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# A BILL FOR AN ACT

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RELATING TO CONSUMER PROTECTION.

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

1       SECTION 1. The legislature finds that consumers have  
2       traditionally understood the purchase or lease of a motor  
3       vehicle to include ownership or use of the physical features and  
4       functions installed on that vehicle at the time of sale. For  
5       generations, when consumers paid for goods— such as appliances,  
6       tools, or vehicles— they reasonably expected to own and use the  
7       included features without being subject to ongoing fees.

8       The legislature further finds that, in recent years,  
9       manufacturers across multiple industries have increasingly  
10      adopted business models that convert formerly owned goods into  
11      subscription-based services. This practice has expanded beyond  
12      the digital content and services into physical products,  
13      including motor vehicles, where consumers are charged recurring  
14      fees to access features that rely on hardware already installed  
15      in the product and for which the consumer has already paid.

16      The legislature finds that this proliferation of post-sale  
17      subscription fees undermines consumer expectations, erodes the



1 concept of ownership, and shifts economic risk and cost onto  
2 consumers without providing corresponding ongoing value. In the  
3 context of motor vehicles, these practices can result in  
4 consumers paying repeatedly for basic convenience or safety  
5 features— such as heated seats or other vehicle functions— that  
6 would otherwise operate without any continuing cost or service.

7 The legislature further finds that these subscription-based  
8 restrictions are often not clearly disclosed at the point of  
9 sale, leaving consumers unaware that features advertised as part  
10 of the vehicle may be disabled or withheld unless additional  
11 recurring payments are made. Such practices can be misleading,  
12 reduce price transparency, and limit consumers' ability to make  
13 informed purchasing decisions.

14 The legislature recognizes that while subscription services  
15 are appropriate and justified for features that require ongoing  
16 data connectivity, third-party services, or continuous  
17 operational support, it is neither fair nor reasonable to  
18 require consumers to pay recurring fees for the use of hardware  
19 and functionality already installed and fully capable of  
20 operating without ongoing cost.



1       Accordingly, the purpose of this Act is to protect  
2 consumers from unfair and deceptive subscription practices,  
3 preserve reasonable expectations of ownership, promote  
4 transparency at the point of sale, and ensure that consumers are  
5 not required to repeatedly pay for features they have already  
6 purchased as part of their motor vehicle.

7       SECTION 2. Chapter 481B, Hawaii Revised Statutes, is  
8 amended by adding a new section to be appropriately designated  
9 and to read as follows:

10       "§481B-     Vehicle feature subscriptions.   (a)   As used in  
11 this section:

12       "Consumer" means the purchaser, or lessee, other than for  
13 the purposes of resale, of a motor vehicle.

14       "Dealer" shall have the same meaning as such term is  
15 defined by section 437-1.1.

16       "Manufacturer" means a person or business engaged in the  
17 manufacturing or assembling of new motor vehicles.

18       "Motor vehicle feature" means any convenience or safety  
19 function included on the motor vehicle, including but not  
20 limited to heated seats that typically is offered to a consumer



1 as an upgrade at the time of purchase or lease of the motor  
2 vehicle.

3 "Subscription service" means a service provided on a  
4 subscription basis in exchange for a recurring payment,  
5 including, but not limited to, a weekly, monthly, or annual  
6 payment charged to and made by a consumer but shall not include  
7 a consumer's reoccurring payment made pursuant to a retail  
8 installment contract or lease contract for the purchase or lease  
9 of a motor vehicle.

10 (b) No manufacturer, dealer, or agent of a manufacturer or  
11 dealer shall offer to a consumer a subscription service for any  
12 motor vehicle feature that:

13 (1) Utilizes components and hardware already installed on  
14 the motor vehicle at the time of purchase or lease by  
15 the consumer; and

16 (2) Is capable of functioning based solely on hardware and  
17 software already installed on the motor vehicle at the  
18 time of purchase or lease, without reliance on  
19 external data networks or third-party services.

20 (c) The provisions of this section shall not:



- 1        (1) Apply to navigation system updates, infotainment  
2        features, satellite radio, in-vehicle WI-FI,  
3        telematics services, roadside assistance, software-  
4        dependent driver assistance or driver automation  
5        features, or vehicle-connected services that rely on  
6        cellular or other data networks for continue  
7        operation; or
- 8        (2) Be construed to prohibit a dealer or manufacturer from  
9        providing any software update to the consumer,  
10       provided the dealer or manufacturer does not charge  
11       the consumer a fee for any software update remedying a  
12       safety-related defect that is required to be provided  
13       to the consumer at no cost as required by title 49  
14       Code of Federal Regulations section 573.6.
- 15       (d) Penalties for a violation of this section shall be  
16       assessed according to the following:
- 17       (1) Any manufacturer, dealer, or agent of a manufacturer  
18       or dealer that violates this section shall be subject  
19       to a civil penalty or not less than \$1,000 per  
20       violation;



1        (2) Each motor vehicle sold or leased in violation of this  
2        section shall constitute a separate violation;

3        (3) For a second or subsequent violation, the civil  
4        penalty shall be not less than \$5,000;

5        (4) Civil penalties imposed under this section shall be in  
6        addition to any other remedies or penalties available  
7        under law; and

8        (5) In addition to civil penalties, the enforcing  
9        authority may order restitution of any subscription  
10       fees improperly charged to consumers.

11       (e) The following disclosure requirements shall apply to  
12       this section:

13       (1) Prior to the completion of a motor vehicle sale or  
14       lease, a manufacturer or dealer shall provide the  
15       consumer with a clear and conspicuous written  
16       disclosure identifying:

17       (A) Each motor vehicle feature included on the  
18       vehicle that requires a subscription service for  
19       activation or continued use;



- 1           (B) Whether the feature relies on hardware already  
2           installed on the motor vehicle at the time of  
3           purchase or lease;
- 4           (C) The cost of any required subscription service,  
5           including the amount and frequency of recurring  
6           charges; and
- 7           (D) Whether the feature will be disabled, limited, or  
8           unavailable if the consumer does not purchase or  
9           renew the subscription service;
- 10          (2) The disclosure required under this subsection shall be  
11          provided:
  - 12           (A) As a standalone document separate from the retail  
13           installment contract or lease agreement;
  - 14           (B) In plain language in a font size and format  
15           reasonably calculated to be noticed and  
16           understood by a consumer; and
  - 17           (C) Shall also be included on the vehicle's window  
18           sticker or Monroney label, if applicable; and
- 19          (3) A manufacturer or dealer shall not represent that a  
20          motor vehicle feature is included in the purchase or  
21          lease price of the vehicle if the feature requires a



1        subscription service for activation or continued use,  
2        unless the disclosure required under this subsection  
3        is provided.

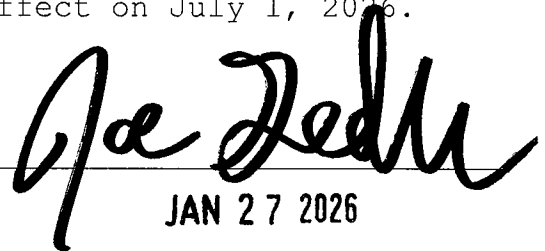
4        (4) Failure to provide the disclosure required under this  
5        subsection shall constitute a violation of this  
6        section and shall be subject to the civil penalties  
7        provided in subsection (d)."

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

11       SECTION 3. New statutory material is underscored.

12       SECTION 4. This Act shall take effect on July 1, 2026.

13       INTRODUCED BY: \_\_\_\_\_

  
JAN 27 2026





**Report Title:**

Consumer Protection; Motor Vehicles; Subscriptions; Penalties

**Description:**

Prohibits auto manufacturers and dealers from charging a post-sale subscription fee for hardware that is already installed at the time of purchase. Establishes penalties and fines.

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