

JAN 19 2018

A BILL FOR AN ACT

RELATING TO VEHICLES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 286, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

"§286- Beneficiary transfer of vehicle ownership. (a)

Upon the registration of a vehicle, the owner may designate a beneficiary to whom the vehicle will be transferred upon the owner's death.

(b) Designation of a beneficiary under this section may be revoked or the beneficiary may be changed at any time before the death of the owner by the following methods:

(1) By sale of the vehicle with proper assignment and delivery of the certificate of ownership to another person;

(2) By application for a new certificate of ownership without the designation of a beneficiary or with the designation of a different beneficiary; or



(3) By a subsequently executed will or testamentary instrument.

(c) The beneficiary's interest in the vehicle at the death of the owner is subject to any contract of sale, assignment, or security interest to which the owner was subject at the time of the owner's death."

SECTION 2. Section 286-47, Hawaii Revised Statutes, is amended to read as follows:

"§286-47 Certificate of registration; certificate of ownership; containers. Upon the registration of a vehicle, the director of finance shall issue a certificate of registration to the owner and a certificate of ownership to the legal owner, or to a dealer who shall be a person licensed to sell new motor vehicles under chapter 437 which certificates shall meet the following requirements:

(1) Both the certificate of registration and the certificate of ownership shall contain upon the face thereof, the date issued, the registration number assigned to the owner and to the vehicle, the name and address of the owner and legal owner in typewriting, also such description of the registered vehicle as may



1 be determined by the director of finance. If any of
2 the information subsequently proves to be a
3 typographical error, the dealer, as defined in section
4 437-1.1, shall notify the director of finance of the
5 error by a written certificate stating the reasons for
6 and nature of the error and the correction which
7 should be made in the certificate of registration and
8 the certificate of ownership. Upon receipt of the
9 dealer's certificate by the director of finance, the
10 certificate of registration and the certificate of
11 ownership shall be corrected accordingly so long as
12 the correction does not constitute a change of the
13 vehicle originally registered. A fee shall be paid to
14 the director of finance for each instance of
15 correction of the registration records. The fee
16 charged for each instance of correction of the
17 registration records shall be established by the
18 county's legislative body;

19 (2) In addition to the requirements provided for in
20 paragraph (1) above, the face of the certificate of
21 ownership shall contain endorsement lines for the



1 transfer of title or interest of the registered owner
2 and legal owner, and the odometer reading of the
3 vehicle on the date of transfer. The reverse side of
4 the certificate of ownership shall contain the
5 application for registration by the transferee;

6 (3) The certificate of ownership for a vehicle subject to
7 beneficiary transfer pursuant to section 286- shall
8 include, after the name of the owner, the words
9 "transfer on death to" or the abbreviation "TOD"
10 followed by the name of the beneficiary; and

11 ~~[-(3)-]~~ (4) (A) Every owner shall keep the certificate of
12 registration within the vehicle for which it is
13 registered and shall present the same at the
14 request of a police officer, or in the event the
15 vehicle is a motorcycle, shall carry such
16 certificate in a convenient receptacle attached
17 to the vehicle and which shall be presented at
18 the request of a police officer;

19 (B) This shall not apply to state or county vehicles
20 readily identified by the license plates and
21 markings on sides of such vehicles;



1 (C) This shall not apply to commercial vehicles
2 defined as rental motor vehicles, or cars shipped
3 by licensed car dealerships or repossession
4 companies. These businesses may keep a duplicate
5 copy of the certificate of registration within
6 the vehicle for which it is registered, in which
7 case the certificate of registration shall be
8 available for inspection at their principal place
9 of business within the State; and

10 (D) This requirement to carry the certificate of
11 registration with the vehicle shall not apply
12 when such certificate is removed from the vehicle
13 for the purpose of application for renewal,
14 transfer of registration, or to record a change
15 in the registration."

16 SECTION 3. Section 286-52, Hawaii Revised Statutes, is
17 amended by amending subsection (f) to read as follows:

18 "(f) In the event of the transfer by operation of law of
19 the title or interest of a legal owner in and to a vehicle
20 registered under this part, as upon inheritance, devise, or
21 bequest, beneficiary transfer under section 286- , order in



1 bankruptcy, or insolvency, execution sale, repossession upon
2 default in performance of the terms of a lease or executory
3 sales contract, or otherwise than by the voluntary act of the
4 person whose title or interest is so transferred, the
5 certificate of ownership shall be signed upon the spaces
6 provided by the personal representative, receiver, trustee,
7 sheriff, or other representative, or successor in interest of
8 the person whose title or interest is so transferred in lieu of
9 such person. Every personal representative, receiver, trustee,
10 sheriff, or other representative hereinabove referred to shall
11 file with the director of finance a notice of any transfer by
12 sale, lease, or otherwise by such person, of any such vehicle,
13 together with evidence satisfactory to the director of finance
14 of all facts entitling such representative to make the transfer.
15 Upon notice given to the director of finance that transfer by
16 operation of law of the title or interest of a legal owner or a
17 registered owner has been effected pursuant to any provision of
18 law, the director of finance shall send to the legal owner or
19 the registered owner or both a notice by registered mail of such
20 action and requesting the delivery to the director of finance of
21 the certificate of ownership or the certificate of registration,



1 as the case may be, within ten days after date of mailing of the
2 notice, and any person who refuses or neglects to deliver the
3 same to the director of finance pursuant to the notice shall be
4 guilty of a misdemeanor and shall be punished as provided in
5 section 286-61."

6 SECTION 4. Section 286-271, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) Except as provided in subsection (b), a legal owner
9 of a vehicle shall not ship that vehicle interisland in this
10 State unless the legal owner first presents to the carrier the
11 legal owner's current certificate of registration showing that
12 the person is the registered owner of the vehicle,
13 identification, and proof of motor vehicle insurance. If the
14 registered owner of the vehicle is not the legal owner of the
15 vehicle, the registered owner shall present to the carrier, the
16 registered owner's current certificate of registration,
17 identification, and proof of motor vehicle insurance. Duplicate
18 copies of the current registration and proof of motor vehicle
19 insurance shall be acceptable for commercial vehicles as defined
20 in section ~~[286-47(3)(C)]~~ 286-47(4)(C). An authorized agent of
21 the legal or registered owner may ship the vehicle by presenting



1 the current certificate of registration, identification, proof
2 of motor vehicle insurance, and a notarized letter from the
3 registered or legal owner authorizing the shipment. For an
4 unrecorded owner pending a lawful transfer, a certificate of
5 ownership signed by the previous owner may be submitted for the
6 current certificate of registration for a vehicle purchased
7 within thirty days of shipping. A facsimile of proof of motor
8 vehicle insurance from an insurance company may be accepted for
9 a vehicle purchased within thirty days of shipping.

10 Presentation of proof of motor vehicle insurance shall not be
11 required for:

- 12 (1) Unlicensed propelled vehicles that are not intended
13 for on-road use;
- 14 (2) New unregistered vehicles shipped with a bill of
15 lading; or
- 16 (3) Vehicles owned by the federal, state, or county
17 government."

18 SECTION 5. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.



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1 SECTION 6. This Act shall take effect upon its approval.

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S.B. NO. 2240

Report Title:

Vehicle; Certificate of Title; Ownership; Transfer; Death;
Beneficiary

Description:

Allows the owner of a vehicle, upon registration, to designate a beneficiary to whom ownership of the vehicle will be transferred upon the death of the owner.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

