A BILL FOR AN ACT

RELATING TO REBUilt VEHICLES.

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

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 or damage to the vehicle's electronics. Modern cars have a significant amount of electronic devices installed throughout the vehicle and are highly vulnerable to flood damage, particularly if salt water is involved. Such a vehicle warrants greater consumer protection against potential hidden defects that could affect its safe operation.

Accordingly, the purpose of this Act is to provide greater consumer protection and promote public safety by including flood damage and material damage to a motor vehicle's electronics in the definition of "rebuilt vehicle".

SECTION 2. Section 286-2, Hawaii Revised Statutes, is amended by amending the definition of "rebuilt vehicle" to read as follows:
"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. Section 286-51.5, Hawaii Revised Statutes, is amended to read as follows:

"[§]286-51.5[§] Junking of nonrepairable or flood-damaged vehicle. (a) Any owner of a vehicle, whether it is currently registered or not currently registered, which is incapable of safe operation for use on the public highway and which has no resale value except as a source of parts or scrap only, or which the owner irreversibly designates as a source of parts or scrap, may junk the vehicle upon presenting to the director of finance a signed statement of fact of the junking together with such other relevant facts as may be required by the director of finance, and the signed certificate of title. All nonrepairable
vehicles that are junked under this [section] subsection shall never again be titled or registered.

(b) A rebuilt vehicle declared a total loss due to flood damage to the vehicle's electronics pursuant to section 286-2 shall never again be titled or registered."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 3000.
Report Title:
Rebuilt Vehicle; Flood Damage; Electronics; Branded Title

Description:
Expands the definition of "rebuilt vehicle" to include vehicles that have been rebuilt after being declared a total loss due to flood damage and material damage to the vehicle's electronics. (SB822 HD1)

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