

STAND. COM. REP. NO. 2447

Honolulu, Hawaii

FEB 19 2025

RE: S.B. No. 2697
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred S.B. No. 2697 entitled:

"A BILL FOR AN ACT RELATING TO TRANSPORTATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit vehicles from driving on the shoulder of a roadway, except in certain circumstances;
- (2) Authorize the Department of Transportation and county police departments to impound vehicles with expired registrations of three years or more and seize and dispose of vehicles with expired registrations of five years or more, under certain conditions;
- (3) Require an annual report to the Legislature;
- (4) Increase the fine amount for owners of out-of-state motor vehicles who fail to register the vehicle in the State; and
- (5) Establish minimum and maximum statutory penalties for violations relating to the use of high occupancy vehicle lanes.



Your Committee received testimony in support of this measure from the Department of Transportation and two individuals.

Your Committee received comments on this measure from the Department of the Attorney General, Judiciary, and one individual.

Your Committee finds that the State is experiencing several critical traffic safety and compliance issues. Road users driving on the shoulder of a roadway pose a serious risk to pedestrians and cyclists and impede emergency vehicles from accessing the shoulder. Your Committee further finds that abandoned and derelict vehicles clutter the State's roadways and create unsafe road conditions. While these vehicles often have registrations that have been expired for three or more years, the Department of Transportation does not currently possess the authority to impound and dispose of these vehicles. Additionally, many road users who own out-of-state vehicles often fail to register their vehicles in the State and therefore do not contribute to the collective maintenance of the State's road infrastructure. Your Committee also finds that authorizing the Department of Transportation to impound and dispose of certain vehicles will contribute to safer roadways. Imposing harsher fines on road users and owners of out-of-state vehicles would deter misuse of the State's roads and encourage compliance with state vehicle registration requirements. This measure will contribute to safer, more efficient roadways and improved traffic management across the State.

Your Committee notes the concern raised by the Department of the Attorney General that this measure, in its current form, does not require a vehicle's registration status to be verified by the Department of Transportation or any county departments of finance before impoundment or seizure. Additionally, this measure does not specify the processes or procedures by which a vehicle owner shall be notified that their vehicle has been impounded or towed, nor does it specify the processes or procedures by which the vehicle shall be impounded or seized. Your Committee also notes the concern raised by the Judiciary that additional time is needed to ensure proper implementation by the courts. Therefore, amendments to this measure are necessary to address these concerns.

Your Committee has amended this measure by:



- (1) Specifying that the Department of Transportation and county police departments shall verify a vehicle's registration status before impounding the vehicle or causing the vehicle to be towed;
- (2) Deleting language that would have authorized the Department of Transportation to impound a vehicle parked in certain locations with an expired registration of three years or more;
- (3) Deleting language that would have held the owner of an impounded vehicle liable for the penalties incurred, cost of storage, and other charges incident to the impoundment of the vehicle;
- (4) Deleting language that would have allowed the Department of Transportation and county police departments to impound a vehicle parked in certain locations with an expired registration of five years or more and dispose of the vehicle by public auction;
- (5) Inserting language to clarify that the Department of Transportation and county police departments may only impound or cause a vehicle to be towed after the Department of Transportation or appropriate county department of finance has verified that the vehicle has not been registered for the previous three years or more;
- (6) Deleting language that would have authorized a law enforcement officer to use a traffic stop to verify the registration status of a vehicle;
- (7) Inserting language allowing the owner of an impounded or towed vehicle to recover the vehicle under certain conditions;
- (8) Deleting language that would have exempted vehicles parked on private property not open for public use;
- (9) Inserting language to specify that the owner of an impounded or towed vehicle shall not be liable for any



towing or storage charges if the vehicle was improperly impounded or towed;

- (10) Inserting language to specify that the owner of an impounded or towed vehicle shall be allowed to recover the vehicle without payment upon presentation of the vehicle's current registration to the towing company;
- (11) Inserting language to require a towing company to allow the owner of an impounded or towed vehicle to enter the vehicle to obtain the vehicle's current registration certificate to establish ownership;
- (12) Changing its effective date to August 1, 2027; and
- (13) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2697, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2697, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,


LORRAINE R. INOUE, Chair



