___ (c) Local

___ (B) Standardized, statewide:

- ___ rules/regulations
- ___ forms
- ___ fees/assessments
- ___ financial responsibility enforcement

___ (C) Special group categories with separate rules or other considerations to ease/facilitate registration.

- ___ New/used car dealers
- ___ Rental car agencies
- ___ Fleet companies (taxis, etc.)
- ___ Commercial vehicles
- ___ Other _____

If functions are decentralized, what are the reasons for this form of administration? Please comment. (If additional space is needed, please feel free to attach additional sheets.)

III. Does your state have vehicle safety or emissions testing/inspection requirement?

Safety ___ yes ___ no
Emissions ___ yes ___ no

If yes, which sites apply:

- ___ State operated inspection stations
- ___ Private stations
- ___ County/municipal stations
- ___ Other _____

Fee amount \$ _____

State auto registration fee amount \$ _____

County registration fee/assessment, if applicable \$ _____

IV. As much as possible, we would appreciate your thoughts, comments on the following issues. (If additional space is needed, please feel free to attach additional sheets.)

(A) Have any of your motor vehicle processing functions recently been changed or modified to a more or less centralized system?

If so, which functions, and why?

(B) Has a centralized system proved relatively cost effective for your state?

If not, what changes would you like to see made?

(C) Has your state conducted a study which might relate to our research? If so, may we have a copy?

(D) May we have a copy of your current budget for staffing the motor vehicle operations of your state?

V. Any additional comments are welcome:

Thank you for your time and assistance.

Appendix D

Resource People

1. Sgt. Antone Basque
Police Department
County of Hawaii
2. Lionel Fretis
Anglo American Auto Auctions
3. Henry Furutani
Treasurer
Department of Finance
County of Kauai
4. Lawrence Hao
Director
Motor Vehicle Safety Office
State Department of Transportation
5. Edward Hirata
Director
State Department of Transportation
6. Hardy Hutchinson
Hawaii Auto Dealers Association
7. Dixie Kaetsu
Department of Finance
County of Hawaii
8. Dennis A. Kamimura
Licensing Administrator
City and County of Honolulu
9. John Lovstedt
Motor Vehicle Safety Office
State Department of Transportation
10. Frank Manalili
Department of Finance
Treasury Division
County of Hawaii
11. Barry Mizuno
Department of Finance
County of Hawaii
12. G.A. "Red" Morris
Car and Truck Renting and Leasing
Association
Hawaii Chapter
13. Donald Nishihira
Supervising License
Examiner/Inspector
Department of Finance
County of Kauai
14. Ernest Oi
Administrative Services Officer
State Department of Transportation
15. Representative Paul Oshiro
Chairperson
House Committee on Transportation
Legislature, State of Hawaii
16. David E. Parsons
State Boating Manager
State Department of Transportation
17. Henry Rosa
Department of Finance
County of Maui
18. Akira Susaki
Department of Finance
County of Maui
19. Peggy Umetsu
Motor Vehicle Safety Office
State Department of Transportation
20. Robert White
Anglo American Auto Auctions
21. Verna Yamase
Treasury Clerk II
Department of Finance
County of Kauai
22. Douglas Yasuda
Program Budget Analyst
State Department of Transportation

Appendix E
Suggested Legislation

HOUSE OF REPRESENTATIVES
FIFTEENTH LEGISLATURE, 1990
STATE OF HAWAII

H.B. NO.

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Hawaii presently has
2 a complicated and fragmented system of motor vehicle
3 administration. Vehicle registration and titling, operator
4 licensing, periodic vehicle inspection, and enforcement,
5 planning, and administration is presently accomplished as if
6 Hawaii were four states instead of one. Management
7 responsibilities are cross-jurisdictional, divided among the
8 state department of transportation and the four county
9 governments.

10 The legislature further finds that there is a need for:

- 11 (1) Greater centralized, state level decision-making and
12 control;
- 13 (2) Services to be provided in an efficient and equitable
14 manner, statewide;
- 15 (3) A multi-access, centrally managed computer and data
16 processing system; and
- 17 (4) Statewide standardization of forms, procedures, safety

H.B. NO.

1 inspections, enforcement, and interpretation of the law
2 underlying the provision of services;
3 while allowing the counties to continue to retain the ability to
4 set local weight taxes and to collect the revenue from these
5 fees.

6 The legislature further finds that the provision of motor
7 vehicle-related services can be improved greatly by making
8 selective changes in the system. The purpose of this Act is to
9 require the department of transportation to take full
10 responsibility for the centralization of decision-making and
11 management of the state motor vehicle services and develop the
12 capability of fulfilling the data processing needs of a
13 statewide, multi-access system within the department.

14 The legislature finds that to best meet the needs of the
15 public, the provision of basic motor vehicle services should
16 remain at the county level, under the authority and management of
17 the state department of transportation. The appropriate rates of
18 reimbursement of the counties for services provided on behalf of
19 the State should be determined by an independent study,
20 contracted through the department of transportation.

21 The legislature intends that the department of
22 transportation take the following steps:

H.B. NO.

- 1 (1) Establish centralized responsibility and decision-
2 making for motor vehicle administration within the
3 department by expanding the state office of motor
4 vehicle safety;
- 5 (2) Acquire and use a central, state-controlled computer to
6 accommodate the needs of a statewide motor vehicle
7 records system;
- 8 (3) Expand the scope and practice of the state highway
9 safety council; and
- 10 (4) Initiate an assessment as soon as possible, through the
11 state highway safety council, of specific forms,
12 procedures, and lines of authority that need to be
13 standardized.

14 SECTION 2. Section 286-2, Hawaii Revised Statutes, is
15 amended by adding a new definition to be appropriately inserted
16 and to read as follows:

17 "Director" means the state director of transportation."

18 SECTION 3. Section 286-5, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§286-5 State highway safety council.** There is established
21 the Hawaii highway safety council. The director [of
22 transportation] shall serve as its [chairman.] chairperson. The

H.B. NO.

1 following or their designated representatives shall be members of
2 the council: the chief justice, the attorney general, the
3 director of health, the superintendent of education, the
4 president of the University of Hawaii, the [chairman] chairperson
5 of each of the county highway safety councils established under
6 section 286-6, and not more than twenty other persons who shall
7 be appointed by the governor on the basis of their interest in
8 highway safety.

9 The state highway safety council shall meet at least
10 quarterly and shall advise the governor on matters relating to
11 the programs and activities of the State in the field of highway
12 safety. The council shall act as the planning and coordinating
13 body for all motor vehicle administration functions. The council
14 shall submit an annual report to the governor and the
15 legislature. The report shall include, but not be limited to, a
16 summation of the activities undertaken or accomplished by the
17 council and the state motor vehicle safety office of the
18 department of transportation. The motor vehicle safety office
19 shall provide staff for the council.

20 The members of the council shall serve without pay but shall
21 be entitled to reimbursement for necessary expenses while
22 attending meetings and while in discharge of their duties."

H.B. NO.

1 SECTION 4. Section 286-17, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[[]§286-17[[]] Enforcement. The director [of
4 transportation] shall have such powers and duties of enforcement
5 of statutes and of rules adopted by the director as are necessary
6 to implement this part. The director [may delegate the
7 enforcement of this part to the county executive officers.] shall
8 not contract with the counties to conduct a motor vehicle
9 inspection program, register vehicles, or to license drivers
10 except under the director's administration and control. The
11 director shall not delegate duties to, or contract with, the
12 counties or anyone other than the office of motor vehicle safety
13 in the department of transportation concerning the prescription
14 of uniform standards and procedures for motor vehicle inspection,
15 driver licensing, and registration of vehicles. The provision of
16 computer services for any of these purposes shall be under the
17 department of transportation or by another appropriate state
18 agency subject to the director's administration and control."

19 SECTION 5. Section 286-22, Hawaii Revised Statutes, is
20 amended by amending subsection (c) to read as follows:

21 "(c) If upon inspection, the chief of police or any police
22 officer determines that any vehicle is in such unsafe condition

H.B. NO.

1 as to constitute a menace to the public and cannot reasonably be
2 restored to a safe condition as required in this part, the chief
3 of police or police officer shall remove the sticker which
4 signifies the certificate of inspection and inform the [director
5 of finance] director, who shall forthwith suspend the
6 registration of the vehicle and give notice of the suspension to
7 its owner. Whenever the director [of finance] has suspended the
8 registration of any vehicle under this part, the owner of the
9 vehicle shall immediately surrender and forward to the director
10 [of finance] the certificate of registration and the license
11 plates last issued upon registration of the vehicle for the
12 current year."

13 SECTION 6. Section 286-41, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "§286-41 Application for registration; full faith and
16 credit to current certificates; this part not applicable to
17 certain equipment. (a) Every owner of a motor vehicle which is
18 to be operated upon the public highways shall, for each vehicle
19 owned, except as herein otherwise provided, apply to the director
20 [of finance of the county where the vehicle is to be operated,]
21 for the registration thereof. [If a vehicle is moved to another
22 county and is to be operated upon the public highways of that

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1 county, the existing] The certificate of registration shall be
2 valid until its expiration date[, at which time the owner shall
3 apply to the director of finance of the county in which the
4 vehicle is then located for the registration of the vehicle,
5 whether or not the owner is domiciled in the county or the
6 owner's principal place of business is in that county, except
7 that this provision shall not apply to vehicles which are
8 temporarily transferred to another county for a period of not
9 more than three months].

10 (b) Application for the registration of a vehicle shall be
11 made upon the appropriate form furnished by the director [of
12 finance] and shall contain the name, occupation, and address of
13 the owner and legal owner; and, if the applicant is a member of
14 the United States naval or military forces, the applicant shall
15 give the organization and station. All applications shall also
16 contain a description of the vehicle, including the name of the
17 maker, the type of fuel for the use of which it is adapted (e.g.,
18 gasoline, diesel oil, liquefied petroleum gas), the serial or
19 motor number, and the date first sold by the manufacturer or
20 dealer, and such further description of the vehicle as is called
21 for in the form, and such other information as may be required by
22 the director [of finance], to establish legal ownership.

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1 (c) If the vehicle to be registered is specially
2 constructed, reconstructed, rebuilt, or is an imported vehicle,
3 such fact shall be stated in the application and upon the
4 registration of every imported motor vehicle, which has been
5 registered theretofore in any other state [or county], the owner
6 shall surrender to the director [of finance] the certificates of
7 registration or other evidence of such form of registration as
8 may be in the applicant's possession or control. The director
9 [of finance] shall grant full faith and credit to the currently
10 valid certificates of title and registration describing such
11 vehicle, the ownership thereof, and any liens noted thereon,
12 issued by any title state [or county] in which the vehicle was
13 last registered. The acceptance by the director [of finance] of
14 a certificate of title or of registration issued by another state
15 [or county], as hereinabove provided, in the absence of knowledge
16 that the certificate is forged, fraudulent, or void, shall be a
17 sufficient determination of the genuineness and regularity of the
18 certificate and of the truth of the recitals therein, and no
19 liability shall be incurred by any officer or employee of the
20 director [of finance by reason of so] for accepting the
21 certificate.

22 (d) Notwithstanding any other law to the contrary, the

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1 director [of finance of the county in which the application for
2 registration is sought] shall not require proof of insurance as a
3 condition to satisfy the requirements of this part. This
4 subsection shall apply only to the initial registration of any
5 motor vehicle.

6 (e) The provisions of this part requiring the registration
7 of motor vehicles shall not apply to:

8 (1) Special mobile equipment;

9 (2) Implements of husbandry temporarily drawn, moved, or
10 otherwise propelled upon the public highways; and

11 (3) Aircraft servicing vehicles which are being used
12 exclusively on lands set aside to the department of
13 transportation for aircraft purposes.

14 (f) A vehicle duly registered or titled in any county of
15 this State is duly registered in all counties of this State and
16 shall be afforded full faith and credit as long as the
17 registration or title is valid. Certificates of ownership issued
18 by the counties prior to conversion over to a state prescribed
19 certificate of ownership shall be prima facie evidence of
20 ownership of the vehicle to which it relates until replaced by a
21 state issued certificate."

22 SECTION 7. Section 286-42, Hawaii Revised Statutes, is

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1 amended to read as follows:

2 "§286-42 [County finance director's] Director's duties.

3 (a) The [county] director [of finance] shall examine and to the
4 best of the director's ability determine the genuineness and
5 regularity of every registration and transfer of registration of
6 a vehicle as in this part provided, in order that every
7 certificate issued for a vehicle shall contain true statements of
8 the ownership thereof, and to prevent the registration of a
9 vehicle by any person not entitled thereto, and the director [of
10 finance] may require any applicant to furnish such information,
11 in addition to that contained in the application, as may be
12 necessary to satisfy the director [of finance] of the truth and
13 regularity of the application.

14 (b) For the purpose of registering standard makes and body
15 types of new passenger motor vehicles the director [of finance]
16 may accept the certificate of any licensed motor vehicle dealer
17 certifying to the weight and identification of such vehicle. [The
18 director of finance of any county may accept the certificate of
19 the director of finance of any other county as to weight and
20 identification of any such vehicle.]

21 (c) In the event the director [of finance] is not satisfied
22 as to the ownership of any vehicle sought to be registered,

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1 unless the applicant presents satisfactory evidence to the
2 director [of finance] of the applicant's ownership of the vehicle
3 and as to any liens thereon, the director [of finance] may accept
4 from the applicant a bond or securities in such form as may be
5 determined by the director [of finance] in an amount equal to the
6 value of the vehicle. The bond or securities and the deposit
7 thereof shall be conditioned to protect the director [of finance]
8 and any subsequent purchaser of the vehicle or person acquiring
9 any lien thereon or the successor in interest of any such person
10 against any loss or damage on account of any defect in or
11 undisclosed encumbrance upon the right, title, and interest of
12 the applicant in and to the vehicle. Any such interested person
13 shall have a right of action to recover on any such bond or
14 securities for any breach of the conditions for which the same
15 was deposited. The aggregate liability of the surety to all such
16 persons shall in no event exceed the amount of the bond and
17 interest thereon, plus a reasonable attorney's fee to be allowed
18 by the court incurred to procure the recovery under the bond.
19 The bond or securities shall (unless suit has been instituted
20 thereon) be returned and surrendered at the end of three years or
21 prior thereto in the event that the vehicle is no longer
22 registered and the currently valid certificate of ownership is

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1 surrendered to the director [of finance]. Any licensed dealer
2 who has filed and has in effect a bond of an amount in excess of
3 the value of any vehicle in question shall not be required to
4 furnish an additional bond under this section.

5 (d) Whenever the registration of any motor vehicle
6 discloses that it is adapted for the use of a fuel other than
7 gasoline, the director [of finance] shall inform the director of
8 taxation of such registration, and upon each transfer of any such
9 motor vehicle the director shall be informed thereof.

10 (e) The [county finance] director, upon being notified by
11 the designated county department that a vehicle has been
12 inspected and approved as a reconstructed vehicle, shall cause
13 that fact to be shown upon the registration certificate and
14 registration records for that vehicle."

15 SECTION 8. Section 286-44.5, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "[[]§286-44.5[[]] **Salvage certificate.** (a) An application
18 for a salvage certificate shall be accompanied by a fee in an
19 amount determined by the director [of finance] and shall contain:

- 20 (1) The name and address of the applicant;
- 21 (2) A description of the vehicle being salvaged; and
- 22 (3) Any further information reasonably required by the

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1 director [of finance].

2 (b) A salvage certificate shall authorize the holder of the
3 certificate to possess, transport but not drive upon a highway,
4 and transfer ownership in a salvage vehicle.

5 (c) A salvage certificate shall contain the word "salvage"
6 on the face of the certificate and shall be made upon forms
7 prescribed by the director [of finance]."

8 SECTION 9. Section 286-45, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "§286-45 Records of [county finance] director. The
11 director [of finance] shall file each application received and
12 register the vehicle therein described in a record or book to be
13 kept by the director [of finance] under the following headings:

- 14 (1) Vehicle registration number;
15 (2) Name of owner; and
16 (3) Vehicle identification number.

17 The director [of finance] may microfilm vehicle registration
18 and ownership records which are a year old and may discard the
19 original records. The director [of finance] may discard vehicle
20 registration and ownership records which are older than six
21 years."

22 SECTION 10. Section 286-47, Hawaii Revised Statutes, is

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1 amended to read as follows:

2 "§286-47 Certificate of registration; certificate of
3 ownership; containers. Upon the registration of a vehicle, the
4 director [of finance] shall issue a certificate of registration
5 to the owner and a certificate of ownership to the legal owner,
6 or to a dealer who shall be a person licensed to sell new motor
7 vehicles under chapter 437 which certificates shall meet the
8 following requirements:

9 (1) Both the certificate of registration and the
10 certificate of ownership shall contain upon the face
11 thereof, the date issued, the registration number
12 assigned to the owner and to the vehicle, the name and
13 address of the owner and legal owner in typewriting,
14 also such description of the registered vehicle as may
15 be determined by the director [of finance]. If any of
16 the information subsequently proves to be a
17 typographical error, the dealer, as defined in section
18 437-1.1, shall notify the director [of finance] of the
19 error by a written certificate stating the reasons for
20 and nature of the error and the correction which should
21 be made in the certificate of registration and the
22 certificate of ownership. Upon receipt of the dealer's

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1 certificate by the director [of finance], the
2 certificate of registration and the certificate of
3 ownership shall be corrected accordingly so long as the
4 correction does not constitute a change of the vehicle
5 originally registered. A fee shall be paid to the
6 director [of finance] for each instance of correction
7 of the registration records. The fee charged for each
8 instance of correction of the registration records
9 shall be established by the [county's legislative
10 body.] director.

11 (2) In addition to the requirements provided for in
12 paragraph (1) [above], the face of the certificate of
13 ownership shall contain endorsement lines for the
14 transfer of title or interest of the registered owner
15 and legal owner, and the odometer reading of the
16 vehicle on the date of transfer. The reverse side of
17 the certificate of ownership shall contain the
18 application for registration by the transferee.

19 (3) (A) Every owner shall keep the certificate of
20 registration within the vehicle for which it is
21 registered and shall present the same at the
22 request of a police officer, or in the event the

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1 vehicle is a motorcycle, shall carry [such] the
2 certificate in a convenient receptacle attached to
3 the vehicle and which shall be presented at the
4 request of a police officer.

5 (B) This shall not apply to state or county vehicles
6 readily identified by the license plates and
7 markings on sides of [such] the vehicles.

8 (C) This requirement to carry the certificate of
9 registration with the vehicle shall not apply when
10 [such] the certificate is removed from the vehicle
11 for the purpose of application for renewal,
12 transfer of registration, or to record a change in
13 the registration."

14 SECTION 11. Section 286-47.2, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "[[§286-47.2]] Certificate of trailer registration. Upon
17 the registration of a trailer, the director [of finance] shall
18 issue a certificate of registration to the owner, dealer, or
19 manufacturer of the trailer. The certificate shall meet the
20 following requirements:

21 (1) It shall contain upon the face thereof, the date it was
22 issued, the license plate number assigned to the

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1 vehicle, the vehicle identification number of the
2 vehicle, the name and address of the registered owner
3 of the vehicle, and such description of the registered
4 vehicle as may be required by the director [of
5 finance]. If any of the information subsequently
6 proves to be incorrect due to a typographical error,
7 the dealer, manufacturer, or owner of the trailer shall
8 notify the director [of finance] of the error by a
9 written certificate stating the reasons for and nature
10 of the error and the correction that should be made on
11 the certificate of registration. Upon receipt of
12 [such] the notification by the director [of finance],
13 the certificate of registration shall be corrected
14 accordingly so long as the correction does not
15 constitute a change of the vehicle originally
16 registered. A fee shall be paid to the director [of
17 finance] for each instance of correction of the
18 registration records. The fee charged for each
19 instance of correction of the registration records
20 shall be established by the [county's legislative
21 body.] director.

22 (2) In addition to the requirements provided for in

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1 paragraph (1), the face of the certificate of
2 registration shall contain endorsement lines for the
3 transfer of interest of the registered owner of the
4 trailer.

5 (3) Every owner of a trailer, except for those trailers
6 owned by a company or person operating under the
7 jurisdiction of the public utilities commission, shall
8 carry the certificate of registration with the trailer
9 and shall present the certificate at the request of a
10 police officer. This requirement to carry the
11 certificate of registration with the trailer shall not
12 apply when the certificate is removed for the purpose
13 of application for renewal, transfer of registration,
14 or to record a change in the registration.

15 (4) The director [of finance] shall not issue a certificate
16 of ownership for a trailer nor record any liens upon or
17 legal ownership to the trailer."

18 SECTION 12. Section 286-47.5, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "[[]§286-47.5[[]] Notice of change of address or name;
21 penalty. (a) If the address of a registered owner of a motor
22 vehicle is changed from that stated on the application or the

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1 certificate of registration, the registered owner [shall], within
2 thirty days after the change, shall notify the [appropriate
3 county] director [of finance], in writing, of the change, stating
4 the registered owner's old and new addresses.

5 (b) If the name of a registered owner of a motor vehicle is
6 changed from that shown on the application or the certificate of
7 registration or certificate of ownership, the registered owner
8 shall, within thirty days after the change, notify the
9 [appropriate county] director [of finance], in writing, of the
10 change and shall submit together with the notice, the certificate
11 of ownership, the current year's certificate of registration, if
12 any has been issued to the registered owner, and proof of the
13 change of name. Upon receipt of the certificate of ownership,
14 certificate of registration, if any, and satisfactory proof of
15 the change of name, the [county] director [of finance] shall
16 issue a new certificate of ownership and certificate of
17 registration. The charge for the issuance of a new certificate
18 of ownership and certificate of registration shall be as provided
19 by law except that in the case of individual owners, no charge
20 shall be made.

21 (c) For the purposes of this section, the following terms
22 shall have the following meanings:

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1 (1) "Registered owner" includes an applicant for
2 registration of a motor vehicle the processing of whose
3 application has not been completed by the issuance of a
4 certificate of registration and a certificate of
5 ownership.

6 (2) "Individual owners" excludes corporate owners of motor
7 vehicles.

8 (d) Any person who violates this section shall be fined not
9 more than \$25."

10 SECTION 13. Section 286-48, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "§286-48 Certificates of ownership of salvaged motor
13 vehicles. (a) Whenever a motor vehicle subject to registration
14 under this part is sold as salvage or conveyed to an insurance
15 company, in the ordinary course of business or as the result of a
16 total loss insurance settlement where the insurance company
17 receives the certificates of registration and ownership, the
18 purchaser or, if an insurance company its authorized agent,
19 [shall] within ten days from the purchase, or the settlement of
20 the insurance loss, shall forward the motor vehicle's endorsed
21 certificate of ownership or other evidence of title, certificate
22 of registration, license plates, and an application for a salvage

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1 certificate as provided for in section 286-44.5, to the director
2 [of finance]. If the certificate of registration or one or both
3 license plates are lost, an affidavit, duly notarized and signed
4 by the party responsible for the compliance of this section
5 stating that the party has no knowledge of the location of the
6 certificate of registration or the license plates, shall be filed
7 with the director [of finance of the county having jurisdiction
8 over the vehicle]. In any event the certificate of ownership or
9 other evidence of title shall be forwarded to the director [of
10 finance].

11 (b) Upon receipt of the certificate of ownership,
12 certificate of registration, license plates, and application for
13 a salvage certificate, the director [of finance] shall issue a
14 salvage certificate in the name of the purchaser or insurance
15 company.

16 (c) Upon resale of the salvage vehicle, the seller or, if
17 the seller is an insurance company, its authorized agent shall
18 transfer the salvage certificate and issue a bill of sale to the
19 purchaser which shall be on a form prescribed by the director [of
20 finance]. The seller shall notify the purchaser, in writing, of
21 the requirements of this chapter regarding the recertification of
22 salvage vehicles. The seller shall sell the salvage vehicle only

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1 to a person licensed pursuant to chapter 437B, sections 289-4, or
2 445-232, or any person who executes an affidavit which states
3 whether or not the salvage vehicle would be used to construct a
4 rebuilt vehicle as defined in section 286-2 and that if the
5 salvage vehicle is to be rebuilt, the purchaser will register the
6 rebuilt vehicle as required by this chapter.

7 (d) In the event the salvage vehicle is rebuilt so as to be
8 capable of again operating on the highways of this State, the
9 motor vehicle shall not be licensed for such operation, nor shall
10 the ownership thereof be transferred until there is submitted to
11 the director [of finance]:

12 (1) The prescribed bill of sale;

13 (2) An appropriate application for registration of the
14 rebuilt or restored motor vehicle along with the
15 salvage certificate and a certificate of inspection
16 signed by the registered or certified motor vehicle
17 repair dealer who is bonded as required by section
18 437B-26, and who rebuilt the vehicle, attesting that
19 the original recognized vehicle manufacturer's
20 established repair procedures or specifications and
21 allowable tolerances for the particular model and year
22 were utilized and adhered to; and

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1 (3) Any other document and fee required by the director [of
2 finance].

3 The counties [may], by ordinance, may establish the fee to be
4 charged for the inspection of rebuilt motor vehicles.

5 (e) Whenever a certificate of registration and certificate
6 of ownership is issued for a motor vehicle with respect to which
7 a salvage certificate has been previously issued, the new
8 certificates shall conform to the requirements of section 286-47
9 and:

10 (1) Bear the words "Rebuilt Vehicle"; and

11 (2) Appear in such a manner as to distinguish them from the
12 certificate of registration and certificate of
13 ownership for motor vehicles other than rebuilt or
14 restored motor vehicles.

15 (f) In the event a total loss insurance settlement between
16 an insurance company and its insured or a claimant for property
17 damage caused by its insured results in the retention of the
18 salvage vehicle by the insured or claimant, as the case may be,
19 then in [such] that event, the insurance company or its
20 authorized agent shall notify, within ten days from the date of
21 settlement, the director [of finance] of [such] the retention by
22 its insured or claimant, as the case may be, and shall notify its

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1 insured, or claimant as the case may be, in writing, of the
2 requirements of this chapter regarding the recertification of
3 salvage vehicles. The notification shall be on a form prescribed
4 by the director [of finance]."

5 SECTION 14. Section 286-50, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "§286-50 Registration of vehicle located outside State;
8 correction of errors; fee for correcting errors. (a) The
9 director [of finance of a county] shall not accept an application
10 for registration of any vehicle under this part unless the
11 vehicle at the time of application is to be operated on the
12 public highways of [that county] this State as required under
13 section 286-41 or, if the vehicle is not within the State, the
14 vehicle is currently registered in the State in the name of a
15 bona fide resident of the State. However, the director [of
16 finance] shall accept and grant an application and issue number
17 plates for a new unlicensed vehicle which is not within the State
18 when the application is accompanied by a written certificate
19 signed by the seller, who shall be a person licensed to sell new
20 motor vehicles under chapter 437, giving the name and local
21 address of the seller and the purchaser and a description of the
22 vehicle, including a statement of the weight thereof, and, when

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1 the vehicle identification numbers of [such] the new vehicle are
2 not available, a statement of [such] that fact, and also by a
3 written certificate of the purchaser giving the purchaser's name,
4 the purchaser's local address and permanent residence, and the
5 name of the seller, a full description of the vehicle, and a
6 statement that the use tax payable thereon has been paid or that
7 the same will be paid within sixty days of the arrival of the
8 vehicle in the State. One copy of the application when granted
9 shall be furnished by the director [of finance] to the director
10 of taxation. In a case where the vehicle identification numbers
11 of the new vehicle are not available at the time of the
12 application, the dealer shall certify to the vehicle
13 identification numbers thereof upon receipt of the numbers from
14 the factory or manufacturer, which certificate the director [of
15 finance] shall enter in the [director of finance's registration]
16 director's records. Within sixty days after arrival in the State
17 of any such vehicle, unless the same has been shown in the
18 application or subsequent certification, the dealer shall furnish
19 to the director [of finance] a certificate of the dealer,
20 identifying the vehicle by the vehicle identification numbers or
21 other description, and evidence of arrival in the State of any
22 such vehicle, which information the director [of finance] shall

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1 enter in the [director of finance's] director's registration
2 records.

3 If the vehicle identification numbers of the vehicle, as
4 given in the dealer's certificate of the vehicle identification
5 numbers, subsequently prove to be erroneous on account of error
6 in the information received by the dealer from the factory or
7 manufacturer, or for any other reason, the dealer shall notify
8 the director [of finance] of the error by a written certificate
9 of the dealer stating the reasons for the nature of the error and
10 the correction which should be made in the registration records;
11 and upon receipt of the dealer's certificate by the director [of
12 finance], the registration records shall be corrected
13 accordingly. A fee of \$3 shall be paid by the dealer and
14 collected by the director [of finance] for each instance of
15 correction of the registration records.

16 (b) Notwithstanding the first paragraph of subsection (a),
17 the director [of finance] shall accept and grant an application,
18 and issue number plates, when the vehicle, although not within
19 the State, is to be registered in the name of bona fide residents
20 of the State, and the application is accompanied by:

21 (1) A written certificate setting forth the name, local
22 address of the applicant; the name and business address

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1 of the seller; a full description of the vehicle,
2 including a manufacturer's statement of the weight
3 thereof, and the vehicle identification numbers
4 verified by a law enforcement agency; and such other
5 information as may be required by the director [of
6 finance];

7 (2) A copy of the bill of sale and such other documents as
8 may be required by the director [of finance], to
9 establish legal ownership; and

10 (3) A written statement signed by the applicant stating
11 that the use tax payable thereon will be paid within
12 sixty days of the arrival of the vehicle in the State.

13 The applicant shall be responsible for supplying to the
14 director [of finance] all information relative to the correct
15 vehicle identification numbers, and the payment of correction
16 fees, in the same manner and to the same extent as is required
17 hereinabove of a dealer. One copy of the application, when
18 granted, shall be furnished by the director [of finance] to the
19 state director of taxation.

20 No tax or other fees required by law in connection with the
21 registration of a vehicle not within the State at the time of the
22 application shall be refundable."

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1 SECTION 15. Section 286-52, Hawaii Revised Statutes, is
2 amended by amending subsections (b) to (m) to read as follows:

3 "(b) Within twenty calendar days thereafter, the transferee
4 shall forward both the certificate of ownership so indorsed and
5 the certificate of registration to the director [of finance] who
6 shall file [the same.] it. Whenever a transferee fails to comply
7 with these provisions, the director [of finance] shall charge a
8 fee of \$5, in addition to the fee provided in section 286-51, for
9 a new certificate of ownership.

10 (c) Subsection (b) [of this section, requiring a transferee
11 to forward the certificate of ownership after indorsement and the
12 certificate of registration to the director of finance,] shall
13 not apply to the transferee of a vehicle who was not intending to
14 and does not drive the vehicle or permit the vehicle to be driven
15 upon the public highways, but every such transferee [shall], upon
16 transferring the transferee's interest or title to another, shall
17 give notice of the transfer to the director [of finance] and
18 indorse the certificate of ownership to the new legal owner and
19 the certificate of registration to the new owner; provided that
20 if the director [of finance] has ascertained as of the date of
21 the application that the registered owner has not deposited or
22 paid bail with respect to any summons or citation issued to the

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1 registered owner for stopping, standing, or parking in violation
2 of traffic ordinances within the county, the director may
3 require, as a condition precedent to the transfer, that the
4 registered owner deposit or pay bail with respect to all such
5 summons or citations.

6 (d) The director [of finance], upon receipt of the
7 certificate of ownership properly indorsed and the certificate of
8 registration of the vehicle, shall register the vehicle, and
9 shall issue to the owner and legal owner entitled thereto by
10 reason of the transfer a new certificate of registration and the
11 certificate of ownership, respectively, in the manner and form
12 [hereinabove] provided in this section for original registration.

13 (e) Until the director [of finance] has issued the new
14 certificate of registration and certificate of ownership as in
15 subsection (d) provided, delivery of such vehicle shall be deemed
16 not to have been made and title thereto shall be deemed not to
17 have passed, and the intended transfer shall be deemed to be
18 incomplete and not to be valid or effective for any purpose,
19 notwithstanding any provision of the Uniform Commercial Code;
20 provided that a security interest in a motor vehicle shall be
21 perfected as provided in [the Uniform Commercial Code,] sections
22 490:9-302(3)(b) and 490:9-302(4), and that the validity,

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1 attachment, priority, and enforcement of such security interest
2 shall be governed by Article 9 of [the Code.] chapter 490.

3 (f) In the event of the transfer by operation of law of the
4 title or interest of a legal owner in and to a vehicle registered
5 under this part, as upon inheritance, devise, or bequest, order
6 in bankruptcy, or insolvency, execution sale, repossession upon
7 default in performance of the terms of a lease or executory sales
8 contract, or otherwise than by the voluntary act of the person
9 whose title or interest is so transferred, the certificate of
10 ownership shall be signed upon the spaces provided by the
11 personal representative, receiver, trustee, sheriff, or other
12 representative, or successor in interest of the person whose
13 title or interest is so transferred in lieu of [such] that
14 person. Every personal representative, receiver, trustee,
15 sheriff, or other representative [hereinabove] referred to shall
16 file with the director [of finance] a notice of any transfer by
17 sale, lease, or otherwise by such person, of any such vehicle,
18 together with evidence satisfactory to the director [of finance]
19 of all facts entitling such representative to make the transfer.
20 Upon notice given to the director [of finance] that transfer by
21 operation of law of the title or interest of a legal owner or a
22 registered owner has been effected pursuant to any provision of

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1 law, the director [of finance] shall send to the legal owner or
2 the registered owner or both a notice by registered mail of
3 [such] the action and requesting the delivery to the director [of
4 finance] of the certificate of ownership or the certificate of
5 registration, as the case may be, within ten days after date of
6 mailing of the notice, and any person who refuses or neglects to
7 deliver the same to the director [of finance] pursuant to the
8 notice shall be guilty of a misdemeanor and shall be punished as
9 provided in section 286-61.

10 (g) Nothing in the foregoing subsections shall prevent a
11 legal owner from assigning the title or interest in or to a
12 vehicle registered under this part to another legal owner at any
13 time without the consent of and without affecting the interest of
14 the holder of the certificate of registration thereof. Upon
15 filing with the director [of finance] of a certificate of
16 ownership endorsed by the legal owner and a transferee of legal
17 ownership, the director [of finance shall], whether the
18 certificate of registration has expired or not, shall enter the
19 name of the new legal owner upon the records of the director's
20 office and shall forthwith issue a new certificate of ownership
21 to the new legal owner in the form for original registration.
22 Upon so doing, the director [of finance] shall send to the

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1 registered owner a notice by mail of the action.

2 (h) Any person who refuses or neglects to deliver a
3 certificate of ownership to a transferee entitled thereto under
4 this part, shall be punished as provided in section 286-61.

5 (i) Every dealer, upon transferring a motor vehicle,
6 whether by sale, lease, or otherwise, shall immediately give
7 notice of the transfer to the director [of finance] upon the
8 official form provided by the director [of finance]. Every such
9 notice shall contain the date of the transfer, the names and
10 addresses of the transferor and transferee, and such description
11 of the vehicle as may be called for in the official form.

12 (j) Every person, other than a dealer, upon transferring a
13 motor vehicle, whether by sale, lease, or otherwise, shall within
14 ten days give notice of the transfer to the director [of finance]
15 upon the official form provided by the director [of finance].
16 Every notice shall contain the date of transfer, the names and
17 addresses of the transferor and transferee, and such description
18 of the vehicle as may be called for in the official form. Any
19 person who violates this subsection shall be fined not more than
20 \$100.

21 (k) Whenever the registered owner of any motor vehicle or
22 any licensed dealer has given notice to the director [of finance]

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1 of a transfer of the title or interest in the motor vehicle, as
2 provided in subsection (i) or (j), and has delivered the
3 certificate of ownership bearing the transferor's signature to
4 the transferee as required by subsection (a), the transferor
5 shall be relieved from any liability, civil or criminal, from the
6 date the transferor delivers the motor vehicle into the
7 transferee's possession, which the transferor might otherwise
8 subsequently incur by reason solely of being the registered owner
9 of the vehicle.

10 (l) A licensed dealer who has forwarded a properly indorsed
11 certificate of ownership and certificate of registration to the
12 director [of finance] shall be relieved of any civil liability,
13 from the date the transferor delivers the motor vehicle into the
14 transferee's possession, which the transferor might otherwise
15 subsequently incur by reason solely of being the registered owner
16 of the vehicle; provided that a specific written authorization to
17 forward the certificates has been obtained from the transferee.

18 (m) Any person who falsely or fraudulently gives notice to
19 the director [of finance] of a transfer of title or interest in a
20 motor vehicle shall be subject to the penalty provided in section
21 286-61."

22 SECTION 16. Section 286-53, Hawaii Revised Statutes, is

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1 amended by amending subsections (a) to (d) to read as follows:

2 "(a) A manufacturer of or dealer in new motor vehicles
3 having an established place of business, owning any such new
4 vehicles and operating them upon the public highways, in lieu of
5 registering each [such] new vehicle, may [make application] apply
6 upon an official form provided for that purpose to the director
7 [of finance] for a permanent number plate.

8 (b) Every new vehicle owned or controlled by the
9 manufacturer or dealer, and permitted to be registered under a
10 permanent number plate shall be regarded as registered thereunder
11 until the vehicle is sold and the sale has been recorded by the
12 director [of finance].

13 (c) The director [of finance shall], upon receipt of the
14 application, or thereafter, shall furnish to the manufacturer or
15 dealer:

16 (1) Permanent number plates which shall be attached to new
17 motor vehicles which are used by the applicant only for
18 demonstration of the new motor vehicles to customers
19 upon the public highways if requested by the applicant.
20 The price of each permanent number plate shall be
21 established by the director [of finance] under chapter
22 91. Each permanent number plate shall display upon it

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1 the number which is assigned to the applicant and a
2 different letter or number to differentiate it from
3 other plates furnished to the applicant. Permanent
4 number plates which are detached from a new motor
5 vehicle which has been sold may be used on another new
6 motor vehicle; and

- 7 (2) Temporary motor vehicle plates, if the applicant is a
8 new motor vehicle dealer, which plates shall be blank
9 except for an area on the lower right corner which
10 shall be utilized for validation of the temporary
11 plates. The validation shall not be reproducible by
12 any person other than the director [of finance, or
13 director of finance of another county if an agreement
14 is made to utilize a uniform validation], shall signify
15 the official status of the temporary number plate, and
16 shall be designed to be visible from a distance of two
17 feet.

18 The [directors of finance of any two or more
19 counties may agree to] director shall utilize a uniform
20 designation to be placed upon the temporary number
21 plate. The director [of finance] shall establish the
22 material used for the temporary number plate and a

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1 charge by rule under chapter 91 for each temporary
2 number plate.

3 (d) Whenever the design of the number plates issued under
4 chapter 249 is changed, the new motor vehicle dealer shall apply
5 to the director [of finance] for the most current permanent
6 number plates. Before issuing the current permanent number
7 plates, the director [of finance] shall require each applicant to
8 return the permanent number plates issued previously. If any
9 permanent number plates issued previously have been lost or
10 destroyed, the manufacturer or dealer who applies for the
11 permanent number plates shall certify in writing to the director
12 [of finance] that the permanent number plates have been lost or
13 destroyed and that if any lost permanent number plates are found,
14 they shall be returned forthwith to the director [of finance].
15 Upon receipt of the certificate, the director [of finance] shall
16 issue an equal number of the most current permanent number plates
17 as have been certified to be lost or destroyed.

18 SECTION 17. Section 286-53, Hawaii Revised Statutes, is
19 amended by amending subsections (g) and (h) to read as follows:

20 "(g) Every manufacturer or dealer, upon the sale, lease, or
21 other transfer by the manufacturer or dealer of a new vehicle
22 registered under a general distinguishing number, as [herein]

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1 provided[,] in this section, shall forthwith give notice of the
2 transfer to the director [of finance] upon the appropriate
3 official form, stating the date of the transfer, a description of
4 the vehicle, the name and post office address of the transferee,
5 and certifying that temporary number plates have been provided
6 for the motor vehicle of the transferee.

7 Following the transfer, if application for registration has
8 been made by or on behalf of the transferee, the vehicle may be
9 operated until duly registered by the director [of finance] under
10 chapter 249 and this chapter or until the expiration of the
11 temporary number plates whichever occurs sooner.

12 (h) The director [of finance may], at the director's
13 discretion, may grant a temporary permit to operate a vehicle, a
14 registration for which has been applied for."

15 SECTION 18. Section 286-53.1, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "~~[[§286-53.1]]~~ **Boat dealers; trailers without plates.**
18 Notwithstanding any other law to the contrary, a manufacturer of
19 or a dealer in boats having an [established] established place of
20 business in the State may move a boat trailer without license
21 number plates upon the public highways during the initial
22 continuous movement of the boat trailer and any boat being

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1 transported on the trailer from its point of entry into the State
2 to a storage, display, or sales area selected by the manufacturer
3 or dealer."

4 SECTION 19. Section 286-53.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[[]§286-53.5[[]] Permanent registration of fleet vehicles.

7 (a) Notwithstanding any other law to the contrary, the
8 registered owner or lessee of a fleet of twenty-five or more
9 vehicles consisting of commercial motor vehicles, commercial
10 trailers, or passenger automobiles may apply to the director [of
11 finance of the county in which the vehicles are to be operated,]
12 for permanent license plates, decals, and registration cards;
13 provided that the vehicle shall not be registered in any other
14 state.

15 (b) The application for initial issuance of permanent
16 registration shall be filed in such form as the director [of
17 finance] shall require. Upon initial application and payment of
18 the required fees, the director [of finance] shall issue a
19 distinguishing license plate or decal which indicates the vehicle
20 has been registered under this section.

21 (c) Upon submission of the renewal of registration form and
22 payment of normally required fees, the license plates, decals,

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1 and registration cards issued pursuant to this section for the
2 vehicle shall remain valid; provided that a fleet vehicle
3 registered under this section may be deleted from [such] the
4 identified fleet upon notification of the director [of finance]
5 by the registered owner on the proper form, and if the
6 distinguishing license plates, decals, and registration cards
7 issued for the vehicle are surrendered. Failure to comply with
8 the preceding sentence shall require payment by the fleet owner
9 of fees due for registration of the vehicle as though the vehicle
10 remained part of the fleet. Display of the distinguishing
11 license plate or decal and registration card shall constitute
12 prima facie evidence that the vehicle is currently registered.

13 The registered owner or lessee of any vehicle registered
14 pursuant to this section shall display in a conspicuous place on
15 both the right and the left side of each vehicle, the name,
16 trademark, or logo of the company. The display of the name,
17 trademark, or logo shall be printed in sharp contrast to the
18 background of the vehicle and shall be of such size, shape, and
19 color as to be readily identifiable during daylight hours from a
20 distance of fifty feet.

21 (d) [Each] The director [of finance] shall adopt rules
22 pursuant to chapter 91 for the application, payment of fees,

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1 fleet additions or deletions, and cancellation of distinguishing
2 plates or decals and registration card issued to a vehicle of a
3 fleet owner."

4 SECTION 20. Section 286-53.6, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "[~~§~~286-53.6~~]~~ Fleet vehicles, fees. Renewal fees for
7 permanent registration of fleet vehicles pursuant to section
8 286-53.5 shall be paid pursuant to a schedule which shall be
9 established by the director [of finance]. The fees determined to
10 be due and owing under this section and section 286-53.5 shall be
11 a lien upon all vehicles of the applicant subject to registration
12 under this chapter, whether or not they are fleet vehicles."

13 SECTION 21. Section 286-54, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "§286-54 Out-of-state vehicle permit. (a) The owner of a
16 motor vehicle which has been duly registered for the current year
17 in another state or country and in accordance with the laws
18 thereof, [may,] in lieu of registering the vehicle as otherwise
19 required by this part, may apply to the director [of finance] for
20 the registration thereof as provided in this section.

21 The owner [shall], within ten days after commencing to
22 operate the vehicle or causing or permitting it to be operated

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1 within the State, shall apply to the director [of finance] for
2 the registration thereof upon the appropriate official form
3 stating therein the name and home address of the owner and the
4 temporary address, if any, of the owner while within the State,
5 the registration number of the vehicle as assigned thereto by the
6 state or country, together with such description of the motor
7 vehicle as may be called for in the form and such other
8 statements of facts as may be required by the director [of
9 finance].

10 The director [of finance] shall file every application
11 received and register the vehicle therein described and shall
12 issue to the owner a registration certificate of a distinctive
13 form containing the date of its issue, a brief description of the
14 vehicle, and a statement that the owner has procured registration
15 of the vehicle.

16 (b) No owner of a motor vehicle which has been duly
17 registered for the current year in another state or country shall
18 operate any such vehicle or cause or permit to be operated upon
19 the public highways, either before or while it is registered
20 under this section, unless there is at all times displayed
21 thereon the current registration number plates assigned to the
22 vehicle by the other state or country, nor unless the certificate

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1 of registration is kept within the vehicle for which it is
2 registered, or in the event the vehicle is a motorcycle, carry
3 [such] the certificate of registration in a convenient receptacle
4 attached to the vehicle. The director [of finance] shall also
5 furnish the owner with an emblem bearing a serial number with the
6 words "VEHICLE PERMIT" and the date of expiration of [such] the
7 emblem to be placed on the rear bumper in plain sight of [such]
8 the vehicle, or when issued to a motorcycle emblem to be placed
9 on rear fender.

10 (c) Every certificate of registration issued pursuant to
11 this section shall be valid for the unexpired portion of the
12 current license number plates assigned to the vehicle in
13 accordance with the law of the other state or country; provided
14 that in no case shall such a certificate be issued to exceed a
15 twelve month period.

16 Whenever a vehicle is registered under this section, [the
17 sum of \$5] a fee determined by the director by rules shall be
18 assessed against the owner of the vehicle to defray the
19 administrative costs incurred by the [county.] State. Subsequent
20 changes in the amount of the administrative costs shall be
21 established by the [county's legislative body.] director by
22 rules."

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1 SECTION 22. Section 286-55, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§286-55 Certificates lost or mutilated. If any
4 certificate of registration or certificate of ownership is lost,
5 mutilated, or becomes illegible, the person to whom the same has
6 been issued shall immediately make application for and may obtain
7 a duplicate thereof upon furnishing satisfactory information to
8 the director [of finance] and upon payment of a fee, which fee
9 shall be established by the [county's legislative body.] director
10 by rules.

11 When a certificate of ownership is lost, damaged, mutilated,
12 or stolen, the director [of finance] shall provide to a qualified
13 applicant an application form for a duplicate certificate of
14 ownership. The names and addresses of the transferor and
15 transferee shall be written in the application form and the same,
16 together with the last issued certificate of registration, the
17 fee for the duplicate certificate of ownership, plus the transfer
18 fee, shall be filed with the director [of finance]."

19 SECTION 23. Section 286-56.5, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "§286-56.5 Special license plates for consul or official
22 representative of foreign or territorial government.

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1 Notwithstanding any other law to the contrary, any consul or
2 official representative of a foreign government or territory of
3 the United States of America, duly licensed and holding an
4 exequatur issued by the Department of State of the United States
5 of America, may be furnished at no cost special license plates by
6 the director [of finance] on such conditions as may be necessary
7 on a vehicle used on official consular business, provided that
8 upon application for special license plates a consul or official
9 representative shall be given the option of using license plates
10 issued by the consul's or official representative's government.
11 Before [such] the plates shall be considered as special license
12 plates, they shall be registered and the appropriate fees paid to
13 the [county] State for the issuance. The special license plates
14 shall be securely fastened to the vehicle in lieu of the
15 regulation number plates; provided that the tag or emblem, issued
16 each year, shall be affixed to the special license plates in the
17 manner provided for in section 249-7. Whenever the consul or
18 official representative transfers or assigns the consul's or
19 official representative's interest in or title in the vehicle to
20 which the special license plates were issued, the consul or
21 official representative shall immediately surrender the special
22 license plates to the director [of finance]."

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1 SECTION 24. Section 286-57, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§286-57 Unlawful removal of motor vehicles from State. It
4 shall be unlawful for any person to remove, attempt to remove,
5 cause to be removed, or assist in so doing, any motor vehicle
6 registered pursuant to this part from the State to any other
7 place away from the State, unless the person is the legal owner
8 thereof or unless the written authorization of the legal owner
9 thereof to the removal has first been obtained.

10 No person owning or having control of any vessel, airplane,
11 or other means of transportation, and no agent or employee of
12 [such] that person, shall transport any such vehicle from the
13 State to any other place away from the State, or accept the same
14 for the transportation, or deliver any bill of lading, order, or
15 other written instrument authorizing the transportation, unless
16 the person requesting the transportation (1) produces a
17 certificate of ownership and a current certificate of
18 registration showing that the person is the legal owner of the
19 vehicle or (2) produces, if the person is not the legal owner
20 thereof, a current certificate of registration showing that the
21 person is the registered owner of the vehicle and, in addition
22 thereto, the written consent of the legal owner thereof to the

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1 transportation.

2 No person owning or having control of any vessel, airplane,
3 or other means of transportation, and no agent or employee of
4 [such] that person, shall transport any used vehicle between the
5 counties or from the State to any other place away from the
6 State, unless, in addition to any other requirements, such person
7 records by physical inspection the vehicle identification number
8 (VIN) of such vehicle and maintains a record of the transporting
9 of the vehicle along with the description and vehicle
10 identification number (VIN) for a period of not less than three
11 years.

12 Records maintained as required above, and all other records
13 and receipts relating to the exportation of vehicles shall be
14 available for inspection by the federal, state or county police
15 agencies during normal business hours."

16 SECTION 25. Section 286-58, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§286-58 Appeal from [finance] director's decision.**
19 Whenever any person is aggrieved by any decision of [any county]
20 the director [of finance] under this part, the person may appeal
21 from the decision of the director [of finance] to the district
22 court of the circuit in which the [county is situated,] person

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1 resides, if in the State, or in the city and county of Honolulu
2 if not a state resident, by filing with the court, within twenty
3 days after the decision, or within such additional time as may
4 have been consented to in writing by the director [of finance],
5 an informal notice of appeal setting forth the name of the
6 appellant, the circumstances attending the decision, a general
7 statement as to the ruling appealed from, the date of the
8 decision, and a description of the motor vehicle involved, with
9 the serial or motor number or both, if available. A copy of the
10 notice shall be served upon, or mailed, postage prepaid, by
11 registered mail with request for return receipt, to the director
12 [of finance] within two days after the date of the filing with
13 the court. Informalities in the notice shall not invalidate the
14 notice, and the notice may be amended for good cause shown to the
15 satisfaction of the court."

16 SECTION 26. Section 286-60, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§286-60 Rules of procedure; costs; appeal to supreme**
19 **court.** The supreme court may prescribe rules of procedure
20 relating to the appeals and hearings before the district courts.
21 An appeal shall lie from the judgment or order of the district
22 court to the supreme court. The rules shall provide for informal

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1 procedure and for minimizing expense and delay to litigants
2 therein. The costs upon [such] the appeal to the district court
3 shall be \$1, which may be waived by the court for good cause
4 shown. No costs shall be chargeable against the [county]
5 director [of finance]."

6 SECTION 27. Section 286-61, Hawaii Revised Statutes, is
7 amended to read as follows:

8 "§286-61 Penalty. Any person who violates any of the
9 provisions of sections 286-41 to 286-60 shall be fined not less
10 than \$5 nor more than \$1,000 or imprisoned not more than one
11 year, or both[; provided that any corporate owner of a motor
12 vehicle who fails to register a motor vehicle as required by
13 section 286-41(a) following a transfer of the vehicle between
14 counties shall be fined \$1,000 for each violation]."

15 SECTION 28. Section 286-62, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "§286-62 Special license plates authorized. Any owner of a
18 passenger motor vehicle, who is a resident of the State, and who
19 holds [an unrevoked and unexpired] a valid amateur radio station
20 license, other than novice[,] class, issued by the [federal
21 communications commission,] Federal Communications Commission,
22 upon application, accompanied by proof of ownership of the

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1 amateur radio station license, may be issued a special license
2 plate for the owner's passenger motor vehicle as provided in
3 sections 286-63 to 286-69."

4 SECTION 29. Section 286-66, Hawaii Revised Statutes, is
5 amended to read as follows:

6 "§286-66 [Director] Civil defense director in charge. The
7 director of civil defense shall be responsible for processing all
8 applications for the special license plates and shall make all
9 necessary arrangements for the purchase and issuance thereof.

10 The administrator of the county civil defense agency shall
11 assist the director of civil defense in the administration of
12 this part, which includes but is not limited to, the receipt of
13 applications, the collection and payment of fees, the issuance of
14 special license plates, the transmittal of the list of special
15 license plates issued together with the names and addresses to
16 whom issued to the director of civil defense and the respective
17 chief of police and the respective licensing officer of each
18 county, and any other duties as may be prescribed by the director
19 of civil defense. The chief of police and licensing officer of
20 each county shall keep a record of the list of special license
21 plates issued together with the names and addresses to whom
22 issued in their respective office and may discard the list when

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1 it is more than six years old."

2 SECTION 30. Section 286-69, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "§286-69 Penalty. Any person who violates any provisions
5 of sections 286-62 to [286-68] 286-67 shall be fined not more
6 than \$50."

7 SECTION 31. Section 286-118, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§286-118 Records to be kept by the examiner of drivers.

10 The examiner of drivers shall file every application for a
11 license received by the examiner and shall maintain suitable
12 indexes containing, in alphabetical order:

- 13 (1) All applications denied with a note on each as to the
14 reason for the denial;
- 15 (2) All applications granted;
- 16 (3) The name of every licensee whose license has been
17 suspended or revoked by a court of competent
18 jurisdiction with a note after each such name as to the
19 reasons for such action.

20 The examiner of drivers shall also file all accident reports
21 and abstracts of court records of convictions received by the
22 examiner under the traffic laws and [regulations] rules of the

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1 State or any [political subdivision thereof,] county, and in
2 connection therewith the examiner shall maintain convenient
3 records or make suitable notations in order that an individual
4 record of each licensee, the traffic accidents in which the
5 licensee has been involved, and other pertinent data may be
6 readily ascertainable and available for the consideration of the
7 examiner of drivers upon any application for a renewal of license
8 and at other suitable times.

9 The examiner of drivers may dispose of any records
10 accumulated under this section [whenever the examiner deems it
11 advisable.] with approval of the director or the head of the
12 office of motor vehicle safety."

13 SECTION 32. Section 286-123, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§286-123 Record of conviction forwarded to examiner of**
16 **drivers[.] and to director.** The record of any conviction
17 resulting in the revocation or suspension of any person's license
18 for a violation of this part or any traffic law or regulation of
19 the State or county shall be forwarded by the court to the
20 examiner of drivers of the county in which the court is
21 located[.] and to the director."

22 SECTION 33. Chapter 286, Hawaii Revised Statutes, is

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1 amended by adding a new section to part VI to be appropriately
2 designated and to read as follows:

3 "§286- Notice of suspension and revocation. Notice of
4 suspension or revocation of any license shall be sent by first
5 class mail to the last address provided by the driver to the
6 director. Notice so sent shall be presumed to have been received
7 by the licensee, absent evidence to the contrary."

8 SECTION 34. Sections 286-26(d), 286-43, 286-46, 286-49,
9 286-51, 286-52.5, 286-56, and 286-59, Hawaii Revised Statutes,
10 are amended by deleting the words "of finance" wherever they
11 follow the word "director".

12 SECTION 35. Chapter 287, Hawaii Revised Statutes, is
13 amended by adding a new section to be appropriately designated
14 and to read as follows:

15 "§287- Notice of suspension. Notice of suspension under
16 this chapter of any driver's license shall be sent by first class
17 mail to the last address provided by the driver to the
18 administrator or to the director of transportation. The
19 administrator shall notify the director of transportation
20 promptly of changes of address brought to the administrator's
21 attention. Notice sent to the last address provided by the
22 licensee shall be presumed to have been received by the licensee,

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1 absent evidence to the contrary."

2 SECTION 36. Section 486-85, Hawaii Revised Statutes, is
3 amended to read as follows:

4 "§486-85 Disclosure requirements; and record maintenance. All
5 certificates of ownership[, as] issued by the [respective
6 counties, shall] State, by license year 1992, shall be
7 standardized in a form to be prescribed by the [district courts,]
8 director of transportation, and [such] the certificates shall
9 have space for entering endorsements, among other requirements
10 established under section 286-47. Each certificate shall have
11 imprinted thereon a disclosure statement consistent with that
12 required under the Federal Motor Vehicle and Cost Savings Act of
13 1972, et seq., as provided by rule of the board. Individual
14 passenger car odometer records shall be maintained as a function
15 of the vehicle safety check."

16 SECTION 37. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$175,000, or so much
18 thereof as may be necessary for fiscal year 1990-1991, for the
19 department of transportation to contract with an independent
20 accounting firm to analyze the costs of providing basic motor
21 vehicle services to the public at county offices (including
22 staff, equipment, and supplies) to establish the appropriate

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1 reimbursement to the counties from the State for the provision of
2 these services. The department of transportation shall report
3 findings and recommendations to the legislature not less than
4 twenty days before the convening of the regular session of 1991.

5 SECTION 38. There is appropriated out of the general
6 revenues of the State of Hawaii the sum of \$250,000, or so much
7 thereof as may be necessary for fiscal year 1990-1991, for the
8 department of transportation and the department of budget and
9 finance to conduct a complete and thorough evaluation of the
10 specific needs and user requirements for a computerized statewide
11 motor vehicle records system, based in the state department of
12 transportation. This evaluation shall include at a minimum:

- 13 (1) Storage capacity for both the motor vehicle and driver
14 data;
- 15 (2) Multi-user and access capability, to include the state
16 department of transportation, the state judiciary, each
17 county office providing the basic motor vehicle and
18 related services, and law enforcement organizations at
19 the state and county levels;
- 20 (3) The ability to handle administrative and financial
21 services, as well as motor vehicle data-processing; and
- 22 (4) A cost analysis to determine the purchase and

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1 maintenance expenses to the State for the development
2 of a computerized data storage and retrieval system.

3 SECTION 39. The sums appropriated shall be expended by the
4 department of transportation for the purposes of this Act.

5 SECTION 40. Statutory material to be repealed is bracketed.
6 New statutory material is underscored.

7 SECTION 41. This Act shall take effect on July 1, 1992;
8 provided:

- 9 (1) Section 3 shall take effect upon approval; and
10 (2) Sections 37, 38, and 39 shall take effect on July 1,
11 1990.

12

13

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