

Honolulu, Hawaii  
February 9, 2018

RE: H.B. No. 2433  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 2433 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow a holder of a motor vehicle industry dealer license to engage in the same business at another motor vehicle dealer location affiliated by common ownership within the same county;
- (2) Require manufacturers and distributors to compensate dealers for the value of vehicles that have been recalled and not saleable;
- (3) Clarify the rights and obligations of dealers, manufacturers, and distributors with respect to improvements and upgrades on dealers' facilities and dealers' performance standards; and
- (4) Establish security, disclosure, and liability requirements for dealers' business information, including customer information.



The Motor Vehicle Industry Licensing Board, Hawaii Automobile Dealers' Association, Association of Global Automakers, Inc., Automotive Trade Association Executives, and Alliance of Automobile Manufacturers provided comments to this measure.

Your Committee has amended this measure by:

- (1) Specifying the method of calculating the amount that the dealer is to be compensated for the value of a recalled vehicle;
- (2) Clarifying circumstances in which a dealer deviation from franchise agreements is exempt from penalties or withdrawal of incentives;
- (3) Prohibiting manufacturers and distributors from penalizing dealers for withholding access to business information, including customer data and making manufacturers and distributors liable for costs incurred or damages caused by the manufacturer's or distributor's access to dealer data;
- (4) Changing its effective date to July 1, 2050; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Transportation that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2433, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2433, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,

  
HENRY J.C. AQUINO, Chair



