

**DEPARTMENT OF CUSTOMER SERVICES
KA 'OIHANA LAWELAWE KUPA
CITY AND COUNTY OF HONOLULU**

LATE

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February 25, 2026

The Honorable Karl Rhoads, Chair
The Honorable Mike Gabbard, Vice Chair
and Members of the Senate Committee on Judiciary
State Capitol, Conference Room 016
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Rhoads, Vice Chair Gabbard, and Members of the Senate Committee on Judiciary:

SUBJECT: S.B. No. 2009, S.D. 1 - Relating To Motor Vehicles
HEARING: Thursday, February 26, 2026, 10:00 a.m.

The City and County of Honolulu, Department of Customer Services (CSD) respectfully **opposes** this bill and offers comments for your committee's consideration. Pursuant to Section 6-402 of the Revised Charter of the City and County of Honolulu, CSD Division of Motor Vehicle Registration (DMV) administers the motor vehicle registration program for the island of O'ahu. While CSD appreciates the intent of the proposed legislation, we have concerns regarding its application and its legal implications.

CSD is sensitive to some transferors having persistent liability on vehicles for which title and possession have been transferred, specifically where the transferee fails to endorse and submit the vehicle's title to CSD DMV within a specified period of time.

S.B. No. 2009, S.D. 1 would require each county Director of Finance to "immediately" notify all applicable state and local agencies of every vehicle transfer and to establish an automatic and instantaneous centralized notification system by July 1, 2027. In practice, this requirement raises multiple issues which cause us to oppose this legislation.

First, the bill assumes the existence of a single, uniform, and compatible system across all counties and agencies. Currently, county motor vehicle systems are not fully integrated with all state and local enforcement, judicial and administrative systems. Developing a centralized, real-time notification platform capable of interfacing with multiple counties and independent agencies would require substantial system redesign, data-sharing agreements, cybersecurity safeguards and ongoing technical support.

Second, the requirement for “immediate” notification upon receipt of transfer documentation introduces legal risks and administrative concerns. Transfer notices are often incomplete, inaccurate, or later determined to be invalid. Automatically transmitting unverified information to multiple agencies could result in enforcement errors, data integrity issues and increased disputes, ultimately undermining the very protections the bill seeks to provide.

Third, the bill does not identify a funding source to design, build, test, implement, and maintain such a system. The cost of creating an automatic and instantaneous notification system would be significant and would likely divert limited county resources from core customer service and compliance functions. Without dedicated funding, counties would be required to absorb these costs at the expense of other mandated services.

Fourth, the bill shifts responsibility for enforcement outcomes from transferees to county agencies without addressing the underlying compliance issues. Existing law already places affirmative obligations on transferees to complete the transfer process. CSD believes that improved enforcement of existing requirements, including clearer public guidance and targeted statutory refinements may better address the problem without imposing broad and costly system upgrades on counties.

S.B. No. 2009, S.D. 1 would also require private sellers to surrender existing license plates at the time of sale and require buyers to obtain new plates, tags, and emblems within seven days. This represents a significant departure from Hawai'i's current registration framework and would substantially increase DMV transaction volume, in-person visits, and processing demands.

Not only would the bill increase costs for customers by requiring the purchase of new plates and registration materials for every private transfer, it would also increase costs to the State and the counties associated with license plate production, inventory management, disposal, staffing, technology, and rulemaking. These impacts are not currently funded.

Finally, the bill raises enforcement and public safety concerns during the interim period when vehicles may be operated without license plates, and it places compliance burdens on private individuals without clear safeguards.

While CSD recognizes the goal of protecting sellers from post-sale liability, this issue may be more effectively addressed through improvements to existing transfer and notification processes rather than a universal new-plate requirement.

For the reasons above, CSD **opposes** S.B. No. 2009, S.D. 1 as drafted. CSD remains willing to work with the Legislature and stakeholders to explore alternative solutions that protect transferors while remaining operationally feasible and fiscally responsible for the counties.

Thank you for this opportunity to provide testimony on S.B. No. 2009, S.D. 1.

Sincerely,

for Kimberly M. Hashiro
Director