

From: Dave Rolf [drolf@hawaiiidealer.com]
Sent: Friday, March 13, 2009 12:25 PM
To: CPCtestimony
Subject: HADA testimony in support of SB 520 SD1 for hearing 2:20 p.m. Monday, March 16, 2009, Rm 325 (view in print format)

March 13, 2009

Testimony in STRONG SUPPORT SB 520 SD1
(which includes the stakeholder agreed-upon language)

RELATING TO THE MOTOR VEHICLE INDUSTRY LICENSING ACT

Presented to the House Committee on Commerce Protection & Commerce
For the public hearing 2:20 p.m. Monday, March 16, 2009
Conference Room 325, Hawaii State Capitol

Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association
Hawaii's franchised new car dealers

Chair Herkes and members of the committee:

Hawaii's franchised new car dealers thank you for the opportunity to offer strong support for adding clarifying language to HRS 437-12 regarding possession or proof of possession of the legal ownership certificate --required for a dealer to sell or advertise a new or used car.

After discussions with members of the Motor Vehicle Industry Licensing Board (MVILB) and Hawaii Independent Automobile Dealers Association (HIADA), and other stakeholders, including Manheim Hawaii Auto Auction, and the Hawaii Insurers Council, the following amended language to SB 520 SECTION 1 was agreed upon:

SECTION 1. Section 437-12, Hawaii Revised Statutes, is amended to read as follows:

"§437-12 Legal ownership certificates. (a) Possession [or proof of possession] of or right to possess legal ownership certificate. No dealer shall sell or advertise for sale a new motor vehicle unless the dealer has in the dealer's possession the actual legal ownership certificate, or a certificate of origin or its equivalent issued by a manufacturer or distributor to the dealer, for the subject motor vehicle. No dealer shall sell or advertise for sale a used motor vehicle unless the dealer has in the dealer's possession the actual legal ownership certificate or proof of [possession of] the right to possess the legal ownership certificate [of] for the subject motor vehicle, and evidence that all liens on the subject motor vehicle have been satisfied.

(b) Delivery of legal ownership certificate. The legal ownership certificate shall be delivered within the time period [provided] specified in section 286-52(b)."

HADA testimony in support of amendment to SB 520 for CPN hearing 8:30 a.m.

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Without such a clear definition there may be a severe financial penalty for customers to bear in lowered trade-in values because without this needed clarity in the law some dealers may feel it necessary to hold the vehicles until the actual certificate of ownership of the vehicle (title) arrives—even though, after payoff of any outstanding liens, along with documents showing transfer of ownership of the vehicle to the dealer by the former owner, the dealer has the right to possess the vehicle. Other states have addressed this with similar methods to allow dealers to sell or advertise a vehicle.

We appreciate the opportunity to work with stakeholders and the legislature in crafting language that meets the needs of all parties.

We respectfully request adoption of the proposed amended language and subsequent passage of SB 520 SD1.

Respectfully submitted,
The Hawaii Automobile Dealers Association

David H. Rolf

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**PRESENTATION OF THE
MOTOR VEHICLE INDUSTRY LICENSING BOARD**

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, March 16, 2009
2:20 p.m.

**TESTIMONY ON SENATE BILL NO. 520, S.D.1 – RELATING TO THE MOTOR
VEHICLE INDUSTRY LICENSING ACT.**

TO THE HONORABLE ROBERT N. HERKES, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Werner Umbhau and I am a public member of the Motor Vehicle Industry Licensing Board ("Board"). Thank you for the opportunity to submit testimony in support of S.B. No. 520, S.D.1, relating to the Motor Vehicle Industry Licensing Act. The Board has met on this bill and authorized me to speak on its behalf.

For the Committee's information, you heard the companion bill, H.B. No. 270 on January 29, 2009, where the Board testified with grave concerns. H.B. No. 270 passed out of Committee unamended; however, it did not cross over to the Senate.

During the interim, the Board worked closely with the proponents of the bill and other stakeholders and successfully forged compromise language for this companion measure S.B. No. 520. The contents of S.B. No. 520, S.D.1 represents such compromise language which the Board fully supports. It provides needed protections for consumers in that it ensures consumers will receive clear title to the vehicle from the dealer.

The Board thanks you for the opportunity to testify on S.B. No. 520, S.D.1.