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TO THE HOUSE COMMITTEE ON JUDICIARY

TWENTY-FIFTH LEGISLATURE  
Regular Session of 2009

Tuesday, February 24, 2009  
2:05 p.m.

**TESTIMONY ON HOUSE BILL NO. 758 – RELATING TO IMPOUNDMENT OF VEHICLES.**

TO THE HONORABLE JON RIKI KARAMATSU, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is J.P. Schmidt, State Insurance Commissioner (“Commissioner”), testifying on behalf of the Department of Commerce and Consumer Affairs (“Department”).

The purpose of this bill is to allow the impoundment of vehicles that fail to comply with: (1) provisions of the Hawaii Highway Safety Act, Hawaii Revised Statutes (“HRS”) chapter 286 (sections 2 to 4 of the bill); and (2) HRS § 431:10C-104 (section 5 of the bill). The Department limits its comments to section 5 of the bill.

The Department supports the intent of this bill, which is to address the problem of uninsured motorists.

Section 5 of the bill allows the County Director of Finance or any police officer to seize and hold an uninsured vehicle for 10 days, based on the failure to display a valid motor vehicle insurance identification card. During the 10-day period, the owner may redeem the vehicle by paying the costs of storage and other charges and by proving that a valid motor vehicle insurance policy has been obtained. After the 10-day period

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has expired, the vehicle may be sold by the Director of Finance at public auction, where public notice is provided and is posted in at least three public places.

There are various means to address the uninsured motorists problem that are worthy of further discussion, including software solutions that help identify uninsured motorists.

We thank this Committee for the opportunity to present testimony on this matter.