
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 the primary purpose
2 of Act 214, Session Laws of Hawaii 1993, was to improve the
3 system by which traffic offenses are processed in order to
4 dispose expeditiously of these cases and thereby achieve
5 efficient and effective use of limited judicial and law
6 enforcement resources. At the same time, Act 214 was designed
7 to minimize the time motorists would spend in court by
8 permitting them, in most instances, to resolve their cases by
9 mail.

10 The legislature also finds that Act 214 made most traffic
11 offenses civil in nature and, as a result, courts do not issue
12 arrest warrants when a motorist initially fails to pay a fine or
13 other assessment. Instead, the court orders judgment for the
14 State and places a "stopper" on the driver's license or vehicle
15 registration until the outstanding fines or assessments are
16 paid. This procedure is designed to ensure that outstanding
17 fines are paid before a person renews their driver's license or
18 motor vehicle registration or transfers the motor vehicle. In



1 this way, fines are collected with minimum consumption of court
2 resources.

3 The legislature further finds that "stoppers" on driver's
4 licenses for moving violations were authorized by section 291D-
5 10(a), Hawaii Revised Statutes, while "stoppers" on vehicle
6 registrations and transfers for parking violations were
7 authorized by section 291D-10(b), Hawaii Revised Statutes. The
8 reason that "stoppers" linked moving violations with driver's
9 licenses, on the one hand, and parking violations and vehicle
10 registrations and transfers, on the other, was that the driver's
11 license and vehicle registration databases could not be cross-
12 referenced at the time--and that is still the case today. As a
13 result, a "stopper" for failure to pay a parking violation could
14 not be placed on the driver's license of the vehicle owner and
15 instead had to be placed on the vehicle itself.

16 The legislature further finds that amendments made to
17 section 291D-10, Hawaii Revised Statutes, by Act 48, Session
18 Laws of Hawaii 2005, expanded the class of outstanding sums for
19 which a "stopper" could be imposed. Thereafter, the judiciary
20 began to enforce a policy that effectively made the purchaser of
21 or a legal owner repossessing a used vehicle liable not only for
22 outstanding citations on the vehicle but for any related fees



1 that may have been imposed on the previous registered owner of
2 the vehicle for the previous registered owner's failure to pay
3 the fines. As a result, a purchaser or a repossessing legal
4 owner of used vehicles could not complete the transfer of
5 ownership without paying fees incurred by the registered owner
6 and of which they had no knowledge at the time of the sale.

7 While the legislature finds that encumbering property with
8 a lien for sums due to the government is not a new practice, the
9 manner in which the judiciary has enforced section 291D-10,
10 Hawaii Revised Statutes, has imposed undue hardship on consumers
11 and other legal owners and stands to impede commerce in used
12 vehicles. For one thing, the judiciary's information system has
13 not been, and may never be, able to give real-time information
14 on outstanding parking violations for a particular vehicle. For
15 another, holding a good faith purchaser or reposessor liable
16 for fees that relate not to the parking citation itself but to
17 the previous registered owner's failure to pay the citation is
18 manifestly unfair. Moreover, this mode of enforcement will
19 unduly burden the financing of vehicles since financing entities
20 will have to provide for a ramification of this problem if they
21 will be held liable for the traffic violations of another
22 person.



1 The purpose of this Act is to promote fairness to consumers
2 and repossessing legal owners and to remove impediments to
3 commerce in used vehicles by ensuring that parking citations and
4 any fees incurred for failure to pay them remain the
5 responsibility of the person who was the registered owner of the
6 vehicle at the time the citation was issued and who committed
7 the traffic infraction.

8 SECTION 2. Section 291D-10, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§291D-10 Restriction on driver's license and motor**
11 **vehicle registration.** (a) When the person issued a [~~notice of~~]
12 traffic [~~infraction~~] citation not involving parking fails to pay
13 the total amount of fines, fees, surcharges, costs, or monetary
14 assessments that has been ordered, the court shall cause an
15 entry to be made in the driver's license record so as to prevent
16 the person from acquiring or renewing the person's driver's
17 license until the outstanding amount is paid or the notice of
18 traffic infraction is otherwise disposed of pursuant to this
19 chapter.

20 (b) [~~In all cases where~~] When the registered owner of a
21 motor vehicle to [~~which~~] whom a [~~notice of~~] traffic [~~infraction~~]
22 citation has been issued fails to pay the total amount of fines,



1 fees, surcharges, costs, or monetary assessments that have been
2 ordered, the court shall cause an entry to be made in the motor
3 vehicle's record [~~so as~~] to prevent issuance or renewal of the
4 motor vehicle's certificate of registration [~~and transfer of~~
5 ~~title to the motor vehicle until the outstanding amount is paid~~
6 ~~or the notice of traffic infraction is otherwise disposed of~~
7 ~~pursuant to this chapter;~~] provided that if the traffic
8 infraction involves an unpaid parking violation, this subsection
9 shall not prevent the issuance or renewal of the motor vehicle's
10 certificate of registration and transfer of title to the motor
11 vehicle to another person, including a repossessing legal owner,
12 in which case the clerk of the court shall issue a clearance to
13 effectuate the registration and transfer of title[~~;~~ ~~and provided~~
14 ~~further that in~~]. In no event shall a clearance:

- 15 (1) Absolve the registered owner of the motor vehicle at
16 the time the parking violation was incurred from
17 paying the fine;
- 18 (2) Prevent any subsequent issuance or renewal of the
19 motor vehicle's certificate of registration and
20 transfer of title to the motor vehicle; or
- 21 (3) Otherwise encumber the title of that motor vehicle.



1 (c) The registered owner of a motor vehicle to whom a
2 traffic citation was issued shall remain responsible for the
3 total amount of fines, fees, surcharges, costs, or monetary
4 assessments imposed for a notice of traffic infraction issued
5 while the person was the registered owner, even if the person
6 thereafter transfers or if a legal owner lawfully repossesses
7 the vehicle. The transferee or repossessing legal owner shall
8 not be responsible for any fines, fees, surcharges, costs, or
9 monetary assessments imposed for a notice of traffic infraction
10 issued before the transferee became the registered owner of the
11 vehicle."

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval.

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Report Title:

Motor Vehicles; Transfer; Unpaid Assessments

Description:

Makes unpaid parking citations the responsibility of the person who was the registered owner of the vehicle at the time the citation was issued, even if the vehicle is later transferred to a new or repossessed by the legal owner. Permits the driver's license of the person who was the registered owner at the time the citation was issued to be restricted until outstanding assessments are paid.

