

ACT 265

H.B. NO. 1889

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

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

SECTION 1. Section 437-7, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Line of credit.

- (1) Applicants for issuance of a dealer’s license shall obtain an inventory or flooring line of credit from a federally insured financial institution[.] or from a financing source having a net worth of at least \$50,000,000. The line of credit shall be in the following amount:
 - (A) For new motor vehicle dealer applicants, \$500,000 or the amount required in the applicant’s dealer sales and service agreement, whichever is less;
 - (B) For used motor vehicle dealer applicants, \$50,000; and
 - (C) For new and used motorcycle and motor scooter dealer applicants, \$50,000.
- (2) Applicants for issuance of a dealer’s license shall provide the board with a photocopy of the financing statement filed at the bureau of conveyances of the department of land and natural resources, securing the line of credit.
- (3) Applicants for the issuance of an auction license shall obtain a secured line of credit in the amount of \$100,000 from a federally insured financial institution.
- (4) When an inventory or flooring line of credit cannot reasonably be obtained by a dealer, the board may provide that a bond, in an amount set forth in the board’s rules, be obtained as an alternative form of security for the inventory or flooring line of credit.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect upon its approval.

(Approved June 18, 1993.)

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Note

1. So in original.