

MOTOR VEHICLE INDUSTRY LICENSING BOARD  
Professional and Vocational Licensing Division  
Department of Commerce and Consumer Affairs  
State of Hawaii

MINUTES OF MEETING

Date: February 9, 2021

Time: 9:00 a.m.

Place: Virtual via Zoom Webinar

Present: Wayne K. De Luz, Industry Member, Chairperson  
Byron A. Hansen, Public Member  
John Uekawa, Industry Member  
Russell M. K. Wong, Industry Member  
Kedin C. Kleinhans, Executive Officer ("EO")  
Sandra M. Matsushima, EO  
Christopher J. I. Leong, Deputy Attorney General ("DAG")  
LaJoy A. Lindsey, Secretary  
Leanne K. Abe, Secretary  
Christine V. Dela Cruz, Office Assistant  
Stephanie M. Karger, Office Assistant

Excused: Steven J. T. Chow, Esq., Public Member, Vice-Chairperson

Guests: None

Agenda: The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by §92-7(b), Hawaii Revised Statutes (HRS).

A short video was played to explain the meeting procedures and how members of the public could participate in the virtual meeting.

Call to Order: Chairperson De Luz called the meeting to order at 9:08 a.m. Roll call was taken with Messrs. De Luz, Hansen, Uekawa and Wong were present, and Vice-Chairperson Chow was excused.

Approval of Minutes  
December 15, 2020  
Board Meeting:

Licensing: a. Ratifications

Motor Vehicle Salesperson Transfers  
Motor Vehicle Salesperson Licenses  
Motor Vehicle Dealer Licenses  
Motor Vehicle Distributor Licenses  
Motor Vehicle Manufacturer Licenses

Mr. Wong reported Motor Vehicle Salesperson Transfer, Seiji Tsuchida, is employed by “Servco Nissan Inc dba Tony Nissan”, and requested EO Kleinhans to verify the correct Dealer. EO Kleinhans responded that the Dealer should be listed as “Pacific Nissan Inc dba Tony Nissan”.

Amending the employing Dealer listed for Motor Vehicle Salesperson Transfer, Seiji Tsuchida, from “Servco Nissan Inc dba Tony Nissan” to “Pacific Nissan Inc dba Tony Nissan.”

- b. Applications (none)
- a. 2021 Board Meeting Schedule

Executive Officer’s Report:

EO Kleinhans reported the 2021 Board meeting schedule. Chairperson De Luz advised members to contact EO Kleinhans or Secretary Lindsey if they are unable to attend a meeting.

Legislative Session:

- a. Bills Relating to the Motor Vehicle Industry
  - (i) House Bill No. 393  
Relating to Ground Transportation

EO Kleinhans stated this measure establishes goals for the State to reduce emissions that cause climate change and build energy efficiencies across all sectors, including establishing a clean ground transportation target for light duty vehicles. The measure also prohibits the sale of new motor vehicles that are solely powered by fossil fuels and designed for personal use by Dealers and Salespersons beginning on a date to be later determined.

He added that the measure passed the House Committee on Energy & Environmental Protection and was referred to the House Committee on Consumer Protection & Commerce.

Mr. Wong expressed concerns about establishing a date of prohibition. He added that legislation prohibiting products is unfair to consumers; in particular, the most vulnerable consumers as electric vehicles are expensive. Manufacturers such as GM announced they are currently moving to 100% electric fleet.

EO Kleinhans reported of a study that may be related to the measure. Researchers studied the effects of New York’s tobacco tax increases and found that despite higher taxes, low-income smokers were more likely to purchase more cigarettes. The study noted there may be a relationship on tax avoidance; however, EO Kleinhans indicated this measure establishes a prohibition.

Mr. Uekawa indicated that a Manufacturer may take several years to evaluate current assets, then approximately five years to transition a fleet.

EO Kleinhans stated that the measure would not preclude a consumer from purchasing a motor vehicle from an out-of-State Dealer, provided the consumer pays for shipping costs.

- (ii) House Bill No. 463  
Relating to Climate Change

EO Kleinhans stated this bill is similar to House Bill No. 393 with a prohibition date of January 1, 2030.

- (iii) House Bill No. 602 // Senate Bill No. 171  
Relating to Registration of Vehicles

EO Kleinhans stated that these bills are companion bills and are identical. The measures amend the procedure of transferring the title or ownership interest in a vehicle; requires the transferor, or transferor's representative with the appropriate documentation, and transferee to be appear in person before the clerk of the respective county department of motor vehicles to execute the transfer of title; and exempts licensed dealers from appearing in person with the transferee to execute such transfer.

EO Kleinhans cited the amendments on page one which remove the sixty-day period for lien holders that do not have an office in the State consequently requiring a thirty-day period.

Mr. Wong stated that the current process works adding that the measure would require Dealers to hold more inventory; consequently, spending more on carrying costs, interest, insurance, and storage fees which may pass down to consumers.

Chairperson De Luz noted the burden is placed on the Dealer, but the Dealer has no control over the process because each County DMV handles the delivery of the certificate of ownership title.

- (iv) House Bill No. 804  
Relating to Environmental Protection

EO Kleinhans stated this bill is similar to House Bill Nos. 393 and 463 with a prohibition date of January 1, 2035.

- (v) Senate Bill No. 21  
Relating to Motor Vehicles

EO Kleinhans stated this bill establishes a zero net vehicle growth policy in the State to ensure that the number of vehicles in the State does not exceed the vehicle threshold; prohibits the importation of a vehicle into the State unless the dealer or individual importing the vehicle demonstrates proof that an existing vehicle in the State was recycled, destroyed, or transported out of the State and the importation of the vehicle does not cause the total number of vehicles in the State to exceed the vehicle threshold; and requires proof of compliance for Dealers and individuals importing vehicles into the State.

Mr. Wong stated this measure would require Dealers and consumers to submit proof of compliance with the zero net vehicle growth policy; however, Dealers do not have a mechanism for tracking motor vehicles not within their inventory, and consumers are able to purchase motor vehicles out-of-State, but is subsequently required to demonstrate proof an existing vehicle in the State was recycled, destroyed, or transported out-of-State.

Mr. Wong noted on page 4 that a “courtesy delivery” would require a Hawaii Dealer to deliver a motor vehicle to a consumer who purchased from an out-of-State Dealer at no charge.

b. Bills Relating to Board Meetings, Members, Interactive Conference Technology

EO Kleinhans reported the following bills relate to Board meetings, members, and help facilitate meetings through Interactive Conference Technology.

- (i) House Bill No. 157 // Senate Bill No. 456  
Relating to Public Agency Meetings and Records
- (ii) House Bill No. 166 // Senate Bill No. 439  
Relating to Sunshine Law Boards
- (iii) House Bill No. 168 // Senate Bill No. 393  
Relating to Public Agency Meetings and Records
- (iv) House Bill No. 190 // Senate Bill No. 442  
Relating to Sunshine Law Boards
- (v) House Bill No. 503 // Senate Bill No. 661  
Relating to Board Meetings
- (vi) House Bill No. 677  
Relating to The Sunshine Law

- (vii) House Bill No. 880 // Senate Bill No. 1034  
Relating to Sunshine Law Boards
- (viii) Senate Bill No. 9  
Relating to Board Members
- (ix) Senate Bill No. 592  
Relating to The Uniform Information Practices Act
- (x) Senate Bill No. 610  
Relating to Boards and Commissions

Old Business:

- a. Discussion on Finance and Cash Value of Motor Vehicles

EO Kleinhans indicated that there were no public or industry members in the audience as legislative bills are currently being heard at this time.

Chairperson De Luz deferred discussion and decision-making on this item to the next meeting.

Hawaii Administrative Rules Chapter 86: Chairperson De Luz deferred discussion and decision-making on this item to the next meeting.

Public Comment: None.

Next Meeting: April 13, 2021  
9:00 a.m.  
Virtual Videoconference Meeting  
Zoom Webinar

Adjournment: There being no further business to discuss, the meeting adjourned at 10:50 a.m.

Taken and recorded by:

/s/ LaJoy Lindsey

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LaJoy Lindsey, Secretary

Reviewed and approved by:

/s/ Kedin C. Kleinhans

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Kedin C. Kleinhans

Motor Vehicle Industry Licensing Board  
Minutes of the February 9, 2021 Meeting  
Page 6

Executive Officer

3/8/21

Minutes approved as is.

Minutes approved with changes. See Minutes of \_\_\_\_\_.