

Honolulu, Hawaii

MAR 16 , 2018

RE: S.B. No. 2490
S.D. 1
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 S.B. No. 2490, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Specify certain recall reimbursement or repair requirements for manufacturers where a stop-sale order has been issued;
- (2) Authorize a license holder to engage in business at motor vehicle dealer locations that are affiliated by common ownership under the same license;
- (3) Clarify when certain manufacturers' or distributors' sales or service performance standards shall be deemed unreasonable, arbitrary, or unfair; and
- (4) Prohibit a manufacturer or distributor from requiring a dealer to perform certain construction or renovations to the dealer's facilities; purchase items for a dealership facility in certain circumstances; or provide certain



information related to customer information; unless certain conditions are met.

The Motor Vehicle Industry Licensing Board, Alliance of Automobile Manufacturers, and Hawaii Automobile Dealers' Association provided comments on this measure.

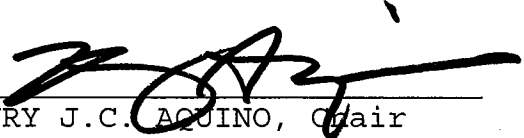
Your Committee has amended this measure by:

- (1) Changing to an unspecified amount the rate which a manufacturer is required to reimburse a dealer where no part or repair is reasonably available and the used vehicle is subject to a stop-sale order;
- (2) Specifying that under certain circumstances where a dealer is required by a manufacturer's or distributor's to make reasonable facility improvements and technological upgrades, and the dealer does not comply, the dealer is not eligible for any related facility-related incentives and benefits;
- (3) Clarifying the rights and obligations of dealers, manufacturers, and distributors with respect to the manufacturer or distributors access to the dealer's customer and proprietary 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 S.B. No. 2490, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2490, S.D. 1, 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



