

JAN 24 2018

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# A BILL FOR AN ACT

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RELATING TO RECONSTRUCTED VEHICLES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1.   Section 286-42, Hawaii Revised Statutes, is  
2   amended by amending subsection (a) to read as follows:

3       "(a)   The county director of finance shall examine and to  
4   the best of the director's ability determine the genuineness and  
5   regularity of every registration and transfer of registration of  
6   a vehicle pursuant to this part to ensure that every certificate  
7   issued for a vehicle contains true statements of the ownership  
8   of the vehicle and to prevent the registration of a vehicle by  
9   any person not entitled to the vehicle.   The director of finance  
10   may require any applicant to furnish information, in addition to  
11   that contained in the application, that is necessary to satisfy  
12   the director of finance of the truth and regularity of the  
13   application.   The director of finance may accept any county  
14   certificate of title issued for a vehicle as prima facie  
15   evidence of ownership for registration and transfer of  
16   registration.   The director may issue vehicle identification  
17   numbers for [~~reconstructed vehicles,~~] special interest  
18   vehicles[~~7~~] or motorcycles that do not have vehicle

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1 identification numbers if the director determines that the  
2 requirements of this section have been met.

3       The county director of finance may register a motorcycle  
4 with an aftermarket motorcycle frame, using the number of the  
5 frame as issued by the manufacturer of the frame, the vehicle  
6 identification number on the certification label, or a vehicle  
7 identification number assigned by the director of finance. A  
8 bill of sale and Manufacturer's Statement of Origin for the  
9 frame, engine, and transmission must be presented and retained  
10 as a part of the permanent county registration records. If a  
11 Manufacturer's Statement of Origin is not available for the  
12 engine and transmission due to the use of a used or  
13 reconstructed engine, transmission, or both, then a bill of sale  
14 or other proof of ownership, satisfactory to the director of  
15 finance must be presented. Except for motorcycles that are  
16 built on an aftermarket motorcycle frame[7] and special interest  
17 vehicles[~~7 and reconstructed vehicles~~], any motor vehicle or  
18 device that is not certified by the manufacturer to be in  
19 compliance with all applicable Federal Motor Vehicle Safety  
20 Standards as of the date of [7]manufacture[7] shall not be  
21 registered."

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1       SECTION 2. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun, before its effective date.

4       SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6       SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

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# S.B. NO. 2827

**Report Title:**

Transportation; Reconstructed vehicles; Vehicle Identification Number

**Description:**

To amend the law relating to County finance director's duties by removing authority to issue a vehicle identification number to a reconstructed motor vehicle.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

## JUSTIFICATION SHEET

DEPARTMENT: Transportation

TITLE: A BILL FOR AN ACT RELATING TO RECONSTRUCTED VEHICLES.

PURPOSE: To amend the law relating to a County finance director's duties by removing authority to issue a vehicle identification number (VIN) to a reconstructed motor vehicle.

MEANS: Amend section 286-42(a), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Some vehicle owners have been taking advantage of an apparent loop-hole in the registration law that allows a vehicle to be registered in Hawaii that is not certified by its manufacturer to comply with all applicable Federal Motor Vehicle Safety Standards (FMVSS) as of the date of manufacture.

Section 286-42(a) requires a vehicle to have a certification label and a 17-character VIN to be registered in Hawaii. Vehicles lacking these must be brought into compliance with FMVSS by a registered importer (RI) who, after completing the required modifications, affixes a RI certification label, which allows the vehicle to be registered. This provision prevents the importation of non-compliant vehicles, which impacts motor vehicle safety.

Recently, people have been getting uncertified vehicles registered by modifying the suspension and then getting a reconstructed vehicle inspection. The reconstructed vehicle inspector only inspects the modified portion of the vehicle for compliance with the reconstructed vehicle rules, which do not require a certification label. If the vehicle passes inspection, it receives a reconstructed vehicle permit, which is associated with the vehicle by an

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assigned VIN. If the vehicle has a foreign label with something in English resembling a VIN, that number is used as a VIN. If there is no number, the police department can issue a unique VIN, provided no stolen parts are identified. Next, the vehicle is inspected by a safety inspector, who will fail it for not being registered. The failure notice and reconstructed vehicle permit are presented to the registration clerk and registration documents are made. This allows the safety inspection to be passed, and then the vehicle is ready for use on the public roads.

Removing the provision for issuing a VIN to a reconstructed vehicle will prevent these vehicles from being registered.

Impact on the public: The current situation is allowing more and more uncertified vehicles to be imported by opportunists who sell the vehicles without making any modification to them. The new owner then circumvents section 286-42(a), HRS via the above procedure. By amending section 286, HRS, such circumvention is stopped, resulting in the vehicle population having a higher percentage of safe cars, which will contribute toward improved highway safety.

Impact on the department and other agencies: There is no anticipated impact on the department or other agencies.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	TRN 595.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.