Honolulu, Hawaii Ebruay 9, 2018

RE: H.B. No. 2433 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2018 State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2433 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INDUSTRY LICENSING ACT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow a holder of a motor vehicle industry dealer license to engage in the same business at another motor vehicle dealer location affiliated by common ownership within the same county;
- (2) Require manufacturers and distributors to compensate dealers for the value of vehicles that have been recalled and not saleable;
- (3) Clarify the rights and obligations of dealers, manufacturers, and distributors with respect to improvements and upgrades on dealers' facilities and dealers' performance standards; and
- (4) Establish security, disclosure, and liability requirements for dealers' business information, including customer information.



The Motor Vehicle Industry Licensing Board, Hawaii Automobile Dealers' Association, Association of Global Automakers, Inc., Automotive Trade Association Executives, and Alliance of Automobile Manufacturers provided comments to this measure.

Your Committee has amended this measure by:

- (1) Specifying the method of calculating the amount that the dealer is to be compensated for the value of a recalled vehicle;
- (2) Clarifying circumstances in which a dealer deviation from franchise agreements is exempt from penalties or withdrawal of incentives;
- (3) Prohibiting manufacturers and distributors from penalizing dealers for withholding access to business information, including customer data and making manufacturers and distributors liable for costs incurred or damages caused by the manufacturer's or distributor's access to dealer data;
- (4) Changing its effective date to July 1, 2050; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2433, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Transportation,

HENRY J.C. AQUINO🕻 Chair

HB2433 HD1 HSCR TRN HMS 2018-1893

State of Hawaii House of Representatives The Twenty-ninth Legislature

HSCR 198-18

Record of Votes of the Committee on Transportation

Bill/Resolution No.: +B 2433	Committee TRN 1	Referral: CPC FIN	Date	2/1/18	
☐ 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)					
TRN Members		Ayes	Ayes (WR)	Nays	Excused
1. AQUINO, Henry J.C. (C)					
2. QUINLAN, Sean (VC)					
3. BROWER, Tom					
3. DROWER, Tom					
4. HASHEM, Mark J.					
5. NAKAMURA, Nadine K.					
6. SAN BUENAVENTURA, Jo	y A.				
7 MaDEDMOTT Pob					
7. McDERMOTT, Bob					

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TOTAL (7)		6		\mathcal{O}	\
	Adopted pint referral,	□ Not Adopted 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					