

**A Bill for an Act Relating to Motor Vehicle Industry Licensing.**

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The purpose of this Act is to allow motor vehicle salesmen to commence employment immediately upon applying for a salesman's license, in order to enable them to earn a living during the interim before issuance of such a license, which often can last several months due to administrative delays.

SECTION 2. Section 437-7, Hawaii Revised Statutes, is amended to read:

**"Sec. 437-7 Application for issuance or renewal of license.** (a) Application. Any person desiring the issuance of a license under this chapter shall file an application therefor with the motor vehicle industry licensing board. Prior to the expiration of the term of a license, the holder shall file an application for renewal of the license. The board shall prescribe the form, information required, manner, and time for presentation of applications for issuance or renewal of licenses issued under this chapter, except as otherwise provided herein.

(b) A person applying for a salesman's license under this section shall be granted a temporary license by the executive secretary of the board, provided no patent disqualification of the applicant is disclosed or no valid objection to the granting of the temporary license is apparent and if all requirements relative to the filing of the application appear to have been met, including compliance with section 437-21, and the dealer files an affidavit certifying that this person is employed by and under the supervision of such dealer. A fee of \$10 shall be charged for the issuance of the temporary license, and such license shall remain in effect until the board acts on his application for a permanent license.

(c) Financial statements.

(1) Applicants for the issuance of a dealer's or auction's license shall furnish the following financial statements to the board:

(A) Sole proprietorship. An applicant proposing to operate as a sole proprietorship shall furnish a personal financial statement and a financial statement of the proposed business.

(B) Partnership. An applicant proposing to operate as a partnership shall furnish a personal financial statement for each general partner and a financial statement of the partnership.

(C) Corporation. A corporate applicant shall submit a corporate financial statement.

(2) The board shall determine and prescribe the requirement of, form, and information required, in financial statements for applicants for other licenses.

(3) All financial statements shall be certified as to accuracy by a public or certified public accountant or verified as to accuracy by the applicant under oath.

(d) Filing fees. All applicants for the issuance of a new license shall pay a \$25 filing fee concurrently with each application, except the filing fee for a new salesman's or auctioneer's license shall be \$10.

(e) Investigation and report. Upon the filing of any application, a staff

member shall indorse on it the date of filing. If no patent disqualification of the applicant is disclosed or no valid objection to the granting of the application is apparent and if all requirements relative to the filing of the application appear to have been complied with, the chairman of the board or executive secretary shall refer the application to a staff member for investigation and report. The report shall include:

- (1) A statement as to whether or not the applicant is for any reason disqualified by this chapter from obtaining or exercising a license; and whether or not he has complied with all the requirements of this chapter relative to the making and filing of his application; and
- (2) Information relating to any and all other matters and things which in the judgment of the staff member pertain to or affect the matter of the application or the issuance or the exercise of the license applied for; and
- (3) In the case of an application for a dealer's or auction's license, in addition to the foregoing:
  - (A) A description of the premises intended to become the licensed premises, and the equipment and surrounding conditions; and
  - (B) If the applicant has held a prior dealer's or auction's license for the same or any other premises within two years past, a statement as to the manner in which the premises have been operated and the business conducted under the previous license; and
  - (C) If the applicant proposes to engage in the business of selling new motor vehicles, a written statement from the applicable manufacturer, factory branch, factory representative, distributor, distributor branch, or distributor representative, or such other evidence as prescribed by the board, that the applicant is authorized to sell or distribute such new motor vehicle in the county of licensing.

(f) Notice of interview. After the filing of the report, the board may interview the applicant and upon the interview and other information that is before the board, it may grant or deny the license.

(g) Prior inspection of premises. No new dealer's or auction's license shall be issued under this chapter unless and until the board has caused to be made a thorough inspection of the premises upon which the proposed business is to be conducted and is satisfied that it has met all the requirements as provided in this chapter and that all other general conditions and proposed methods of operation under the license are such as are suitable for carrying on the business in a reputable manner.

(h) Limitation on license.

- (1) A dealer's or auction's license issued under this chapter shall authorize the doing of the business at the licensed premises, the boundaries of which shall be determined by the map or plan submitted together with the application for license approved by the board; except in the case of an enlargement or reduction of the licensed premises with the approval of the board indorsed on an amended map or plan.
- (2) A license issued under this chapter shall authorize the doing of a business thereunder only for the county in which the license has been issued; and in the case of a salesman or auctioneer, the license shall

authorize him to be a salesman or auctioneer only for the dealer or auctions respectively named in the application for a license or an amended license.

(i) Motorcycles and motor scooters. A used motor vehicle dealer's license shall authorize the holder to sell new motorcycles and motor scooters if the licensee is franchised therefor."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

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

(Approved May 31, 1977.)

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\*Edited accordingly.