

Honolulu, Hawaii

MAR 24 2009

RE: H.B. No. 1696
H.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred H.B. No. 1696, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the use of collision damage waivers by motor vehicle rental companies.

Specifically, this measure:

- (1) Re-names "collision damage waiver" to "damage waiver";
- (2) Requires damage waiver disclosures, as an alternative, to be placed in a wall holder where the disclosure pamphlet can be easily seen and reached by lessees and potential lessees;
- (3) Allows rental car companies to fulfill the requirement of providing rental car lessees with notice of certain motor vehicle laws, such as the seat belt and child passenger restraint system laws, by posting the notice in a conspicuous place in the main rental area of all rental locations; and
- (4) Repeals the requirement that the rental car company submit data or information to the Director of Commerce



and Consumer Affairs about specified information relevant to collision damage waivers and costs of repairs.

Your Committee received testimony in support of this measure from Catrala-Hawaii; Avis Rent A Car; Budget Rent A Car; Enterprise Rent A Car; Alamo Rent A Car; and National Car Rental. Comments were received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that under current law a "collision damage waiver" may encompass any damages to a rental motor vehicle during the term of the rental agreement. By renaming "collision damage waiver" to "damage waiver", this measure clarifies the existing law by removing any inference that a rental car damage waiver may only apply to "collision" damages.

Your Committee further finds that in those instances in which a vehicle is not repaired, current law mandates that the true value of damages is the diminution in value of the vehicle. Calculating diminution in value is ordinarily not complicated. It is the difference between the value of the property before the harm and value after the harm.

Your Committee notes that the Department of Commerce and Consumer Affairs is not opposed to removing the current statutory requirement that collision damage waiver statistics be automatically submitted to the Department for review if the lessors continue to maintain the information and make it available to the Department upon request. Your Committee thus requests the lessors to keep appropriate records to facilitate the work of the Department.

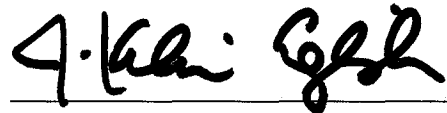
Your Committee also notes that the testimony indicates that the Office of Consumer Protection and the interested rental car companies are currently working toward reaching an agreement on expedited processing of traffic infraction citations and summonses. Your Committee urges all parties to expedite their efforts to reach an agreement before the end of this Regular Session, as this may obviate the need for legislative solutions.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in



accord with the intent and purpose of H.B. No. 1696, H.D. 2, and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,
International and
Intergovernmental Affairs,

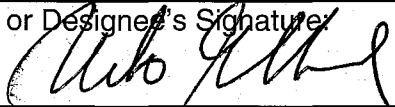


J. KALANI ENGLISH, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Transportation, International and Intergovernmental Affairs
TIA

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1696, HD2	TIA, CPN	3-18-09		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ENGLISH, J. Kalani (C)	✓			
GABBARD, Mike (VC)	✓			
ESPERO, Will	✓			
NISHIHARA, Clarence K.	✓			
SLOM, Sam	✓			
TOTAL	5	-	-	-
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designer's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes