

STAND. COM. REP. NO. 716

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 267  
H.D. 2

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

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 267, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this bill is to facilitate interisland shipments of rental motor vehicles by providing an exemption from documentation requirements for these vehicles when they are transported interisland by any water carrier:

- (1) Authorized by the Public Utilities Commission (PUC) to transport vehicles interisland; and
- (2) That has a written agreement with the owner of the rental vehicle.

Young Brothers, Limited, and Hawaii Superferry testified in support of this bill. Catrala-Hawaii, Enterprise Rent-A-Car Company of Hawaii, and Vanguard Car Rental USA, Inc., provided comments.

Current law prohibits interisland shipments of motor vehicles without presentation of the shipping party's identification, the certificate of vehicle registration, and proof of motor vehicle insurance. Authorized agents of the vehicle's legal or registered owner must also present a notarized letter from the owner

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authorizing the shipment. While these documentation requirements are intended to prevent the shipment of stolen vehicles, they can be overly burdensome for rental car customers. Your Committee finds that a limited exemption for rental motor vehicles may be feasible in light of other available safeguards, such as prior arrangements and familiarity between water carriers and car rental companies, as well as statutory requirements to record and retain for a certain time period vehicle identification numbers, vehicle descriptions, and records of the vehicle's shipment.

Accordingly, your Committee has amended this bill by:

- (1) Providing that this measure applies to lessees of rental motor vehicles; and
- (2) Requiring water carriers making interisland shipments of rental motor vehicles to:
  - (A) Pursuant to section 286-271(d), Hawaii Revised Statutes (HRS), record by physical inspection the vehicle identification number and maintain a record of the vehicle's transport and a description of the vehicle for at least three years; and
  - (B) Pursuant to section 286-271(f), HRS, make these records available to law enforcement and financial institutions.

Technical, nonsubstantive amendments were also made 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 H.B. No. 267, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 267, H.D. 2.



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



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ROBERT N. HERKES, Chair



