

STAND. COM. REP. NO.

832

Honolulu, Hawaii

March , 2013

RE: H.B. No. 602

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 602, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO MOTOR VEHICLES,"

begs leave to report as follows:

The purpose of this measure is to work toward ensuring that all motor vehicles in Hawaii are registered and insured by:

- (1) Prohibiting a towing company from releasing a towed motor vehicle unless the party recovering the motor vehicle provides proof that the motor vehicle is registered and insured; and
- (2) Requiring county ordinances that regulate towing operations to include the above-mentioned prohibition.

State Farm supported this measure. Several individuals opposed this measure.

Your Committee notes that the measure has been amended by, among other changes, removing the proof of insurance requirement. Your Committee notes that the problem with fraudulent or expired insurance policies is rampant, but concerns exist as to whether or not requiring tow yard operators to check for motor vehicle insurance at the time of release may have unintended negative consequences. Subsequently, your Committee wishes to highlight that the Legislature has convened an Uninsured Motorist Task Force

HB602 HD2 HSCR CPC HMS 2013-2386-1



to address these issues, the results and suggestions of which are encompassed in Senate Bill 495 (2013),, which may ultimately be a better vehicle for addressing the above-mentioned concerns.

Your Committee has amended this measure by:

- (1) Deleting the requirement that a party recovering a motor vehicle provide proof that the motor vehicle is insured before the towing company releases the towed motor vehicle to the party;
- (2) Changing its effective date to July 1, 2112, to facilitate further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 602, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 602, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



