

ACT 44

H.B. NO. 2479

A Bill for an Act Relating to Motor Vehicle Express Warranty Enforcement (Lemon Law).

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

SECTION 1. Section 481I-2, Hawaii Revised Statutes, is amended by amending the definition of “collateral charges” to read:

““Collateral charges” means those additional charges to a consumer wholly incurred as a result of the acquisition of the motor vehicle. For the purposes of this chapter, collateral charges include[,] but are not limited to[,] finance and interest charges, manufacturer-installed or agent-installed items, general excise tax, license and registration fees, title charges, and similar government charges.”

SECTION 2. Section 481I-3, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

ACT 44

“(b) If the manufacturer, its agents, distributors, or authorized dealers are unable to conform the motor vehicle to any applicable express warranty by repairing or correcting any defect or condition which substantially impairs the use, market value, or safety of the motor vehicle after a reasonable number of documented attempts, then the manufacturer shall provide the consumer with a replacement motor vehicle or accept return of the vehicle from the consumer and refund to the consumer the following: the full purchase price including but not limited to charges for undercoating, dealer preparation, transportation [and], installed options, and all collateral and incidental charges, [excluding finance and interest charges,] and less a reasonable offset for the consumer’s use of the motor vehicle.

If either a replacement motor vehicle or a refund is awarded, an “offset” may be made for damage to the vehicle not attributable to normal wear and tear, if unrelated to the nonconformity. If a replacement motor vehicle is awarded, a reasonable offset shall be made for the use of the motor vehicle and an additional offset may be made for loss to the fair market value of the vehicle resulting from damage beyond normal wear and tear, unless the damage resulted from the nonconformity. When the manufacturer supplies a replacement motor vehicle, the manufacturer shall be responsible for the general excise tax, and license and registration fees. Refunds made pursuant to this subsection shall be deemed to be refunds of the sales price and treated as such for purposes of section 237-3. Refunds shall be made to the consumer and lienholder, if any, as their interests may appear on the records of ownership. If applicable, refunds shall be made to the lessor and lessee pursuant to rules adopted by the department of commerce and consumer affairs.”

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

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

(Approved April 26, 2000.)