

TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA THIRTY-THIRD LEGISLATURE, 2025

ON THE FOLLOWING MEASURE:

S.B. NO. 1286, RELATING TO MOTOR VEHICLES.

BEFORE THE:

SENATE COMMITTEE ON TRANSPORTATION AND CULTURE AND THE ARTS

DATE: Tuesday, February 4, 2025 **TIME:** 3:00 p.m.

LOCATION: State Capitol, Room 224

TESTIFIER(S): Anne E. Lopez, Attorney General, or

Christopher T. Han, or Christopher J.I. Leong, Deputy Attorneys

General

Chair Lee and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill prohibits the collection, sale, or disclosure of any driver data that is obtained by a motor vehicle or other connected car service, feature, or application to any third-party without the explicit consent of the owner or lessee of the vehicle.

We recommend adding two new sections after section 2 to protect the bill against potential retroactive application and contractual-impairment issues. Because the activity newly prohibited by this bill could result in the assessment of penalties for being an unfair or deceptive act or practice, the bill must not apply retroactively to conduct occurring before its effective date. Furthermore, data collection often occurs through provisions in contractual agreements, and the new restrictions imposed by the bill may raise concerns about impairing existing contracts. To mitigate any possible issues, we recommend inserting the following wording after page 3, line 20:

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. This Act shall not be applied so as to impair any contract existing as of the effective date of this Act in a manner violative of

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either the Constitution of the State of Hawaii or article I, section 10, of the United States Constitution.

The current sections 3 and 4 should then be renumbered accordingly. Thank you for the opportunity to provide comments.



JOSH GREEN, M.D. GOVERNOR | KE KIA'ĀINA

SYLVIA LUKELIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

STATE OF HAWAII | KA MOKUʻĀINA ʻO HAWAIʻI OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS KA ʻOIHANA PILI KĀLEPA

NADINE Y. ANDO DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMADEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

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Testimony of the Department of Commerce and Consumer Affairs

cca.hawaii.gov

Office of Consumer Protection

Before the
Senate Committee on Transportation and Culture and the Arts
February 4, 2025
3:00 PM
Via Videoconference
Conference Room 224

On the following measure: S.B. 1286, RELATING TO MOTOR VEHICLES

Chair Lee and Members of the Committee:

My name is Melissa Enright, and I am an Enforcement Attorney at the Department of Commerce and Consumer Affairs' (Department) Office of Consumer Protection (OCP). The Department offers the following comments.

The purposes of this bill are to: (1) establish requirements, including additional disclosures and consumer consent regarding the collection, sharing, selling and storage of consumer driving data; and (2) prohibit the sale of consumer driving data without obtaining the consumer's affirmative express consent.

This bill aims to protect the privacy of consumers and drivers by requiring automakers to obtain express consent from the consumer before collecting, sharing, or selling data that is recorded by the automobile. Of particular concern to OCP are reports of drivers being tracked even after turning off the tracking feature in the automobile.

Testimony of DCCA S.B. 1286 Page 2 of 2

Tracking and collecting geolocation data can be extremely privacy invasive, revealing intimate details about a person's life and exposing their daily routines.

OCP recommends that the bill require that disclosures made by automakers regarding driver data should be clear and conspicuous and in language that is easy to understand. Automakers should further be prohibited from misrepresenting information about how they collect, use, share and/or sell consumers' location and driver behavior data.

OCP is willing to work with the introducer and committee members to explore amendments to protect the consumer public.

Thank you for the opportunity to testify on this bill.

Senator Chris Lee Chair, Committee on Transportation, Culture, and the Arts Hawaii State Capitol, Room 224 Honolulu, HI 96813

Re: S.B. 1286 – Relating to Motor Vehicles

RELX is a world-leading provider of technology solutions that support the government, insurance, and financial services industries in making communities safer, insurance rates more accurate, commerce more transparent, and processes more efficient.

We offer the following **comments** on behalf of RELX, and request a critical clarifying amendment to S.B. 1286 which will align the bill's obligations with the legislative intent language included in the opening paragraphs of the legislation.

Given that the legislative intent section of S.B. 1286 states that the measure seeks to "prohibit automakers from collecting, sharing, or selling driver data to a third party without the express consent of the driver," an amendment is needed to provide clarity to ensure that driver consent is collected by those with direct contact with the driver before any driver data is collected, sold, or shared. This important change suggested below will ensure both consumers and industry have a workable framework to enhance data privacy protections.

"§481B- Sale of driver data without consent; prohibited.

(a) No person automaker, in any manner or by any means, shall collect, share, sell, or offer for sale any driver data that is recorded or collected through any means by a motor vehicle without the explicit consent of the individual who is the owner or lessee of the motor vehicle.

We strongly urge you to adopt the requested amendment so that compliance obligations regarding consent requirements are clear and align with the stated goals of the legislation.

We look forward to working with you as this effort continues and offer the expertise of our privacy counsel should you have any questions or require additional materials. Please feel free to contact me at 202-716-7867 or at london.biggs@relx.com if I can be of further assistance.

Sincerely,

London Biggs
Director, State Government Affairs - West
RELX Inc.





DATE: February 4, 2025

TO: Senator Chris Lee

Chair, Committee on Transportation and Culture and the Arts

Senator Lorraine Inouve

Vice Chair, Committee on Transportation and Culture and the Arts

Submitted Via Capitol Website

FROM: Tiffany Yajima

RE: S.B. 1286 – Relating to Motor Vehicles

Hearing Date: Tuesday, February 4, 2025 at 3:00 p.m.

Conference Room: 224

Dear Chair Lee, Vice Chair Inouye, and Members of the Committee on Transportation and Culture and the Arts,

On behalf of the Alliance for Automotive Innovation ("Auto Innovators") we submit this testimony in **opposition** of S.B. 1286, Relating to Motor Vehicles. The Alliance for Automotive Innovation is the singular, authoritative and respected voice of the automotive industry. Focused on creating a safe and transformative path for sustainable industry growth, the Alliance for Automotive Innovation represents the manufacturers producing nearly 99 percent of cars and light trucks sold in the U.S. Members include motor vehicle manufacturers, original equipment suppliers, technology, and other automotive-related companies and trade associations.

Auto Innovators is concerned that this bill is overly broad and difficult to comply with. This measure prohibits the collection, sale, or disclosure of <u>all</u> driver data obtained by a motor vehicle or other connected car service, feature, or application to any third-party unless there is explicit consent of the owner or lessee of the vehicle to share this data. This would limit data sharing for crucial vehicle services that are already employed in vehicles today. In doing so, automakers are concerned that this measure also does not comport with the existing federally enforceable Federal Trade Commission rules and Privacy Principles on auto data privacy thereby creating an excessive regulatory burden.

Furthermore, this bill also would allow a vehicle owner or lessee to opt-out of vehicle data sharing at any time, even retroactively, and revoke consent at any

time. Automakers are concerned that this broad revocation language is impractical and difficult to comply with properly.

Automakers have existing legal obligations to collect data beyond the nonemergency exemptions in this bill and are committed to the existing Privacy Principles that are enforceable by the FTC. For these reasons, we feel this bill is unnecessary and ask you to defer this measure.

Thank you for the opportunity to submit this testimony.