

**PRESENTATION OF THE
MOTOR VEHICLE INDUSTRY LICENSING BOARD**

TO THE HOUSE COMMITTEE ON
TRANSPORTATION

TWENTY-FOURTH LEGISLATURE
Regular Session of 2008

Wednesday, February 6, 2008
9:00 a.m.

TESTIMONY ON HOUSE BILL NO. 2333, RELATING TO MOTOR VEHICLES

TO THE HONORABLE JOSEPH M. SOUKI, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Thomas Nakama and I am the Vice Chairperson of the Motor Vehicle Industry Licensing Board ("Board"). The Board thanks you for the opportunity to testify in opposition to H.B. No. 2333, relating to Motor Vehicles.

Although the Board has not had the opportunity to discuss this bill, it has authorized me to speak on its behalf.

This bill attempts to by-pass Hawaii's motor vehicle licensing regulation by proposing to allow state and county agencies to purchase selected vehicles from non-Hawaii licensed dealers. The Board is opposed to this because, by doing so, non-Hawaii licensed dealers will not be required to obtain a Hawaii motor vehicle dealer's license in order to do business in this State, and all the regulatory and protection mechanisms provided for a buyer, regardless if it is the state or county, that are afforded by chapter 437, HRS would not be applicable.

For example, if the county was to purchase a vehicle from a non-Hawaii licensed dealer, and the vehicle that is delivered is not what was ordered, the county would have

to deal with the non-Hawaii licensed dealer via long distance and not have the benefit of resolving the dispute with the dealer locally. There would be no recourse for the county but to accept these consequences of doing business with a non-Hawaii licensed dealer. On the other hand, a Hawaii licensed dealer who fails to deliver or timely perform services can have a complaint filed against it and be disciplined, and the Department of Commerce and Consumer Affairs can seek additional remedies and resolutions for the customer.

The Board would also have concerns with language in Section 1 of the bill, lines 5 to 7, “. . . of a motor vehicle that is not a standard two-door or four-door motor vehicle that is eight thousand five hundred pounds or less of gross vehicle weight . . . “. The language is vague and ambiguous. It is not clear what would be “not a standard . . . vehicle” and the Board would have difficulty in applying the exemption.

Presently, the Board has limited knowledge about the issues/problems that the proponents of this bill are facing. In the spirit of cooperation, the Board is willing to engage in meaningful dialogue with the bill’s proponents so that the Board may come to a better understanding of their concerns and to perhaps come to a consensus.

The Board thanks you for the opportunity to provide testimony in opposition to H.B. No. 2333.

nishimoto2-Bryce

From: Dave Rolf [drolf@hawaiidealer.com]
Sent: Tuesday, February 05, 2008 8:58 AM
To: TRNtestimony
Subject: HADA testimony strong opposed to HB2333

Testimony strong opposed to HB2333
with grave concerns
Submitted to the House Committee on Transportation
For the public hearing 9 a.m. Wednesday, February 6, 2008
In Conference Room 309, Hawaii State Capitol

Submitted by David H. Rolf, for the Hawaii Automobile Dealers Association
Hawaii's franchised new car dealers

Chair Souki and members of the committee:

According to the Hawaii Revised Statutes, our state's licensing laws were created because "the geographical location of Hawaii makes it necessary to ensure the availability of motor vehicles and parts and dependable service within the State to protect and preserve the transportation system and the investments of its residents."
HRS 437-1 (3) Legislative findings and declaration

It doesn't make for good public policy to suspend these laws.

Local dealers and distributors rely on county and state business to support their operations.

This bill seeks to encourage out-of-state purchases by government entities, thus adversely affecting the jobs in local businesses, and denying the state tax revenues it obtains from the economic activities of local businesses and their employees.

We respectfully request that you hold this measure.

Respectfully submitted,
The Hawaii Automobile Dealers Association

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