



*THE JUDICIARY, STATE OF HAWAII*

**Testimony to the Twenty-Fifth Legislature, Regular Session of 2009**

House Committee on Transportation  
The Honorable Joseph M. Souki, Chair  
The Honorable Karen Leilani Awana, Vice Chair

Monday, February 9, 2009, 9:00 a.m.  
State Capitol, Conference Room 309

by

Iris Murayama  
Deputy Chief Court Administrator  
District Court of the First Circuit

**WRITTEN TESTIMONY ONLY**

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**Bill No. and Title:** House Bill No. 869, Relating to Rental Motor Vehicles

**Purpose:** Requires that the owner of a rental motor vehicle, upon notice that the rental motor vehicle has been involved in a violation, provide the court with the name and address of the lessee within 60 days of the mailing of the notice.

**Judiciary's Position:**

The Judiciary takes no position on the intent of this bill, but does wish to comment on certain operational aspects.

It is anticipated that there will be an increase in paperwork and demand on the judicial and staff resources if this measure allows 60 days rather than 45 days for rental or U-drive motor vehicle companies to respond. Currently, a person has 21 days to either pay the fine, court costs, and fees *or* request a hearing for a citation under HRS §291D-6. If a person fails to pay or communicate with the court, a default judgment is entered under HRS §291D-7(e) and the court is required to automatically generate a letter to the rental or U-drive motor company (the lessor). The lessor has 30 days to respond by paying or contesting the citation.



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On the 31<sup>st</sup> day, a stopper is placed on a person's driver's license and/or motor vehicle registration under HRS §291D-10. After another 60 days, the judgment becomes the responsibility of the collection agency for collecting the fines, fees, and court costs. If the judgment remains outstanding on the 90<sup>th</sup> day after the default judgment is generated, it is electronically sent to the collection agency.

Extending the window of time from 45 days to 60 days for the rental or U-drive motor company (the lessor) to respond with the renter information to the courts will coincide with the automated referral of these cases to the collection agency. There is no mechanism in place with the Department of Motor Vehicle (DMV) to distinguish the rental cars from any other registered vehicle. This bill will create additional manual labor for staff to review each vehicle plate in order to determine if the registered owner(s) of the vehicle is a U-drive company. Manual intervention by staff would be necessary as the mail-out date is required to be part of the case history. This process would decrease the number of notices that each of the courts could print and thus negatively impact the collection of funds.

In addition, staff would need to know the names of all car rental companies because the registered owner(s) may not be the same as the name registered at the DMV.

If the rental agency does not submit any type of paperwork until the 60<sup>th</sup> day, it may cause the Judiciary to become inundated with additional manual work processes, which may result in delays and may cause some cases to be referred to the Credit Bureau in error, thus creating additional problems.

Thank you for the opportunity to comment on this bill.

Honorable Joseph Souki  
Chair, Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: February 9, 2009

Re: HB 869 Relating to Rental Motor Vehicles

Honorable Chair Souki and Committee Members:

My name is Michael Oh and I am the legislative committee chairman for Catrala-Hawaii which represents the major u-drive companies in Hawaii and the many businesses which support our industry.

Catrala supports this bill with amendments. Please see attached proposed HD1.

Recently u-drive companies have been receiving citations dated 2006 and 2007 which makes it difficult for the companies to look up the names and addresses of the drivers and provide such information to the courts on a timely basis. Further, recently u-drive companies apparently are being contacted about summons and citations for which they have no record of receiving notices of the summons and/or citations with required information as required by law. Finally, for many u-drive vehicles the registered owner is the parent company located on the mainland and thus it takes extra time for the parent company to receive the notice, process the notice and contact the Hawaii offices to provide the required information about the driver of the vehicle to the courts. This bill seeks to help correct these problems and the meeting of more realistic deadlines.

Your cooperation and understanding in passing this bill in the form of HD1 is appreciated. Thank you for allowing us to testify.

PROPOSED

H.B. NO.

869

HB1

## A BILL FOR AN ACT

RELATING TO RENTAL MOTOR VEHICLES.

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

1 SECTION 1. Upon notice that a rental motor vehicle has  
2 been involved in a violation, the owner of the rental motor  
3 vehicle is currently required to provide a court of competent  
4 jurisdiction with the name and address of the lessee of the  
5 rental motor vehicle within forty-five days.

6 (1) REQUIRE COURT TO MAIL THE SUMMONS OR CITATION TO THE  
The purpose of this Act is to: (1) extend the period of LESSOR  
7 time within which the owner must provide the lessee's name and WITHIN  
8 address from forty-five days to sixty days; and (2) clarify that SIXTY  
9 the period of time within which the owner must provide the DAYS;  
10 lessee's name and address begins on the date of the mailing of  
11 the notice.

12 SECTION 2. Section 291D-3.5, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "[~~§~~] §291D-3.5 [~~§~~] U-drive vehicles; traffic infractions.  
15 Notwithstanding any other law to the contrary, except those  
16 pertaining to the care and maintenance of the vehicle, if the  
17 registered owner of record is the lessor of a rental or U-drive  
18 motor vehicle, as defined in section 286-2, pursuant to a



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1 written lease agreement, the lessee at the time of the issuance  
2 of the traffic infraction shall be responsible for such summons  
3 or citation; provided that the lessor shall be responsible for  
4 such summons or citation if the lessor does not provide the  
5 court having jurisdiction over the summons or citation the name  
6 and address of the lessee within [~~forty-five~~ sixty days after  
7 mailing of a notice to a lessor containing the date, time, and  
8 location of the violation and the license number of the vehicle;  
9 provided further that if requested by the lessor in writing  
10 within [~~forty-five~~ sixty days of the mailing of such notice of  
11 violation other than for parking citations, the administrative  
12 judge of the court having jurisdiction over the citation or  
13 summons shall waive the requirement of providing the name and  
14 address of the lessee by the lessor and impose an administrative  
15 fee of \$5 per citation on the lessor, plus costs and fees not to  
16 exceed \$10 in total per violation, notwithstanding section 607-4  
17 or other sections of the law, county ordinance, or any rule to  
18 the contrary. In the case of parking citations, the  
19 administrative judge of the court having jurisdiction over the  
20 citation or summons may waive the requirement of providing the  
21 name and address of the lessee by the lessor and impose an  
22 administrative fee of \$5 per parking citation on the lessor,

*MAILED TO THE LESSOR BY THE COURT WITHIN SIXTY DAYS OF THE  
SUMMONS  
OR CITATION  
AND IF*





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**MEMORANDUM**

**TO:** Representative Joseph Souki  
Chair, House Committee on Transportation  
Via e-mail: TRNtestimony@capitol.hawaii.gov

**FROM:** Anne Horiuchi

**DATE:** February 8, 2009

**RE:** **H.B. 869 relating to Motor Vehicles**  
**Hearing: Monday, February 9, 2009 at 9:00 a.m., Room 309**

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Dear Chair Souki and Members of the House Committee on Transportation:

I am Anne Horiuchi, testifying on behalf of Enterprise Rent-A-Car Company of Hawaii and Vanguard Car Rental USA, Inc., dba National Car Rental and Alamo Rent A Car (collectively referred to as "Enterprise"). Our clients are members of Catrala-Hawaii.

Enterprise supports Catrala-Hawaii's position on this bill with the proposed HD1.

Thank you very much for the opportunity to submit testimony on this measure.



Honorable Joseph Souki  
Chair, Committee on Transportation  
House of Representatives  
State of Hawaii

Hearing: February 9, 2009

Re: HB 869 Relating to Rental Motor Vehicles

Honorable Chair Souki and Committee Members:

My name is Garrick Higuchi and I am the Area Director of DTG Operations, Inc. d/b/a Dollar Rent A Car and Thrifty Car Rental in Hawaii.

We support Catrala-Hawaii's position on this bill with proposed HD1.

The passage of this bill with amendments will correct problems now faced by the u-drive industry as well as the setting of more realistic deadlines.

Thank you for allowing us to testify on this bill.

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