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TO THE HOUSE COMMITTEE ON TRANSPORTATION

TWENTY-FIFTH STATE LEGISLATURE
Regular Session 2010

WEDNESDAY, JANUARY 27, 2010
8:30 a.m.

**WRITTEN TESTIMONY ONLY ON HOUSE BILL NO. 2049 -- RELATING TO RENTAL
MOTOR VEHICLES.**

TO THE HONORABLE JOSEPH M. SOUKI, CHAIR, AND MEMBERS OF THE
COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to provide these comments on House Bill No. 2049, Relating to Rental Motor Vehicles. My name is Stephen Levins, and I am the Executive Director of the Department's Office of Consumer Protection ("OCP").

House Bill No. 2049 seeks to allow the lessor of a rental motor vehicle to report as a theft to the police or state sheriff any vehicle not returned after a time following the time for return as specified in the rental agreement. Since the issues raised in the proposal primarily affect the crime of theft the Department would defer to the criminal

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authorities regarding the necessity of this measure. The Department, however, believes that since the intent of House Bill No. 2049 directly impacts the crime of theft that any amendments in this regard should be included in the appropriate penal code section instead of the civil regulatory chapter governing the motor vehicle rental industry as set forth in Chapter 437D of the Hawaii Revised Statutes.

Thank you for this opportunity to provide comments on House Bill No. 2049.



The Hertz Corporation
Hawaii Area
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Honorable Joseph Souki, Chair
Transportation Committee
House of Representatives
State of Hawaii

Hearing: January 27, 2010
Room: 309 at 8:30 a.m.

Re: HB 2049 ---Relating to Rental Motor Vehicles

Dear Chair Souki and Honorable Committee Members:

My name is Aaron Medina and I am the General Manager for The Hertz Corporation, in Hawaii.

Hertz strongly supports this bill and respectfully asks that you pass this bill into law.

As it stands currently, for vehicles that are rented out by car rental companies and are not returned by the contracted due date, the statues do not provide for any ability by the renting company to report a vehicle stolen, regardless of how many days overdue the vehicle is. As such, while Hawaii police departments will accept overdue reports, should they come across the vehicle, they cannot arrest the driver nor impound the vehicle, since it is not considered a crime. Instead, in such cases, the police simply remind the driver to return the vehicle. Inevitably, this does no good and the vehicle remains unreturned and unpaid for. This results in a situation where: (1) thousands of dollars in additional lost rental fees are built up and lost as uncollectable the car rental companies; and (2) the ability to effectively track down the missing vehicles becomes harder as time passes.

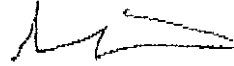
In pursuing overdue rentals, car rental companies make all possible and repeated attempts to contact the renter of the vehicle, once the vehicle has become past due. In fact, internal policies and procedures already require car rental companies to pursue the return of such vehicles through various non-legal avenues for at least 30 days after the original due date. In cases where customers have intentionally and necessarily extended their rentals without initially notifying us, the customers are responsive to our contact and willing to pay any additional charges. However, after all such attempts on the part of the car rental companies in which the customer cannot be contacted for over 30 days, we have no legal recourse to recover our assets and minimize our losses.

As an industry, we recognize that there may be situations where extenuating circumstances that might make it difficult for a customer to contact the renting company in a timely manner. What this bill seeks to accomplish, and to rectify in the current laws, is provide all such overdue renters with fair and ample time to contact the leasing company, or to respond to contact from the leasing company, while at the same time, providing the leasing companies with the ability to pursue such overdue vehicles through legal means. Not only will this help our industry minimize losses to assets and revenue, but will also allow Hawaii's police force to legally pursue such delinquent renters, who may possibly also pose a hazard to public safety as irresponsible citizens.

Hertz rents Fords and other fine cars.

Thank you for allowing us to testify.

Sincerely,



Aaron Medina
General Manager, Hawaii

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

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MEMORANDUM

TO: Representative Joseph M. Souki
Chair, House Committee on Transportation
Hawaii State Capitol, Room 433
Via e-mail: TRNtestimony@Capitol.hawaii.gov

FROM: Gary M. Slovin/Anne T. Horiuchi

DATE: January 26, 2010

RE: H.B. 2049 – Relating to Rental Motor Vehicles
Hearing: Wednesday, January 27, 2010 at 8:30 a.m., Room 309

Dear Chair Souki and Members of the House Committee on Transportation:

I am Anne Horiuchi, testifying on behalf of EAN Holdings, LLC, operating Enterprise Rent-A-Car, Alamo Rent A Car and National Car Rental in Hawaii (collectively referred to as “Enterprise”). Our clients are members of Catrala-Hawaii.

H.B. 2049 allows the lessor of a rental motor vehicle to report as a theft to the police or state sheriff any vehicle not returned after a time following the time for return as specified in the rental agreement. Enterprise appreciates that the intent of this measure is to establish procedures that will assist rental motor vehicle companies when their rental cars are not returned in a timely fashion. Enterprise believes that such procedures could be beneficial to its business. However, Enterprise has some concerns about H.B. 2049 in its current form.

Enterprise has not completely determined how H.B 2049 may affect current practices. Additionally, the phrase “or other date mutually agreed upon by all parties to the rental agreement” (p. 2, lines 2-3) is ambiguous and could be open to dispute.

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Enterprise would like additional time to consider the potential impacts of H.B. 2049, and to consider possible amendments to the current language. We respectfully request that H.B. 2049 be amended to include a defective date to allow for further discussions.

Thank you for the opportunity to testify on this matter.