

A Bill for an Act Relating to Motor Vehicles Automobile Warranties and the Premature Expiration of Coverage Due to Over-Registration of Odometers.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Purpose. The purpose of this Act is to provide the consumer factual knowledge respecting the accuracy of the mileage indicator (odometer) and rate indicator (speedometer) on new and used motor vehicles, introduced for sale, held for sale, offered for sale, or sold in the State of Hawaii.

SECTION 2. Findings and intent. The legislature finds that automobile manufacturers have historically supplied vehicles with speed meters and mileage meters that over-register, thereby indicating that the vehicle is traveling faster than it actually is and that it has traveled farther than it actually has.

The legislature also finds that most new equipment odometers are accurate within commercial requirements but that, when they are installed in vehicles, they over-register an average of five per cent which is beyond legal commercial tolerance. Such practice fraudulently misleads the consumer into believing that he is getting better gasoline mileage than he actually is, and that he has a valid warranty as stated in his contract. The effect of a ten per cent

fast odometer reduces a 50,000 mile warranty to 45,000, and twenty miles per gallon to eighteen.

It is the intent of this Act, that all vehicles be required to represent miles traveled within the accuracy requirements established by the National Bureau of Standards for commercial odometer applications.

**SECTION 3. Definitions. As used in this Act:**

(1) "Certificate of accuracy" means a written warranty, limited to and defining a single specific entity, and attesting to and defining the accuracy of that entity.

(2) "Director" means the director of weights and measures.

(3) "Endorsement" means an entry, made upon a certificate of accuracy, which shall include the exact vehicle odometer reading in terms of miles and tenths of miles.

(4) "Error" means the difference between the indicated and the true standard.

**SECTION 4. Certificate requirement.** Irrespective of any other general or specific law, regulation, or ordinance pertaining to motor vehicles or their registration, inspection, fees, taxes, or licensing, no person shall introduce into the State for sale, hold for sale, offer for sale, sell, or resell, including barter or exchange, any motor vehicle unless the vehicle is equipped with an operable mileage measuring device, and the measuring device is described in detail on the manufacturer's accompanying certificate of accuracy. The certificate of accuracy shall be in a form approved by the attorney general and shall contain an endorsement reflecting the condition of accuracy of the odometer, the exact odometer reading in miles to the nearest one-tenth mile, and the odometer error in terms of the percentage fast or slow and in feet-per-mile.

**SECTION 5. Verification sampling.** For purposes of verifying the certificate of accuracy, the director shall establish regulations whereby a lot of motor vehicles of a given year and make, may be approved or rejected on the basis of random sampling techniques. Such regulations shall not preclude one-hundred per cent sampling if given condition warrants such action.

**SECTION 6. Fees.** Every motor vehicle to be tested shall be assessed the verification fee whether approved or rejected, and irrespective of the method of such determination. Every motor vehicle rejected shall be corrected and again subject to a verification fee and test. The director shall, by regulation, establish a schedule of fees for verification and such schedule may reflect an increased fee for each subsequent verification test after initial rejection.

**SECTION 7. Replacement certificate.** The director may issue a replacement certificate in lieu of the original certificate of accuracy when such action is necessary to allow the parties involved to consummate a transfer of title of a particular vehicle. A replacement fee shall be charged in the amount of \$10, payable to the general fund of the State.

**SECTION 8. Record of verification.** The director shall maintain a facsimile file of all certificates of accuracy and replacement certificates of accu-

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racy for a period of at least three years. The copies shall be progressively numbered, excluding replacement copies, and the director shall provide means to assign the same number to the original copy upon verification test and approval.

**SECTION 9. Penalties.** Any person who violated this Act or who knowingly, willingly, or intentionally falsifies a certificate of accuracy by entry of false or erroneous data, information, endorsement, or error, or in any other way, shall be fined not less than \$100 or more than \$500.

**SECTION 10.** There is hereby appropriated out of the general revenues of the State of Hawaii the sum of \$7500, or so much thereof as may be necessary, to be expended by the department of agriculture for the purposes of the Act.

**SECTION 11.** This Act shall take effect upon its approval and shall apply to all vehicles of model year 1969 or later.

(Became law July 30, 1969, without Governor's signature pursuant to State Constitution, Art. III, §17.)