

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 270  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Transportation, to which was referred H.B. No. 270, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to expand the definition of "rebuilt vehicle" to include vehicles that have been rebuilt after sustaining flood damage or material damage to the vehicle's electronics.

Your Committee received testimony in support of this measure from the Department of Transportation. Your Committee received comments on this measure from State Farm Mutual Automobile Insurance Company and Hawaii Automobile Dealers' Association.

Your Committee finds that existing laws inhibit an insurer's ability to use a rebuilt or salvage title when a total loss is retained by the insured for a flooded vehicle or when damage is done to a vehicle's electronics. In order to be considered a "rebuilt vehicle", there must be material damage to its frame, unitized structure, or suspension system, and the cost to repair the vehicle has to be greater than the vehicle's market value. Your Committee finds that although the State experiences frequent storms and is surrounded by salt water, the aforementioned requirements do not take into consideration any flood damage or



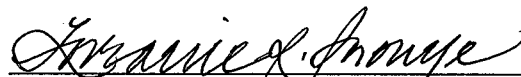
any damage done to a vehicle's electronics. This measure will protect consumers in the State by updating existing law to reflect the design of modern vehicles and address any damage to certain vehicle components that is caused by flooding.

Your Committee has amended this measure by:

- (1) Inserting a definition of "flood damage" to mean damage caused to any electrical, computerized, or mechanical component of a vehicle that has been submerged in water to the point that rising water has reached over the doorsill and has entered the passenger compartment; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 270, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 270, H.D. 1, S.D. 1, and be referred to your Committee on Commerce, Consumer Protection, and Health.

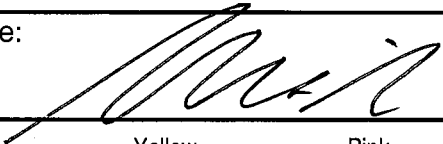
Respectfully submitted on  
behalf of the members of the  
Committee on Transportation,

  
LORRAINE R. INOUE, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Transportation**  
**TRS**

Bill / Resolution No.:* <b>HB270, HD1</b>	Committee Referral: <b>TRS, CPH</b>	Date: <b>3/20/19</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	/			
HARIMOTO, Breene (VC)				/
ENGLISH, J. Kalani				/
SHIMABUKURO, Maile S.L.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes