

Honolulu, Hawaii

APR 04 2019

RE: H.B. No. 270  
H.D. 1  
S.D. 2

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

Sir:

Your Committee on Commerce, Consumer Protection, and Health,  
to which was referred H.B. No. 270, H.D. 1, S.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:

- (1) Define "flood damage" as it relates to a rebuilt vehicle; and
- (2) 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, State Farm Mutual Automobile Insurance Company, and Insurance Auto Auctions.

Your Committee finds that under existing law, a vehicle that is declared a total loss can only be subject to a branded "rebuilt vehicle" title if there is material damage to its frame, unitized structure, or suspension system, and the cost to repair is greater than the vehicle's market value. When an automobile insurer makes this determination, and the car is subsequently rebuilt, it must be branded with a "rebuilt title", which warns future purchasers



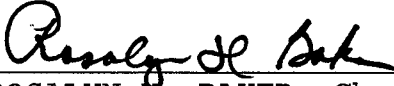
that the car has been declared a total loss and might have hidden defects that could affect its safe operation. However, existing law does not require a car that has sustained significant flood damage and likewise been declared a total loss to be similarly branded since the existing definition of "rebuilt vehicle" does not include flood damage or damage to a car's electronics. Because modern cars are equipped with electronics and advanced technology, this measure corrects this oversight by adding flood damage and damage to a vehicle's electronics to the determination of total loss for titling purposes. This is a consumer protection and safety issue, and is particularly relevant in Hawaii where severe storms and salt water can and do cause flood damage to vehicles and vehicle electronics.

Your Committee has amended this measure by:

- (1) Clarifying the definition of "flood damage" to include potential areas of a vehicle where damage may occur;
- (2) Inserting an effective date of July 1, 2019; and
- (3) 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 Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 270, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 270, H.D. 1, S.D. 2.

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

  
\_\_\_\_\_  
ROSALYN H. BAKER, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Commerce, Consumer Protection, and Health**  
**CPH**

Bill / Resolution No.:* <i>HB 270 HD1SD1</i>	Committee Referral: <i>TRS, CPH</i>	Date: <i>3/20/19</i>		
<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
BAKER, Rosalyn H. (C)	/			
CHANG, Stanley (VC)				/
KEOHOKALOLE, Jarrett	/			
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.	/			
THIELEN, Laura H.	/			
FEVELLA, Kurt				/
<b>TOTAL</b>	<i>5</i>			<i>2</i>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes