

Honolulu, Hawaii

FEB 09 2012

RE: S.B. No. 2296

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Transportation and International Affairs,
to which was referred S.B. No. 2296 entitled:

"A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE INDUSTRY
LICENSING ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require motor vehicles to be insured prior to release from auction;
- (2) Update dealer bonding requirements;
- (3) Change the amount of the additional bond that the Motor Vehicle Industry Licensing Board is authorized to require in order to issue a dealer's license despite previous misconduct of the applicant; and
- (4) Require that an applicant for a dealer's license has a sales location that is zoned for such use, as a condition to issuance of the license.

Your Committee received testimony in support of this measure from the Hawaii Independent Automobile Dealers Association and one individual. Testimony in opposition was submitted by the Motor Vehicle Industry Licensing Board and Insurance Auto Auctions.

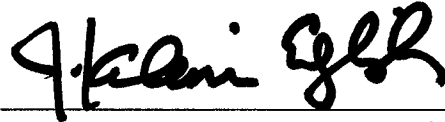
Your Committee finds that this measure is necessary to increase the reliability of automobile dealers in general, and in



particular those who sell motor vehicles through the Internet. It is not the intent of your Committee to stifle the marketplace for motor vehicle sales, but instead to protect the consumer.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2296 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
International Affairs,



J. KALANI ENGLISH, Chair



