

Honolulu, Hawaii

FEB 09 2011

RE: S.B. No. 35

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Transportation and International Affairs,
to which was referred S.B. No. 35 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that the same procedures, protections, rights,
and remedies provided to auto dealers under Act 164,
Session Laws of Hawaii 2010, also apply to distributors
that are not manufacturers; and
- (2) Delete a definition of "good faith" that is no longer
necessary, as it is not used in the paragraph in which
it was intended to apply.

Your Committee received testimony in support of this measure
from the Department of Commerce and Consumer Affairs, the Motor
Vehicle Industry Licensing Board, the Hawaii Automobile Dealers
Association, and the Alliance of Automobile Manufacturers.

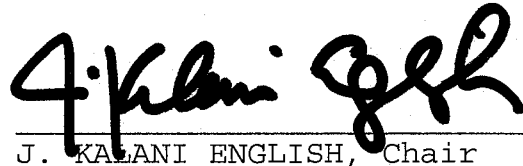
According to testimony of the Department of Commerce and
Consumer Affairs, this measure reconciles existing language with
part II of chapter 437, Hawaii Revised Statutes, relating to the
Motor Vehicle Industry Licensing Act, which was added by Act 164,
Session Laws of Hawaii 2010. This measure applies those
provisions to distributors, as originally intended by Act 164.
Act 164 established certain rights and duties among motor vehicle



dealers, distributors, and manufacturers and originally intended to apply certain provisions to distributors as well, but those provisions were mistakenly omitted from the final Act.

As affirmed by the record of votes of the members of your Committee on Transportation and International Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 35 and recommends that it pass Second Reading and be referred to the Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Transportation and
International Affairs,



J. KALANI ENGLISH, Chair



