

STAND. COM. REP. NO.

2162

Honolulu, Hawaii

FEB 10 2010

RE: S.B. No. 2859
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred S.B. No. 2859 entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify the Motor Vehicle Industry Licensing Act (Act) to further delineate the rights and liabilities of the relationship between the manufacturer or distributor and their dealers by establishing that the Act's provisions are remedial and apply to all franchise and ancillary agreements.

Your Committee received testimony in strong support of this measure from the Tony Group and the Hawaii Automobile Dealers Association. Testimony in opposition to this measure was received from General Motors, LLC; and the Alliance of Automobile Manufacturers. The Department of Commerce and Consumer Affairs Regulated Industries Complaints Office and the Motor Vehicle Industry Licensing Board expressed concerns with this measure. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee was informed in testimony that auto manufacturers, especially in light of the current economic environment, may be attempting to unreasonably shift costs to dealers, which increases dealers' costs and forces them to reduce

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expenses such as personnel or to pass on the additional costs to the consumer.

Your Committee finds that this measure helps local auto sales businesses to operate on a more level playing field with their multi-national manufacturer partners. Local businesses will be better able to focus on competition in the marketplace based on how well they operate their business and service the general public.

Your Committee has amended this measure by making technical, nonsubstantive amendments.

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 S.B. No. 2859, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2859, S.D. 1, 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.:* SB 2859	Committee Referral: TIA, CPN	Date: 2-8-10		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" 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 Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes