

Honolulu, Hawaii

APR 09 2009

RE: H.B. No. 1696  
H.D. 2  
S.D. 1

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

Madam:

Your Committee on Commerce and Consumer Protection, 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 improve the operations of the motor vehicle rental industry by:

- (1) Replacing statutory references to "collision damage waiver" with "damage waiver";
- (2) Amending damage waiver and motor vehicle law notice requirements;
- (3) Amending the allowable procedure for calculating damages assessed against a lessee of a motor vehicle;
- (4) Repealing data collection and reporting requirements for lessors of motor vehicles.

Your Committee received testimony in support of this measure from Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, and Vanguard Car Rental USA, dba National Car Rental and Alamo Rent A Car. Testimony with comments on this measure was 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 notes the concern voiced in testimony by the Department of Commerce and Consumer Affairs that this measure will increase the amount paid by a consumer for damage to a rental vehicle that is subject to a damage waiver. However, your Committee also notes that, in accordance with past legislative practice, only provisions included in a measure as finally passed by a chamber of the Legislature may be considered in conference committee. To that end, your Committee encourages the interested parties to continue to work together in order to reach an agreeable solution for the final version of this measure.

Your Committee has amended this measure by:

- (1) Prohibiting a lessor from charging a lessee more than the cost of parts and labor for repairing a motor vehicle that is determined to no longer be in rentable condition and prohibiting the lessor from subsequently renting or leasing that vehicle;
- (2) Prohibiting a lessor from recovering any amount for damages to a motor vehicle from a lessee that the lessor has also recovered from a third party;
- (3) Reinstating a lessor's obligation to collect and maintain data related to damage waivers and repairs and adding a requirement to provide that information to the Department of Commerce and Consumer affairs upon request; and
- (4) Deferring its effective date to July 1, 2050 to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1696, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1696, H.D. 2, S.D. 1.



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

  
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ROSALYN H. BAKER, Chair



