STAND. COM. REP. NO. 865

Honolulu, Hawaii

MAR 0 2 2007

RE: S.B. No. 1011

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred S.B. No. 1011 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE KEY INFORMATION ACCESS,"

begs leave to report as follows:

The purpose of this measure is to require motor vehicle manufacturers to allow registered owners, through a registered locksmith, to access information necessary to produce replacement vehicle keys.

Your Committee received testimony in support of this measure from the Property Casualty Insurers Association of America, AAA-Hawaii, AAA-California, Pacific Locksmiths, and five individuals. Testimony in opposition to this measure was submitted by the Motor Vehicle Industry Licensing Board, the Hawaii Automobile Dealers' Association, and the Alliance of Automobile Manufacturers.

Your Committee finds, based upon some of the testimony presented, that it has become increasingly common for motorists to undertake significant costs or to wait for prolonged periods of time in order to get replacement keys for their vehicles when the keys become lost, stolen, or damaged. Based upon testimony presented to your Committee, it appears that locksmiths are unable to fashion new keys without certain types of information, which sometimes requires the locksmith to dismantle parts of the vehicle to obtain it. If locksmiths are still unable to fashion a new

key, motorists are sometimes required to wait until a new key can be sent from the mainland.

While your Committee notes the concerns raised by those in opposition that this measure bypasses the security measures the motor vehicle industry has implemented to safeguard the security of their products, your Committee finds that this measure should proceed in the legislative process to allow a continued dialog among the interested parties.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and style, and by changing the effective date to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1011, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1011, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committee on Commerce, Consumer Protection, and Affordable Housing,

BRIAN T. TANIGUCHI, Chalr

The Senate Twenty-Fourth Legislature State of Hawaii

Record of Votes Committee on Commerce, Consumer Protection and Affordable Housing CPH

Bill / Resolution No.:*	Committee Referral:			Date: 2/2767	
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)					
IGE, David Y. (VC)					
ESPERO, Will					
IHARA, Jr., Les					
SAKAMOTO, Norman					
SLOM, Sam					
TOTAL		3	1		2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					