STAND. COM. REP. NO.

Honolulu, Hawaii March , 2013 RE: H.B. No. 602 H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 602, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLES,"

begs leave to report as follows:

The purpose of this measure is to work toward ensuring that all motor vehicles in Hawaii are registered and insured by:

- Prohibiting a towing company from releasing a towed motor vehicle unless the party recovering the motor vehicle provides proof that the motor vehicle is registered and insured; and
- (2) Requiring county ordinances that regulate towing operations to include the above-mentioned prohibition.

State Farm supported this measure. Several individuals opposed this measure.

Your Committee notes that the measure has been amended by, among other changes, removing the proof of insurance requirement. Your Committee notes that the problem with fraudulent or expired insurance policies is rampant, but concerns exist as to whether or not requiring tow yard operators to check for motor vehicle insurance at the time of release may have unintended negative consequences. Subsequently, your Committee wishes to highlight that the Legislature has convened an Uninsured Motorist Task Force



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to address these issues, the results and suggestions of which are encompassed in Senate Bill 495 (2013), which may ultimately be a better vehicle for addressing the above-mentioned concerns.

Your Committee has amended this measure by:

- Deleting the requirement that a party recovering a motor vehicle provide proof that the motor vehicle is insured before the towing company releases the towed motor vehicle to the party;
- (2) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 602, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 602, H.D. 2.

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

ANGUS L.K. MCKELVEY, Chair



State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 602 HD1 T	HI/Resolution No.: HB 602 HD1 Committee Referral: TRN, CPC 2/25/13				
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. McKELVEY, Angus L.K. (C)	1/				
2. KAWAKAMI, Derek S.K. (VC)					
3. BELATTI, Della Au	1				
4. BROWER, Tom	1			/	
5. CABANILLA, Rida T.R.					
6. CACHOLA, Romy M.					
7. CARROLL, Mele					
8. EVANS, Cindy					
9. HAR, Sharon E.					
10. ITO, Ken					
11. LEE, Chris	Vi				
12. TSUJI, Clift	1				
13. YAMANE, Ryan I.					
14. MCDERMOTT, Bob					
15. THIELEN, Cynthia					
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TOTAL (15)	1			4	
The recommendation is: Adopted If joint referral, did not support recommendation.					
committee acronym(s)					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					