

STAND. COM. REP. NO. 534

Honolulu, Hawaii

Feb 20, 2009

RE: H.B. No. 1696
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 1696 entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLE RENTAL INDUSTRY,"

begs leave to report as follows:

The purpose of this bill is to assist the motor vehicle rental industry by:

- (1) Changing the term "collision damage waiver" to "damage waiver" to clarify that the waiver applies to any type of damage and not simply damage from a collision;
- (2) Allowing motor vehicle lessors to place information relating to damage waivers in wall holders;
- (3) Requiring lessors to notify lessees of Hawaii's motor vehicle laws by simply posting a sign or signs in a conspicuous place in the main rental area of each rental location instead of in each rental vehicle;
- (4) Prohibiting a lessor from charging more than the cost of the parts and labor necessary to repair a damaged vehicle in accordance with the standard practice of the automobile repair industry; and

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- (5) Repealing the requirement that motor vehicle lessors provide the Director of Commerce and Consumer Affairs with information relating to collision damage waiver statistics.

Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, and Vanguard Car Rental USA, Inc., dba National Car Rental and Alamo Rent A Car testified in support of this bill. The Department of Commerce and Consumer Affairs (DCCA) testified in opposition to this measure.

Currently, the rental motor vehicle industry must meet certain requirements when notifying individuals renting motor vehicles about Hawaii's motor vehicle laws and collision damage waiver information. This measure simplifies the method by which this information is provided.

This measure also clarifies that a "collision damage waiver" applies to all types of damage a vehicle may sustain while it is being rented. This will avoid any misunderstanding by lessors that a "collision damage waiver" only applies to damages caused by impact with an object.

Finally, this bill attempts to resolve difficulties in determining the diminution in the value of a vehicle that is not repaired or declared a total loss by the lessor that may be considered a per se violation of unfair trade practices by the lessor. Using an estimated cost of repair of the damaged vehicle, as provided for in this measure, would be a more equitable way to value the loss experienced by the lessor from the damaged vehicle.

However, your Committee understands the consumer protection concerns raised by DCCA and notes that the motor vehicle rental industry and DCCA are amenable to working together to draft amended language that is acceptable to both parties. This amended language will be provided to the Committees on Consumer Protection and Commerce and Judiciary for further consideration.


Your Committee has amended this bill by:

- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1696, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1696, H.D. 1, and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,



JOSEPH M. SOUKI, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

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Record of Votes of the Committee on Transportation

Bill/Resolution No.: HB 1696	Committee Referral: TRN, CPC/JUD	Date: 2/18/2009		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TRN Members	Ayes	Ayes (WR)	Nays	Excused
1. SOUKI, Joseph M. (C)	✓			
2. AWANA, Karen Leinani (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HANOHANO, Faye P.	✓			
5. KEITH-AGARAN, Gilbert S.C.	✓			
6. LEE, Marilyn B.	✓			
7. NAKASHIMA, Mark M.	✓			
8. RHOADS, Karl		✓		
9. SAIKI, Scott K.	✓			
10. TAKUMI, Roy M.				✓
11. YAMASHITA, Kyle T.	✓			
12. PINE, Kymberly Marcos		✓		
TOTAL (12)	9	2	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				