July 2, 2019

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai‘i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai‘i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 2, 2019, the following bill was signed into law:

HB270 HD1 SD2 RELATING TO REBUILT VEHICLES.
ACT 199 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai‘i
A BILL FOR AN ACT

RELATING TO REBUILT VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAI'I:

SECTION 1. The legislature finds that existing laws inhibit insurers' ability to push a "rebuilt" or "salvage" title when a total loss is retained by the insured for a flooded vehicle. Modern cars have a significant amount of electronic devices installed throughout the vehicle and are highly vulnerable to sustaining damage during a flood, particularly if salt water is involved. Such vehicles should have a branded title to warn potential subsequent purchasers that the vehicle has been declared a total loss and might have hidden defects that could affect its safe operation.

Accordingly, the purpose of this Act is to expand the definition of "rebuilt vehicle" to include motor vehicles that have been rebuilt after flood damage and material damage to the vehicle's electronics and define "flood damage".

SECTION 2. Section 286-2, Hawaii Revised Statutes, is amended as follows:
1. By adding a new definition to be appropriately inserted and to read:

"Flood damage" means damage caused to any electrical, computerized, or mechanical component, or interior of a vehicle that has been submerged in water to the point that water has entered the passenger compartment or engine."

2. By amending the definition of "rebuilt vehicle" to read:

"Rebuilt vehicle" means any vehicle which has been declared a total loss by an insurer and has been rebuilt or repaired to operate on public highways. For the purpose of this definition, a vehicle is a total loss only if there is material damage, including flood damage, to the vehicle's electronics, frame, unitized structure, or suspension system, and the projected cost of repairing the damage exceeds the market value of the vehicle at the time of the incident causing it to be declared a total loss."

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.
APPROVED this 02 day of JUL, 2019

GOVERNOR OF THE STATE OF HAWAII
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2019
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.

Scott K. Saiki
Speaker
House of Representatives

Brian L. Takeshita
Chief Clerk
House of Representatives
THE SENATE OF THE STATE OF HAWAI‘I

Date: April 9, 2019
Honolulu, Hawai‘i 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the Senate of the Thirtieth Legislature of the State of Hawai‘i, Regular Session of 2019.

[Signature]
President of the Senate

[Signature]
Clerk of the Senate