STAND. COM. REP. NO. 1195-18

Honolulu, Hawaii

MAR 16 ' 2018

RE: S.B. No. 2490

S.D. 1 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 S.B. No. 2490, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Specify certain recall reimbursement or repair requirements for manufacturers where a stop-sale order has been issued;
- (2) Authorize a license holder to engage in business at motor vehicle dealer locations that are affiliated by common ownership under the same license;
- (3) Clarify when certain manufacturers' or distributors' sales or service performance standards shall be deemed unreasonable, arbitrary, or unfair; and
- (4) Prohibit a manufacturer or distributor from requiring a dealer to perform certain construction or renovations to the dealer's facilities; purchase items for a dealership facility in certain circumstances; or provide certain

information related to customer information; unless certain conditions are met.

The Motor Vehicle Industry Licensing Board, Alliance of Automobile Manufacturers, and Hawaii Automobile Dealers' Association provided comments on this measure.

Your Committee has amended this measure by:

- (1) Changing to an unspecified amount the rate which a manufacturer is required to reimburse a dealer where no part or repair is reasonably available and the used vehicle is subject to a stop-sale order;
- (2) Specifying that under certain circumstances where a dealer is required by a manufacturer's or distributor's to make reasonable facility improvements and technological upgrades, and the dealer does not comply, the dealer is not eligible for any related facility-related incentives and benefits;
- (3) Clarifying the rights and obligations of dealers, manufacturers, and distributors with respect to the manufacturer or distributors access to the dealer's customer and proprietary 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 S.B. No. 2490, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

STAND. COM. REP. NO. 1195-18 Page 3

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

ENRY I C AQINO dair

HSCR 1195-18

State of Hawaii House of Representatives The Twenty-ninth Legislature

Record of Votes of the Committee on Transportation

	tee Referral: J1CPC1F11	Date	3/14/	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)				STATE OF THE PROPERTY AND STATE
3. BROWER, Tom			u agamangan sayunun kaling sayun s	
4. HASHEM, Mark J.			w.	
5. NAKAMURA, Nadine K.		Manual Ma		
3. NAKAMUKA, Naume K.				
6. SAN BUENAVENTURA, Joy A.				
7. MCDERMOTT, Bob				
		-		
TOTAL (7)	6	0	0	
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				