

Honolulu, Hawaii

, 2018

MAR 22

RE: S.B. No. 2490
S.D. 1
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2490, S.D. 1, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to modernize Hawaii's motor vehicle industry licensing laws by:

- (1) Specifying certain recall reimbursement or repair requirements for manufacturers where a stop-sale order has been issued;
- (2) Authorizing a license holder to engage in business at motor vehicle dealer locations that are affiliated by common ownership under the same license;
- (3) Clarifying when certain manufacturers' or distributors' sales or service performance standards shall be deemed unreasonable, arbitrary, or unfair; and
- (4) Prohibiting a manufacturer or distributor from requiring a dealer to perform certain construction or renovations to the dealer's facilities; purchase items for a



dealership facility in certain circumstances; or provide certain information related to customer information, unless certain conditions are met.

The Motor Vehicle Industry Licensing Board and Hawaii Automobile Dealers' Association supported this measure. The Alliance of Automobile Manufacturers provided comments.

Your Committee has amended this measure by:

- (1) Specifying that when the manufacturer has issued a stop-sale order on the vehicle, the manufacturer shall compensate the dealer at a prorated rate of at least one percent of the value of the vehicle per month; and
- (2) Expanding the applicability of certain recall reimbursement or repair requirements to used vehicles subject to a stop-sale order that are in the dealer's inventory at the time the stop-sale order was issued or are taken into the used vehicle inventory of the dealer as a result of a consumer trade-in after the stop-sale order was issued.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2490, S.D. 1, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2490, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2490, SPI, HDI	Committee Referral: TRN, CPC, FIN	Date: 3/20/18		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. ITO, Ken	✓			
5. JOHANSON, Aaron Ling				✓
6. LoPRESTI, Matthew S.	✓			
7. MIZUNO, John M.				✓
8. SAY, Calvin K.Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. YAMANE, Ryan I.	✓			
11. McDERMOTT, Bob				✓
TOTAL (11)	0	0	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. _____ committee acronym(s)				
Vice Chair's or designee's signature: <i>Linda Ichizawa</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				