

STAND. COM. REP. NO.

987

Honolulu, Hawaii

MAR 0 1 2019

RE: S.B. No. 822
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 Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 822 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 include flood damage and material damage to a motor vehicle's electronics in the definition of "rebuilt vehicle" under existing law.

Your Committee received testimony in support of this measure from the Department of Transportation and one individual. Your Committee received comments on this measure from State Farm Mutual Automobile Insurance Company.

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. Since modern cars are equipped with electronics and advanced technology compared to cars of the early 1990s, when the existing definition of "rebuilt vehicle" was last amended, 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 the vehicle and its electronics.

Your Committee has amended this measure by updating the purpose section.

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 S.B. No. 822, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 822, S.D. 1.

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

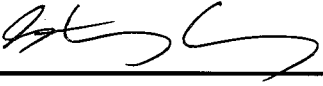


ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 822	TRS, CPH	2/26/19		
<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	✓			
TOTAL	6			1
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