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## STATE OF HAWAII OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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# PRESENTATION OF DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE SENATE COMMITTEE ON WAYS AND MEANS

TWENTY-NINTH LEGISLATURE REGULAR SESSION OF 2018

Tuesday, March 29, 2018 10:50 a.m.

#### WRITTEN TESTIMONY ONLY

HOUSE BILL NO. 2349 H.D.1, S.D.1, RELATING TO CITATIONS FOR MOTOR VEHICLE REPAIR VIOLATIONS.

TO THE HONORABLE DONAVAN DELA CRUZ, CHAIR, AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on H.B. 2349 H.D.1, S.D.1, Relating to Citations for Motor Vehicle Repair Violations. My name is Daria Loy-Goto, and I am the Complaints and Enforcement Officer for the Department's Regulated Industries Complaints Office ("RICO"). The Department strongly supports this administration bill.

This bill authorizes RICO to issue citations to motor vehicle repair licensees for the following three technical violations of the motor vehicle repair laws: (1) failure by a repair dealer to conspicuously display a registration or certification certificate; (2) failure by a repair dealer to conspicuously post required signage containing contact information for the Motor Vehicle Repair Industry Board; and (3) failure by a mechanic to carry or

have readily available for inspection the pocket card issued by the Department indicating proof of registration. S.D. 1 amends this measure by clarifying that the ability to issue citations covers violations of rules adopted pursuant to Hawaii Revised Statutes chapters 473B and 91 and changing its effective date to July 1, 2018.

The citation process requires personal service of the citation upon the licensee and affords the licensee an opportunity to request a hearing to contest the citation within twenty calendar days from the service of the citation. This bill also provides that failure to pay any assessed fine within thirty calendar days, unless the licensee contests the citation, may subject the licensee to further disciplinary action.

To address issuing citations to licensees, RICO submitted legislative proposal S.B. 2863 in 2016, authorizing it to issue citations to massage therapy licensees for technical violations of massage therapy laws. The bill was enacted as Act 146 and has resulted in a more efficient and effective use of RICO resources.

During the 2017 legislative session, RICO proposed a similar bill, S.B. 947, to allow it to issue citations to cosmetology licensees. Pursuant to Act 148, RICO is now able to cite these licensees for technical violations of beauty culture laws.

These recent citation laws have positively impacted RICO's efforts to curb violations by licensees, ensure swift compliance, and more effectively allocate its resources. Similarly, the enforcement mechanisms in H.B. 2349 H.D. 1, S.D. 1 will significantly enhance RICO's ability to address technical violations of the motor vehicle repair licensing laws by licensees.

Thank you for the opportunity to testify in strong support of this administration bill, and we ask for your favorable consideration.

### PRESENTATION OF THE MOTOR VEHICLE REPAIR INDUSTRY BOARD

TO THE SENATE COMMITTEE ON WAYS AND MEANS

TWENTY-NINTH LEGISLATURE Regular Session of 2018

Thursday, March 29, 2018 10:50 a.m.

#### WRITTEN TESTIMONY ONLY

TESTIMONY ON HOUSE BILL NO. 2349, H.D. 1, S.D. 1, RELATING TO CITATIONS FOR MOTOR VEHICLE REPAIR VIOLATIONS.

TO THE HONORABLE DONOVAN M. DELA CRUZ, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Marie Weite, and I am the Chairperson of the Motor Vehicle Repair Industry Board ("Board"). Thank you for the opportunity to testify in support of H.B. 2349, H.D. 1, S.D. 1, Relating to Citations for Motor Vehicle Repair Violations.

The Board concurs with the issuance of a citation for specific violations of motor vehicle repair laws by licensees, as well as the process set forth for licensees to contest the citation and for the assessment of fines for each violation.

Thank you for the opportunity to provide written testimony in support of H.B. 2349, H.D. 1, S.D. 1.