

JAN 23 2009

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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLE EXPRESS WARRANTY ENFORCEMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 481I-2, Hawaii Revised Statutes, is  
2 amended by amending the definition of "motor vehicle" to read as  
3 follows:

4           "Motor vehicle":

5           (1) Means a self-propelled vehicle primarily designed for  
6 the transportation of persons or property over public  
7 streets and highways which is used primarily for  
8 personal, family, or household purposes;

9           (2) Includes but shall not be limited to:

10           (A) A motorcycle;

11           ~~[(A)]~~ (B) A "demonstrator", which means a vehicle assigned  
12 by a dealer for the purpose of demonstrating  
13 qualities and characteristics common to vehicles  
14 of the same or similar model or type;

15           ~~[(B)]~~ (C) An individually registered vehicle used for an  
16 individual's business purposes as well as for  
17 personal, family, or household purposes; and



1        [~~(C)~~] (D) A vehicle owned or leased by a sole  
2                         proprietorship, corporation, or partnership which  
3                         has purchased or leased no more than one vehicle  
4                         per year, used for household, individual, or  
5                         personal use in addition to business use; and  
6        (3) Shall not include mopeds [~~, motorcycles,~~] or motor  
7                         scooters, as those terms are defined in chapter 286,  
8                         or vehicles over 10,000 pounds, gross vehicle weight  
9                         rating."

10        SECTION 2. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12        SECTION 3. This Act shall take effect upon its approval.

13

INTRODUCED BY:

*Will Egan*  
*Mike Gekko*  
*Clarence A. Dickerson*  
*Fred Egan*



**Report Title:**

Motor Vehicles; Motorcycles; Warranty; Lemon Law

**Description:**

Amends Hawaii's "lemon law" to include motorcycles in the definition of "motor vehicles."





LINDA LINGLE  
GOVERNOR  
JAMES R. AIONA, JR.  
LT. GOVERNOR

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PRESENTATION OF  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
REGULATED INDUSTRIES COMPLAINTS OFFICE

TO THE SENATE COMMITTEE ON  
COMMERCE AND CONSUMER PROTECTION

TWENTY-FIFTH STATE LEGISLATURE  
REGULAR SESSION, 2009

WEDNESDAY, FEBRUARY 25, 2009  
8:30 A.M.

TESTIMONY ON SENATE BILL NO. 549  
RELATING TO MOTOR VEHICLE EXPRESS WARRANTY ENFORCEMENT

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,  
AND TO THE HONORABLE DAVID Y. IGE, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify on Senate Bill No. 549, Relating To Motor Vehicle Express Warranty Enforcement. My name is Jo Ann Uchida of the Department's Regulated Industries Complaints Office ("RICO"). RICO administers chapter 481I, Hawaii Revised Statutes, commonly known as the "Lemon Law." The Department takes no position on the bill, but offers the following comments.

Senate Bill No. 549 amends the definition of "motor vehicles" in the Lemon Law to include motorcycles. As a result, the statutory procedures and remedies

available through the State Certified Arbitration Program ("SCAP") would also be available to owners of defective motorcycles. The Lemon Law Rights period, defined as the term of the manufacturer's express warranty, the period ending two years after the date of the original delivery of a motor vehicle to a consumer, or the first 24,000 miles of operation, whichever occurs first, remains unchanged, but would now apply to defective motorcycles.

SCAP procedures include a hearing, conducted by an arbitrator, in which the consumer and manufacturer have a full and equal opportunity to present evidence. SCAP remedies for a prevailing consumer include a refund of the purchase price or a replacement vehicle.

Based upon a review of the Lemon Laws nationwide, motorcycles are covered under the Lemon Laws in twenty-four (24) states. In Hawaii, there have been only about three to four inquiries within the last several years involving Lemon Law coverage of motorcycles, numbers which appear to provide little consumer basis for including motorcycles within the purview of Hawaii's Lemon Law. However, if these numbers are indicative of the Lemon Law motorcycle cases SCAP can expect to handle as a result of this bill, the increase is not expected to overly tax SCAP's existing resources.

The Department anticipates that it, as well as manufacturers, will need time sufficient to implement the bill in an orderly manner. Therefore, the Department respectfully requests that the bill's effective date be amended to reflect a date certain, such as July 1, 2009.

Testimony on Senate Bill No. 549  
February 25, 2009  
Page 3

Thank you for this opportunity to testify on Senate Bill No. 549. I will be happy to answer any questions that the members of the Committee may have.

# Street Bikers United

P.O. Box 5003, Kaneohe, HI 96744

Senator Rosalyn H. Baker, Chair  
Senator David Y. Ige, Vice Chair  
Commerce and Consumer Protection Committee

State Director Brian Grayling  
Street Bikers United  
P.O. Box 5003  
Kaneohe, HI 96744  
(808) 216-2040

Testimony **In Favor of SB549** for the hearings on February 25, 2009

Madam Chair and members of the Committee:

My name is Brian Grayling and I am the State Director for SBU, an organization that represents the rights of motorcyclists throughout the islands. It is with pleasure that my organization supports this bill, which amends Hawaii's lemon law to include motorcycles. When this bill becomes law, it will mean that those who purchase a motorcycle will have the same rights as the car buyer when confronted by repeated problems in getting their vehicle repaired under the manufacturer's warranty. Dealers rights are still protected under an arbitration system within the DCCA.

SB549 helps to level the playing field for the forty eight thousand registered motorcyclists in the state, and SBU is happy to give this give its passage our full support.

Thank you for this opportunity to testify.

February 23, 2009

Hawaii State Legislature  
Commerce and Consumer Protection Committee  
415 South Beretania Street  
Honolulu, HI 96813

Aloha Senators Rosalyn Baker, David Ige, Will Espero, Josh Green, Les Ihara, Norman Sakamoto and Fred Hemmings:

As a registered voter of Senatorial District 8, I would like to give my support to SB549, to include motorcycles into the definition of motorized vehicles pertaining to the Lemon Law.

As a member of Street Bikers United, Hawaii, I am an active participant in advocating motorcyclist interest in our great state of Hawaii.

Mahalo and hope that you have a great day,  
Gregory Suenaga  
SBUHI.org



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 23, 2009 3:51 PM  
**To:** CPN Testimony  
**Cc:** onerican@hawaii.rr.com  
**Subject:** Testimony for SB549 on 2/25/2009 8:30:00 AM

Testimony for CPN 2/25/2009 8:30:00 AM SB549

Conference room: 229  
Testifier position: support  
Testifier will be present: No  
Submitted by: Ray Pagan  
Organization: Stret Bikers United  
Address: 45-017 Oopuhue Place Kaneohe, Hi 96744  
Phone: 808 282 6419  
E-mail: [onerican@hawaii.rr.com](mailto:onerican@hawaii.rr.com)  
Submitted on: 2/23/2009

Comments:  
February 23, 2009

Hawaii State Legislature  
Commerce and Consumer Protection Committee  
415 South Beretania Street  
Honolulu, HI 96813

Aloha Senators Rosalyn Baker, David Ige, Will Espero, Josh Green, Les Ihara, Norman Sakamoto and Fred Hemmings:

As a registered voter. I would like to give my support to SB549, to include motorcycles into the definition of motorized vehicles pertaining to the Lemon Law.

As a member of Street Bikers United, Hawaii, I am an active participate in advocating motorcyclist interest in our great state of Hawaii.

Mahalo and hope that you have a great day, Ray Pagan State Treasurer SBUHI.org