

HADA TESTIMONY OPPOSED to SB2495 RELATING TO USED MOTOR VEHICLES Presented to the Senate Committee on Commerce, Consumer Protection and Health At the Public Hearing, 9 a.m.. Thursday, February 20, 2020 Conference Room 229, Hawaii State Capitol by David H. Rolf for members of the Hawaii Automobile Dealers Association, Hawaii's franchised new car dealers, who provide sales, warranty work and other factory-certified maintenance service for Hawaii's privately-owned and fleet-owned cars and light trucks

Chair Baker, vice chair Chang and members of the committee:

Any change, requiring two keys, in the language of HRS481J2, the written warranty requirements for used motor vehicles sold in the State, will require a reprinting of the more than 100,000 USED CAR BUYERS GUIDES posted on all used motor vehicles at some 200 dealerships (70 new car dealerships and 130 independent used car dealerships), and, for some, the change will involve a reprogramming of a dealership's software.

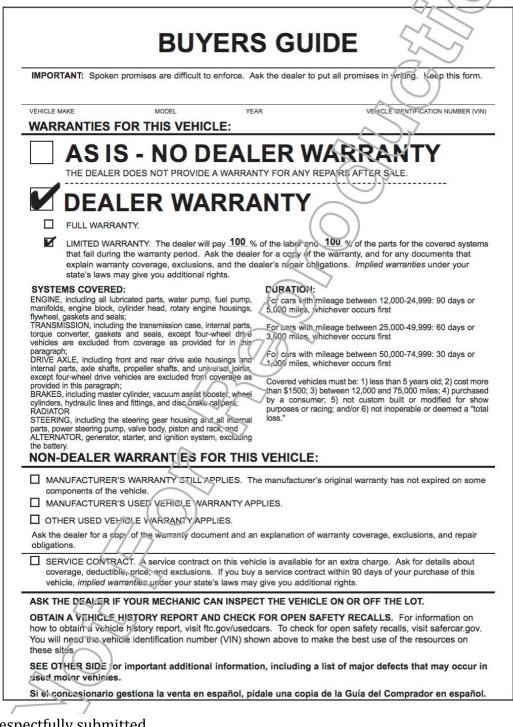
The process involves working with the companies that print the forms, and can take months, and even longer if other changes have to be incorporated.

A second issue, is that the "...or replacing" language in the bill could be interpreted to mean that even if a key were lost by the customer during the warranty period, that the dealer would have to replace a key—some of which (as a key fob, including the reprogramming cost) can cost \$220 to \$500 in some luxury vehicles.

Two keys are generally provided. New car dealers report that their auto manufacturer franchise agreement for Certified Pre-Owned Vehicles requires that two keys (fobs) be provided at time of purchase.

One dealer reported that for other used vehicles, two keys are generally provided. Generally, the customer trading in the vehicle provides a vehicle's two keys at trade-in time. When one key was provided at trade-in, the purchasing customer of that trade-in vehicle was encouraged to purchase a second key, but the option was the customer's.

For the aforementioned reasons, HADA dealers oppose SB2495, and respectfully asks that the committee defer the measure. Please see the copy of the USED CAR BUYERS GUIIDE., required to be posted on each used vehicle.



Respectfully submitted,

David H. Rolf

For the Members of the Hawaii Automobile Dealers Association

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