

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 "Recall database" means a database from which a person may
16 obtain vehicle identification number specific manufacturer's
17 recall information relevant to a specific vehicle, which
18 includes but is not limited to a vehicle manufacturer's internet
19 website for a specific vehicle's line-make, a vehicle
20 manufacturer's internal system that provides information to its
21 franchisees, or a commercially available vehicle history system.



1 § -2 **Manufacturer's recall; requirements.** (a) No later
2 than forty-eight hours after receiving notice of a
3 manufacturer's recall, or sooner if practicable, a lessor with a
4 rental motor vehicle fleet of one or more vehicles shall not
5 rent or lease or offer for rent or lease a vehicle subject to
6 the manufacturer's recall until the lessor has made all repairs
7 required under the manufacturer's recall.

8 (b) If a manufacturer's recall notice indicates that the
9 remedy for the recall is not immediately available and specifies
10 actions to temporarily repair the vehicle in a manner that
11 eliminates the safety risk that prompted the manufacturer's
12 recall, a lessor with a rental motor vehicle fleet of one or
13 more vehicles shall not rent or lease or offer for rent or lease
14 a vehicle subject to the manufacturer's recall until the lessor
15 has made all temporary repairs required under the manufacturer's
16 recall. Once a permanent remedy for the vehicle becomes
17 available to the lessor, the lessor shall not rent or lease the
18 vehicle until the permanent repairs to the vehicle required
19 under the manufacturer's recall are complete.

20 (c) As soon as practicable but not more than forty-eight
21 hours after a manufacturer's recall notice has been issued by



1 the manufacturer and appears in the recall database provided by
2 the National Highway Traffic Safety Administration, or not more
3 than forty-eight hours after a lessor receives notice of a
4 manufacturer's recall by a third party with which the lessor
5 contracts to provide notification of active recalls, a lessor
6 shall not facilitate the rent or lease of the vehicle until all
7 repairs required under the manufacturer's recall are complete
8 and the vehicle no longer appears in the recall database
9 provided by the National Highway Traffic Safety Administration."

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

13 "§437D- Manufacturer's recall; requirements. (a) No
14 later than forty-eight hours after receiving notice of a
15 manufacturer's recall, or sooner if practicable, a lessor with a
16 rental motor vehicle fleet of one or more vehicles shall not
17 rent or lease or offer for rent or lease a vehicle subject to
18 the manufacturer's recall until the lessor has made all repairs
19 required under the manufacturer's recall.

20 (b) If a manufacturer's recall notice indicates that the
21 remedy for the recall is not immediately available and specifies



1 actions to temporarily repair the vehicle in a manner that
2 eliminates the safety risk that prompted the manufacturer's
3 recall, a lessor with a rental motor vehicle fleet of one or
4 more vehicles shall not rent or lease or offer for rent or lease
5 a vehicle subject to the manufacturer's recall until the lessor
6 has made all temporary repairs required under the manufacturer's
7 recall. Once a permanent remedy for the vehicle becomes
8 available to the lessor, the lessor shall not rent or lease the
9 vehicle until the permanent repairs to the vehicle required
10 under the manufacturer's recall are complete.

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



1 (d) For purposes of this section:

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

4 "Recall database" means a database from which a person may
5 obtain vehicle identification number specific manufacturer's
6 recall information relevant to a specific vehicle, which
7 includes but is not limited to a vehicle manufacturer's internet
8 website for a specific vehicle's line-make, a vehicle
9 manufacturer's internal system that provides information to its
10 franchisees, or a commercially available vehicle history
11 system."

12 SECTION 3. Section 251-1, Hawaii Revised Statutes, is
13 amended as follows:

14 1. By adding three new definitions to be appropriately
15 inserted and to read:

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

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



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

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

10 "Lessor" means any person in the business of providing
11 rental motor vehicles to the public[-], and shall include peer-
12 to-peer motor vehicle sharing organizations. "Lessor" shall not
13 include the registered owner of the vehicle involved in peer-to-
14 peer motor vehicle sharing agreements facilitated by a peer-to-
15 peer motor vehicle sharing organization."

16 SECTION 4. Section 251-3, Hawaii Revised Statutes, is
17 amended by amending subsection (a) to read as follows:

18 "(a) Each person as a condition precedent to engaging or
19 continuing in the business of providing rental motor vehicles to
20 the public, engaging or continuing in the tour vehicle operator
21 business, [ø] engaging or continuing in a car-sharing



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

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on January 1, 2020.



Report Title:

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

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. Effective January 1, 2020. (SD1)

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