

ACT 233

S.B. NO. 3076

A Bill for an Act Relating to the Motor Vehicle Industry.

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

SECTION 1. Section 437-17, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Each new motor vehicle dealer receiving a license shall keep in force a bond to the motor vehicle industry licensing board in the penal sum of \$200,000[.]; provided that the penal sum shall be \$50,000 for new car dealers who sell less than ten new motor vehicle units a month average on an annual basis. Each used motor vehicle dealer shall give and keep in force a bond to the board in the penal sum of \$100,000; provided that the penal sum shall be \$25,000 for a used car dealer [that] who sells [twenty-five or] less than sixty motor vehicle units a month[.] average on an annual basis. More than one bond may be furnished by the same applicant, provided [that the] they aggregate the full amount [is as] prescribed by this section. If any bond is not (1) executed by a surety company authorized to do business in the State, or (2) secured by a deposit of cash with the board in lieu of surety, then sections 103-35 to 103-37 shall be applicable as nearly as may be to furnishing of such bond and the surety or sureties and the security thereof, with the substitution of the board hereunder for the awarding officer mentioned in sections 103-35 and 103-37 as may be applicable.”

SECTION 2. The Motor Vehicle Industry Licensing Board shall study the appropriateness of the bonding amounts provided in Section 1, as well as the bonding requirement itself, and shall submit a report of its findings and recommendations to the Legislature no later than twenty days prior to the convening of the Regular Session of 1989.

SECTION 3. During the period in which this Act is in effect, dealers who take advantage of the lowered bonding amounts provided in Section 1 shall not collect payments on motor vehicle purchases without delivery of the motor vehicle.

SECTION 4. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval; provided that the new bonding requirements provided in Section 1 shall be repealed on July 1, 1989 and section 437-17(a) shall be reenacted in the form in which it read immediately prior to the approval of this Act.

(Approved June 8, 1988.)