

STAND. COM. REP. NO. 1612

Honolulu, Hawaii

March 30, 2007

RE: S.B. No. 1011
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 1011, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE KEY INFORMATION ACCESS,"

begs leave to report as follows:

The purpose of this bill is to provide consumers a convenient means of obtaining replacement car keys by establishing a process requiring motor vehicle manufacturers, through a registered locksmith, to make available to registered owners the information necessary to produce a replacement key or other device allowing the registered owner to enter, start, and operate the vehicle.

The Property Casualty Insurers Association of America, AAA Hawaii, AAA California, and a concerned individual testified in support of this bill. The Motor Vehicle Industry Licensing Board, Hawaii Automobile Dealers Association, Alliance of Automobile Manufacturers, BMW of Honolulu, and JN Group, Inc., opposed this measure.

Your Committee finds that today's car keys are embedded with microchips or other features requiring special codes and other information to replace these keys. Vehicle manufacturers often restrict access to this information to their own dealer networks, forcing locksmiths to tear apart steering columns or door panels to access the information; requiring cars to be towed or shipped

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to dealers to have keys made; or causing delays in the delivery of replacement keys that must be shipped from outside the state. As a result, drivers may incur significant inconvenience and cost when trying to replace a high-tech car key that has been lost, stolen, or damaged. This measure seeks to address these concerns by allowing vehicle owners to request from vehicle manufacturers the information necessary to produce replacement car keys.

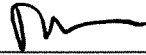
Your Committee also recognizes that the motor vehicle industry has raised concerns that the release of car key information may compromise vehicle security systems, and that consumer convenience in obtaining replacement keys may be met by vehicle manufacturers who arrange for vehicle owners to receive replacement keys quickly. Accordingly, your Committee has amended this measure by:

- (1) Providing a temporary exemption from the requirements of this bill for vehicle lines of a manufacturer that:
 - (A) Operates a telephone or electronic request line for replacement keys 24 hours a day and seven days a week; and
 - (B) Provides replacement keys or similar devices to registered owners at a reasonable cost and within one day of the request or via the next overnight delivery;
- (2) Specifying that family members of a registered owner requesting replacement key information from a manufacturer under this measure must be adults;
- (3) Adding a definition for the term "family member";
- (4) Clarifying that the requirements of this bill do not apply to a make of a motor vehicle that sold less than 100 vehicles in the state during the calendar year immediately prior to the time a request for a replacement key or other functionally similar device is made; and
- (5) Making technical, nonsubstantive amendments for clarity and style.



As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1011, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1011, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROBERT N. HERKES, Chair



