

**ACT 199**

H.B. NO. 270

A Bill for an Act Relating to Rebuilt Vehicles.

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

SECTION 1. The legislature finds that existing laws inhibit insurers' ability to push a "rebuilt" or "salvage" title when a total loss is retained by the insured for a flooded vehicle. Modern cars have a significant amount of electronic

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devices installed throughout the vehicle and are highly vulnerable to sustaining damage during a flood, particularly if salt water is involved. Such vehicles should have a branded title to warn potential subsequent purchasers that the vehicle has been declared a total loss and might have hidden defects that could affect its safe operation.

Accordingly, the purpose of this Act is to expand the definition of “rebuilt vehicle” to include motor vehicles that have been rebuilt after flood damage and material damage to the vehicle’s electronics and define “flood damage”.

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

1. By adding a new definition to be appropriately inserted and to read:  
““Flood damage” means damage caused to any electrical, computerized, or mechanical component, or interior of a vehicle that has been submerged in water to the point that water has entered the passenger compartment or engine.””

2. By amending the definition of “rebuilt vehicle” to read:  
““Rebuilt vehicle” means any vehicle which has been declared a total loss by an insurer and has been rebuilt or repaired to operate on public highways. For the purpose of this definition, a vehicle is a total loss only if there is material damage, including flood damage, to the vehicle’s electronics, frame, unitized structure, or suspension system, and the projected cost of repairing the damage exceeds the market value of the vehicle at the time of the incident causing it to be declared a total loss.””

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2019.

(Approved July 2, 2019.)