ACT 326

H.B. NO. 737

A Bill for an Act Relating to Motor Vehicle Safety Inspections.

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

SECTION 1. Section 286-26, Hawaii Revised Statutes, is amended by amending subsection (i) to read as follows:

"(i) As part of the inspection required by this section, the owner of the vehicle to be inspected shall produce and display the no-fault insurance identification card for the inspected motor vehicle required by section [294-8.5] 431:10C-107 or the proof of insurance card required by section [294-12.6.] 431:10C-502. If no card is displayed, then the sticker authorized by the director of transportation shall not be affixed to the vehicle and the certificate of inspection shall not be issued."

SECTION 2. Section 286-27, Hawaii Revised Statutes, is amended to read as follows:

"§286-27 Permits to operate official inspection stations. (a) The department of transportation, referred to in this section and sections 286-28 and 286-29 as "the department", shall be responsible for issuing permits for and furnishing instructions and all forms to official inspection stations. The stations shall operate in the manner directed by the department pursuant to standards established by the director of transportation.

- (b) Application for an official inspection permit shall be made upon an official form and shall be granted only when the department is satisfied that the station is [properly] equipped <u>properly</u> and has competent personnel to make the required inspections. Before issuing a permit, the department shall require the applicant to file proof that the applicant has, in effect, a liability insurance policy, issued to the applicant by an insurance company authorized to do business in the State, insuring against the liability of the applicant and any of the applicant's employees in minimum amounts as follows: comprehensive public liability insurance in the amount of \$10,000 for one person and \$20,000 for one accident and comprehensive property damage insurance of \$5,000; provided that the director of transportation by rules may establish higher limits; provided that the proof of insurance need not be filed by an applicant who shall inspect only vehicles owned by the applicant; and provided further that the proof of insurance need not be filed by instrumentalities of the United States.
- (c) A permit for an official station shall not be assigned or transferred or used at any location other than that designated by the department and every permit shall be posted in a conspicuous place at the location designated.

(d) The [department of transportation may contract with the] counties <u>shall</u> <u>provide</u> for the necessary administrative and enforcement services.

(e) The counties shall be reimbursed the costs incurred in providing the services under subsection (d)."

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

ACT 326

(Approved June 15, 1989.)