



John Uekawa, President
Dave Rolf, Executive Director

HADA TESTIMONY OPPOSED to SB2495
RELATING TO USED MOTOR VEHICLES

Presented to the Senate Committee on Commerce, Consumer Protection and Health
At the Public Hearing, 9 a.m.. Thursday, February 20, 2020
Conference Room 229, Hawaii State Capitol

by David H. Rolf for members of the Hawaii Automobile Dealers Association,
Hawaii's franchised new car dealers, who provide sales, warranty work and other factory-certified maintenance service for Hawaii's privately-owned and fleet-owned cars and light trucks

Chair Baker, vice chair Chang and members of the committee:

Any change, requiring two keys, in the language of HRS481J2, the written warranty requirements for used motor vehicles sold in the State, will require a reprinting of the more than 100,000 USED CAR BUYERS GUIDES posted on all used motor vehicles at some 200 dealerships (70 new car dealerships and 130 independent used car dealerships), and, for some, the change will involve a reprogramming of a dealership's software.

The process involves working with the companies that print the forms, and can take months, and even longer if other changes have to be incorporated.

A second issue, is that the "...or replacing" language in the bill could be interpreted to mean that even if a key were lost by the customer during the warranty period, that the dealer would have to replace a key—some of which (as a key fob, including the reprogramming cost) can cost \$220 to \$500 in some luxury vehicles.

Two keys are generally provided. New car dealers report that their auto manufacturer franchise agreement for Certified Pre-Owned Vehicles requires that two keys (fobs) be provided at time of purchase.

One dealer reported that for other used vehicles, two keys are generally provided. Generally, the customer trading in the vehicle provides a vehicle's two keys at trade-in time. When one key was provided at trade-in, the purchasing customer of that trade-in vehicle was encouraged to purchase a second key, but the option was the customer's.

For the aforementioned reasons, HADA dealers oppose SB2495, and respectfully asks that the committee defer the measure. Please see the copy of the USED CAR BUYERS GUIDE., required to be posted on each used vehicle.

BUYERS GUIDE

IMPORTANT: Spoken promises are difficult to enforce. Ask the dealer to put all promises in writing. Keep this form.

VEHICLE MAKE	MODEL	YEAR	VEHICLE IDENTIFICATION NUMBER (VIN)
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WARRANTIES FOR THIS VEHICLE:

AS IS - NO DEALER WARRANTY
THE DEALER DOES NOT PROVIDE A WARRANTY FOR ANY REPAIRS AFTER SALE.

DEALER WARRANTY

FULL WARRANTY.

LIMITED WARRANTY. The dealer will pay **100** % of the labor and **100** % of the parts for the covered systems that fail during the warranty period. Ask the dealer for a copy of the warranty, and for any documents that explain warranty coverage, exclusions, and the dealer's repair obligations. *Implied warranties* under your state's laws may give you additional rights.

DURATION:

For cars with mileage between 12,000-24,999: 90 days or 5,000 miles, whichever occurs first

For cars with mileage between 25,000-49,999: 60 days or 3,000 miles, whichever occurs first

For cars with mileage between 50,000-74,999: 30 days or 1,000 miles, whichever occurs first

Covered vehicles must be: 1) less than 5 years old; 2) cost more than \$1500; 3) between 12,000 and 75,000 miles; 4) purchased by a consumer; 5) not custom built or modified for show purposes or racing; and/or 6) not inoperable or deemed a "total loss."

SYSTEMS COVERED:

ENGINE, including all lubricated parts, water pump, fuel pump, manifolds, engine block, cylinder head, rotary engine housings, flywheel, gaskets and seals;

TRANSMISSION, including the transmission case, internal parts, torque converter, gaskets and seals, except four-wheel drive vehicles are excluded from coverage as provided for in this paragraph;

DRIVE AXLE, including front and rear drive axle housings and internal parts, axle shafts, propeller shafts, and universal joints, except four-wheel drive vehicles are excluded from coverage as provided in this paragraph;

BRAKES, including master cylinder, vacuum assist booster, wheel cylinders, hydraulic lines and fittings, and disc brake calipers;

RADIATOR

STEERING, including the steering gear housing and all internal parts, power steering pump, valve body, piston and rack, and

ALTERNATOR, generator, starter, and ignition system, excluding the battery.

NON-DEALER WARRANTIES FOR THIS VEHICLE:

MANUFACTURER'S WARRANTY STILL APPLIES. The manufacturer's original warranty has not expired on some components of the vehicle.

MANUFACTURER'S USED VEHICLE WARRANTY APPLIES.

OTHER USED VEHICLE WARRANTY APPLIES.

Ask the dealer for a copy of the warranty document and an explanation of warranty coverage, exclusions, and repair obligations.

SERVICE CONTRACT. A service contract on this vehicle is available for an extra charge. Ask for details about coverage, deductible, price, and exclusions. If you buy a service contract within 90 days of your purchase of this vehicle, *implied warranties* under your state's laws may give you additional rights.

ASK THE DEALER IF YOUR MECHANIC CAN INSPECT THE VEHICLE ON OR OFF THE LOT.

OBTAIN A VEHICLE HISTORY REPORT AND CHECK FOR OPEN SAFETY RECALLS. For information on how to obtain a vehicle history report, visit ftc.gov/usedcars. To check for open safety recalls, visit safercar.gov. You will need the vehicle identification number (VIN) shown above to make the best use of the resources on these sites.

SEE OTHER SIDE for important additional information, including a list of major defects that may occur in used motor vehicles.

Si el concesionario gestiona la venta en español, pídale una copia de la Guía del Comprador en español.

Respectfully submitted,

David H. Rolf

For the Members of the Hawaii Automobile Dealers Association

HADA

Making Hawaii Better Together