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## A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1           SECTION 1. Section 286-41, Hawaii Revised Statutes, is  
2 amended by amending subsection (c) to read as follows:  
3           "(c) If the vehicle to be registered is specially  
4 constructed[~~, reconstructed,~~] or rebuilt; is a special interest  
5 vehicle; or is an imported vehicle, this fact shall be stated in  
6 the application and upon the registration of the special  
7 interest motor vehicle and imported motor vehicle, which has  
8 been registered until that time in any other state or county,  
9 and the owner shall surrender to the director of finance the  
10 certificates of registration or other evidence of such form of  
11 registration as may be in the applicant's possession or control.  
12 The director of finance shall grant full faith and credit to the  
13 currently valid certificates of title and registration  
14 describing the vehicle, the ownership thereof, and any liens  
15 noted thereon, issued by any title state or county in which the  
16 vehicle was last registered. The acceptance by the director of  
17 finance of a certificate of title or of registration issued by  
18 another state or county, as provided in this subsection, in the



1 absence of knowledge that the certificate is forged, fraudulent,  
2 or void, shall be a sufficient determination of the genuineness  
3 and regularity of the certificate and of the truth of the  
4 recitals therein, and no liability shall be incurred by any  
5 officer or employee of the director of finance by reason of so  
6 accepting the certificate."

7 SECTION 2. Section 286-42, Hawaii Revised Statutes, is  
8 amended as follows:

9 1. By amending subsection (a) to read:

10 "(a) The county director of finance shall examine and to  
11 the best of the director's ability determine the genuineness and  
12 regularity of every registration and transfer of registration of  
13 a vehicle pursuant to this part to ensure that every certificate  
14 issued for a vehicle contains true statements of the ownership  
15 of the vehicle and to prevent the registration of a vehicle by  
16 any person not entitled to the vehicle. The director of finance  
17 may require any applicant to furnish information, in addition to  
18 that contained in the application, that is necessary to satisfy  
19 the director of finance of the truth and regularity of the  
20 application. The director of finance may accept any county  
21 certificate of title issued for a vehicle as prima facie  
22 evidence of ownership for registration and transfer of



1 registration. The director may issue vehicle identification  
2 numbers for [~~reconstructed vehicles,~~] special interest  
3 vehicles[~~,~~] or motorcycles that do not have vehicle  
4 identification numbers if the director determines that the  
5 requirements of this section have been met.

6 The county director of finance may register a motorcycle  
7 with an aftermarket motorcycle frame, using the number of the  
8 frame as issued by the manufacturer of the frame, the vehicle  
9 identification number on the certification label, or a vehicle  
10 identification number assigned by the director of finance. A  
11 bill of sale and Manufacturer's Statement of Origin for the  
12 frame, engine, and transmission must be presented and retained  
13 as a part of the permanent county registration records. If a  
14 Manufacturer's Statement of Origin is not available for the  
15 engine and transmission due to the use of a used [~~or~~  
16 ~~reconstructed~~] engine, transmission, or both, then a bill of  
17 sale or other proof of ownership, satisfactory to the director  
18 of finance must be presented. Except for motorcycles that are  
19 built on an aftermarket motorcycle frame[~~,~~] and special interest  
20 vehicles, [~~and reconstructed vehicles,~~] any motor vehicle or  
21 device that is not certified by the manufacturer to be in  
22 compliance with all applicable Federal Motor Vehicle Safety



1 Standards as of the date of [+]manufacture[+] shall not be  
2 registered."

3 2. By amending subsection (e) to read:

4 "(e) The county finance director, upon being notified by  
5 the designated county department that a vehicle is a special  
6 interest vehicle [~~or that a vehicle has been inspected and~~  
7 ~~approved as a reconstructed vehicle~~], shall cause that fact to  
8 be shown upon the registration and title certificates for that  
9 vehicle."

10 SECTION 3. Section 286-2, Hawaii Revised Statutes, is  
11 amended by deleting the definition of "reconstructed vehicle".

12 [~~"Reconstructed vehicle" means a vehicle that is~~  
13 ~~registered to be operated on a public highway, and that is:~~

14 ~~(1) Assembled from new or used parts by a person other~~  
15 ~~than a recognized manufacturer of new vehicles;~~

16 ~~(2) Modified to the extent that the identity of the~~  
17 ~~vehicle's make, model, or type is obscured by material~~  
18 ~~changes in its appearance; or~~

19 ~~(3) Modified by the removal, addition, alteration, or~~  
20 ~~substitution of other than original replacement~~  
21 ~~essential parts, including the vehicle's body, power~~



1           ~~train, steering system, suspension system, exhaust~~  
2           ~~system, intake system, or bumper system;~~  
3   ~~excluding ordinary body repair that does not change the exterior~~  
4   ~~structure of the vehicle. The term does not include a special~~  
5   ~~interest vehicle or a motorcycle." ]~~

6           SECTION 4. Section 286-85, Hawaii Revised Statutes, is  
7   repealed.

8           ~~[ "§286-85 Reconstructed vehicles, approval required. (a)~~  
9   ~~No person shall operate a reconstructed vehicle upon a public~~  
10   ~~highway unless it has been inspected and certified by the~~  
11   ~~designated county agency as meeting the specifications and~~  
12   ~~requirements established in rules and regulations adopted by the~~  
13   ~~state director of transportation.~~

14           ~~(b) This section shall not apply to any vehicle which is~~  
15   ~~subject to the rules and regulations of the public utilities~~  
16   ~~commission governing safety of operation and equipment.~~

17           ~~(c) Each county through its chief executive officer, shall~~  
18   ~~designate a county department, whose responsibilities shall~~  
19   ~~include the inspection of reconstructed vehicles and the~~  
20   ~~issuance of permits to operate reconstructed vehicles pursuant~~  
21   ~~to standards established by the state director of~~  
22   ~~transportation.~~



1       ~~(d) The state director of transportation shall adopt rules~~  
2 ~~pursuant to chapter 91, establishing the fees an inspector may~~  
3 ~~charge for the inspection of a reconstructed vehicle.~~

4       ~~(e) The department designated pursuant to subsection (c)~~  
5 ~~shall identify to the county director of finance every vehicle~~  
6 ~~that has been inspected and approved as a reconstructed vehicle.~~

7       ~~(f) This section shall not apply to any privately owned~~  
8 ~~reconstructed vehicle in a county with a population of less than~~  
9 ~~500,000." ]~~

10       SECTION 5. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12       SECTION 6. This Act shall take effect upon its approval.

13

INTRODUCED BY:

JAN 18 2013



# H.B. NO. 584

**Report Title:**

Motor Vehicles; Reconstructed

**Description:**

Repeals the requirement for special inspection and certification of reconstructed vehicles prior to operation upon a public highway.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*





**STATE OF HAWAII**  
**DEPARTMENT OF TRANSPORTATION**  
869 PUNCHBOWL STREET  
HONOLULU, HAWAII 96813-5097

February 11, 2013  
10:00 a.m.  
State Capitol, Room 309

**H.B. 584**  
**RELATING TO MOTOR VEHICLES**

House Committee on Transportation

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The Department of Transportation **opposes** this bill that would abolish the reconstructed vehicle inspection program.

The reconstructed vehicle inspection program serves public safety objectives by providing a means of double checking significant modifications that people make to motor vehicles and ensuring that the safety features of the modified vehicles are not compromised excessively and that the modifications will not be a detriment to highway safety. We cannot show that the program reduces crashes, but it does identify problems. During 2012, 1,883 vehicles failed the reconstructed vehicle inspection the first time the vehicle was inspected. A total of 1,342 vehicles passed the inspection. Thus, the program kept approximately 500 unsafe vehicles off of the roads in 2012.

The program also serves to notify potential buyers of reconstructed vehicles of the modifications that have been made to the vehicles. This allows for a more intelligent vehicle purchase.

The program provides a means for hobbyists to register vehicles that lack a manufacturer's label certifying that a vehicle complies with all applicable federal motor vehicle safety standards as of the date of manufacture. Section 286-42(a), HRS reads in part, "...Except for motorcycles that are built on an aftermarket motorcycle frame, special interest vehicles, and reconstructed vehicles, any motor vehicle or device that is not certified by the manufacturer to be in compliance with all applicable Federal Motor Vehicle Safety Standards as of the date of manufacture shall not be registered." If the program is discontinued, owners of reconstructed vehicles that do not have a certification label will have their registration cancelled and will no longer be able to drive them on the public roads.

Thank you for the opportunity to provide testimony.





POLICE DEPARTMENT  
CITY AND COUNTY OF HONOLULU

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MAYOR



LOUIS M. KEALOHA  
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DAVE M. KAJIHIRO  
MARIE A. McCAULEY  
DEPUTY CHIEFS

OUR REFERENCE KK-LC

February 11, 2013

The Honorable Ryan I. Yamane, Chair  
and Members  
Committee on Transportation  
House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Yamane and Members:

Subject: House Bill No. 584, Relating to Motor Vehicles

I am Kurt Kendro, Major of the Traffic Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD opposes the passage of House Bill No. 584, Relating to Motor Vehicles. Passage of this bill would eliminate the requirement for a special inspection and certification of reconstructed vehicles prior to operation upon a public highway. It is important that reconstructed vehicles be inspected prior to being operated on public roadways.

The HPD urges you to oppose House Bill No. 584, Relating to Motor Vehicles.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Kendro".

KURT KENDRO, Major  
Traffic Division

APPROVED:

A handwritten signature in black ink, appearing to read "Louis M. Kealoa".

LOUIS M. KEALOHA  
Chief of Police

## TESTIMONY OF ALISON POWERS

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HOUSE COMMITTEE ON TRANSPORTATION  
Representative Ryan I. Yamane, Chair  
Representative Linda Ichiyama, Vice Chair

Monday, February 11, 2013  
10:00 a.m.

### **HB 584**

Chair Yamane, Vice Chair Ichiyama, and members of the Committee, my name is Alison Powers, Executive Director of the Hawaii Insurers Council. Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately 40% of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **opposes** this bill. By repealing the definition of “reconstructed vehicle” and requirements for inspection and approval of a reconstructed vehicle, we believe the safety of the vehicle may be in question and may be unbeknownst to a purchaser of a reconstructed vehicle. Although the “recon” law only applies to Oahu, there are by far the most vehicles on Oahu and its repeal could exponentially increase the number of reconstructed vehicles on the road.

If the bill were to pass, changes could be made to a vehicle which could make it no longer comply with Federal Department of Transportation standards regarding vehicle safety. If the “reconstructed vehicle” definition is repealed, modifications to the vehicle’s body, power train, steering system, suspension system, exhaust system, intake system, or bumper system may be made, which are extremely broad. These less-safe vehicles would then be legal and on the road increasing the likelihood of injury to their occupants or others in the event of a motor vehicle crash. If these vehicles are sold, buyers may not know they have been modified and are now less-safe.

We ask that this bill be held. Thank you for the opportunity to testify.