

JAN 18 2019

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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. Chapter 437D, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§437D-       Manufacturer's recall; requirements. (a) No  
5 later than forty-eight hours after receiving notice of a  
6 manufacturer's recall, or sooner if practicable, a lessor with a  
7 rental motor vehicle fleet of one or more vehicles shall not  
8 rent or lease or offer for rent or lease a vehicle subject to  
9 the manufacturer's recall until the lessor has made all repairs  
10 required under the manufacturer's recall.

11           (b) If a manufacturer's recall notice indicates that the  
12 remedy for the recall is not immediately available and specifies  
13 actions to temporarily repair the vehicle in a manner that  
14 eliminates the safety risk that prompted the manufacturer's  
15 recall, a lessor with a rental motor vehicle fleet of one or  
16 more vehicles shall not rent or lease or offer for rent or lease  
17 a vehicle subject to the manufacturer's recall until the lessor



1 has made all temporary repairs required under the manufacturer's  
2 recall. Once a permanent remedy for the vehicle becomes  
3 available to the lessor, the lessor shall not rent or lease the  
4 vehicle until the permanent repairs to the vehicle required  
5 under the manufacturer's recall are complete.

6 (c) As soon as practicable but not more than forty-eight  
7 hours after a manufacturer's recall notice has been issued by  
8 the manufacturer and appears in the recall database provided by  
9 the National Highway Traffic Safety Administration, or not more  
10 than forty-eight hours after a lessor receives notice of a  
11 manufacturer's recall by a third party with which the lessor  
12 contracts to provide notification of active recalls, a lessor  
13 shall not facilitate the rent or lease the vehicle until all  
14 repairs required under the manufacturer's recall are complete  
15 and the vehicle no longer appears in the recall database  
16 provided by the National Highway Traffic Safety Administration."

17 SECTION 2. Section 251-1, Hawaii Revised Statutes, is  
18 amended as follows:

19 1. By adding three new definitions to be appropriately  
20 inserted and to read:



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1       "Peer-to-peer motor vehicle sharing" means the authorized  
2 use of a motor vehicle by a person other than the vehicle's  
3 owner through a peer-to-peer motor vehicle sharing organization.

4       "Peer-to-peer motor vehicle sharing agreement" means any  
5 written agreement setting forth the terms and conditions  
6 governing the use of the peer-to-peer vehicle by a lessee.

7       "Peer-to-peer motor vehicle sharing organization" means a  
8 legal entity qualified to do business in the State engaged in  
9 the business of facilitating the use, rental, or sharing of  
10 privately-owned passenger motor vehicles for noncommercial use  
11 by persons within the State. This term does not include the  
12 registered owner of the vehicle involved in a peer-to-peer motor  
13 vehicle sharing agreement facilitated by a peer-to-peer motor  
14 vehicle sharing organization."

15       2. By amending the definition of "lessor" to read:

16       "Lessor" means any person in the business of providing  
17 rental motor vehicles to the public[-], and shall include peer-  
18 to-peer motor vehicle sharing organizations."

19       SECTION 3. Section 251-3, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:



1           "(a) Each person as a condition precedent to engaging or  
2 continuing in the business of providing rental motor vehicles to  
3 the public, engaging or continuing in the tour vehicle operator  
4 business, [~~or~~] engaging or continuing in a car-sharing  
5 organization business, or engaging or continuing in a peer-to-  
6 peer motor vehicle sharing organization business shall register  
7 with the director. A person required to so register shall make  
8 a one-time payment of \$20, upon receipt of which the director  
9 shall issue a certificate of registration in such form as the  
10 director determines, attesting that the registration has been  
11 made. The registration shall not be transferable and shall be  
12 valid only for the person in whose name it is issued and for the  
13 transaction of business at the place designated therein. The  
14 registration, or in lieu thereof a notice stating where the  
15 registration may be inspected and examined, shall at all times  
16 be conspicuously displayed at the place for which it is issued."

17           SECTION 4. Section 437D-3, Hawaii Revised Statutes, is  
18 amended as follows:

19           1. By adding five new definitions to be appropriately  
20 inserted and to read:



1       "Manufacturer's recall" means a recall conducted pursuant  
2 to title 49 United States Code sections 30118 and 30120.

3       "Peer-to-peer motor vehicle sharing" means the authorized  
4 use of a motor vehicle by a person other than the vehicle's  
5 owner through a peer-to-peer motor vehicle sharing organization.

6       "Peer-to-peer motor vehicle sharing agreement" means any  
7 written agreement setting forth the terms and conditions  
8 governing the use of the peer-to-peer vehicle by a lessee.

9       "Peer-to-peer motor vehicle sharing organization" means a  
10 legal entity qualified to do business in the State engaged in  
11 the business of facilitating the use, rental, or sharing of  
12 privately-owned passenger motor vehicles for noncommercial use  
13 by persons within the State. This term does not include the  
14 registered owner of the vehicle involved in a peer-to-peer motor  
15 vehicle sharing agreement facilitated by a peer-to-peer motor  
16 vehicle sharing organization.

17       "Recall database" means a database from which a person may  
18 obtain vehicle identification number specific manufacturer's  
19 recall information relevant to a specific vehicle, which  
20 includes but is not limited to a vehicle manufacturer's internet  
21 website for a specific vehicle's line-make, a vehicle



1 manufacturer's internal system that provides information to its  
2 franchisees, or a commercially available vehicle history  
3 system."

4 2. By amending the definitions of "lessee" and "lessor" to  
5 read:

6 "Lessee" means any person obtaining the use of a rental  
7 motor vehicle from a lessor for a period of six months or less  
8 under the terms of a rental agreement or peer-to-peer motor  
9 vehicle sharing agreement.

10 "Lessor" means any person in the business of providing  
11 rental motor vehicles to the public[-], including peer-to-peer  
12 motor vehicle sharing organizations."

13 3. By amending the definition of "rental agreement" to  
14 read:

15 "Rental agreement" means any written agreement setting  
16 forth the terms and conditions governing the use of the rental  
17 motor vehicle by the lessee[-], including peer-to-peer motor  
18 vehicle sharing agreements."

19 SECTION 5. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

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1 SECTION 6. This Act shall take effect on July 1, 2019.

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# S.B. NO. 662

**Report Title:**

Motor Vehicles; Manufacturer's Recall; Requirements; Peer-to-Peer Motor Vehicle Sharing

**Description:**

Prohibits vehicle lessors from renting, leasing, or offering for rent or lease, vehicles subject to a manufacturer's recall, until appropriate repairs are made. Defines peer-to-peer vehicle sharing related terms. Requires persons in the peer-to-peer vehicle sharing organization business to register with the director of taxation.

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

