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# A BILL FOR AN ACT

RELATING TO REBUILT VEHICLES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that existing laws  
2           inhibit insurers' ability to push a "rebuilt" or "salvage" title  
3           when a total loss is retained by the insured for a flooded  
4           vehicle or damage to the vehicle's electronics. Modern cars  
5           have a significant amount of electronic devices installed  
6           throughout the vehicle and are highly vulnerable to flood  
7           damage, particularly if salt water is involved. Such a vehicle  
8           warrants greater consumer protection against potential hidden  
9           defects that could affect its safe operation.

10           Accordingly, the purpose of this Act is to provide greater  
11           consumer protection and promote public safety by including flood  
12           damage and material damage to a motor vehicle's electronics in  
13           the definition of "rebuilt vehicle".

14           SECTION 2. Section 286-2, Hawaii Revised Statutes, is  
15           amended by amending the definition of "rebuilt vehicle" to read  
16           as follows:



1 "Rebuilt vehicle" means any vehicle which has been  
 2 declared a total loss by an insurer and has been rebuilt or  
 3 repaired to operate on public highways. For the purpose of this  
 4 definition, a vehicle is a total loss only if there is material  
 5 damage, including flood damage, to the vehicle's electronics,  
 6 frame, unitized structure, or suspension system, and the  
 7 projected cost of repairing the damage exceeds the market value  
 8 of the vehicle at the time of the incident causing it to be  
 9 declared a total loss."

10 SECTION 3. Section 286-51.5, Hawaii Revised Statutes, is  
 11 amended to read as follows:

12 "[+]§286-51.5[+] **Junking of nonrepairable or flood-damaged**  
 13 **vehicle.** (a) Any owner of a vehicle, whether it is currently  
 14 registered or not currently registered, which is incapable of  
 15 safe operation for use on the public highway and which has no  
 16 resale value except as a source of parts or scrap only, or which  
 17 the owner irreversibly designates as a source of parts or scrap,  
 18 may junk the vehicle upon presenting to the director of finance  
 19 a signed statement of fact of the junking together with such  
 20 other relevant facts as may be required by the director of  
 21 finance, and the signed certificate of title. All nonrepairable



1 vehicles that are junked under this [~~section~~] subsection shall  
2 never again be titled or registered.

3 (b) A rebuilt vehicle declared a total loss due to flood  
4 damage to the vehicle's electronics pursuant to section 286-2  
5 shall never again be titled or registered."

6 SECTION 4. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 3000.



**Report Title:**

Rebuilt Vehicle; Flood Damage; Electronics; Branded Title

**Description:**

Expands the definition of "rebuilt vehicle" to include vehicles that have been rebuilt after being declared a total loss due to flood damage and material damage to the vehicle's electronics.  
(SB822 HD1)

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

