

JAN 19 2018

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# A BILL FOR AN ACT

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RELATING TO MOTOR VEHICLES.

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

1       SECTION 1. The legislature finds that over 1.2 million  
2 motor vehicles were registered in the State in 2015. It is  
3 estimated that thousands of these vehicles have been sold by  
4 their last registered owner but have never been transferred into  
5 the name of the new owner. These vehicles are listed in county  
6 motor vehicle records as "transfer pending."

7       The legislature also finds that section 286-52, Hawaii  
8 Revised Statutes, requires the seller of a motor vehicle to  
9 provide notice to the director of finance of the relevant county  
10 within ten days of a vehicle sale. However, section 286-52,  
11 Hawaii Revised Statutes, also requires the buyer of the vehicle  
12 to submit to the director of finance a properly endorsed  
13 certificate of ownership within thirty days of the sale. In  
14 many cases where vehicles have a "transfer pending" status, the  
15 seller of the vehicle complied with the seller's obligations,  
16 but the buyer failed to complete the buyer's obligations. In  
17 addition, because Hawaii law does not require the county



1 director of finance to verify the new owner's identification  
2 listed in the "notice of transfer" form submitted by the seller,  
3 counties often do not know who owns these improperly transferred  
4 vehicles for which the transfer of ownership has not been  
5 perfected.

6 The legislature is concerned that criminals have been  
7 committing numerous crimes using vehicles without perfected  
8 transfers, including sexual assaults, robberies, burglaries,  
9 thefts, and purse snatchings. Although witnesses often are able  
10 to record the license plates of vehicles involved in these  
11 crimes, this information is of little help to law enforcement  
12 since current ownership of the vehicles was not properly  
13 completed.

14 The legislature believes that requiring transferees of  
15 motor vehicles, mopeds, and trailers to verify their  
16 identification to the respective county director of finance will  
17 help to ensure that county vehicle ownership records are current  
18 and complete. This requirement will also improve community  
19 safety by making it easier for law enforcement to determine the  
20 ownership of vehicles used in crimes.

21 The purpose of this Act is to:



- (1) Require transferors and transferees of used motor vehicles, mopeds, and trailers, including those owned by persons who do not intend to drive them on public highways, to appear together before the county director of finance and present government-issued identification to finalize the transfer;
- (2) Require police officers to remove from public streets any motor vehicles, mopeds, or trailers not properly transferred in compliance with these procedures;
- (3) Prohibit vehicles removed from public streets pursuant to paragraph (2) from being released to a transferee unless the transferee presents a valid certificate of ownership; and
- (4) Allow a towing facility to dispose of vehicles not claimed within thirty days of removal from a public street.

SECTION 2. Section 249-14.2, Hawaii Revised Statutes, is amended to read as follows:

"[+]§249-14.2[+] Procedure when registration of a bicycle or moped transferred. (a) Upon transfer of registered ownership in or to a bicycle or moped, the ~~[person whose~~



1 ~~interest is to be transferred]~~ transferor and the transferee  
2 shall write their signatures with pen and ink upon the  
3 certificate of registration issued for the bicycle or moped,  
4 together with the address of the transferee in the appropriate  
5 space provided upon the certificate.

6 (b) Within thirty calendar days of the transfer of  
7 registered ownership of a bicycle or moped~~[, the]~~:

8 (1) The transferee of a bicycle shall forward the  
9 certificate of registration so endorsed to the  
10 director of finance [who shall file the certificate.];  
11 and

12 (2) The transferor and transferee of a moped shall appear  
13 together before the director of finance to present the  
14 certificate of registration endorsed pursuant to  
15 subsection (a); provided that the director of finance  
16 shall require the transferor and transferee to present  
17 valid government-issued identification before  
18 accepting the certificate.

19 The director of finance may charge a fee of \$5 which shall  
20 be deposited into the county bikeway fund for each new  
21 certificate of registration issued. Whenever a transferor or



1 transferee fails to comply with these provisions, the director  
2 of finance shall charge the person not in compliance a fee of  
3 \$10, in addition to the fee provided in this section, for the  
4 issuance of a new certificate of registration.

5 (c) ~~[The]~~ After certifying that the transferor and  
6 transferee have complied with subsections (a) and (b), the  
7 director of finance ~~[, upon receipt of the certificate of~~  
8 ~~registration properly endorsed and the required fee,]~~ shall:

9 (1) File the certificate;

10 (2) ~~[register]~~ Register the bicycle or moped; and

11 (3) ~~[shall issue]~~ Issue to the owner thereof by reason of  
12 the transfer a new certificate of registration in the  
13 manner and form provided for in an original  
14 registration.

15 (d) Until the director of finance has issued the new  
16 certificate of registration as provided in subsection (c),  
17 delivery of ~~[such]~~ the bicycle or moped shall be deemed not to  
18 have been made ~~[and]~~, the registration ~~[thereto]~~ shall be deemed  
19 not to have passed, and the intended transfer shall be deemed to  
20 be incomplete and not to be valid or effective for any purpose.



1           (e) In the event of the transfer by operation of law in or  
2 to a bicycle or moped, as upon inheritance, devise, or bequest,  
3 order in bankruptcy, or insolvency, execution sale, repossession  
4 upon default in performance of the terms of a lease or executory  
5 sales contract, or otherwise than by the voluntary act of the  
6 person whose interest is to be transferred, the certificate of  
7 registration shall be signed upon the spaces provided by the  
8 personal representative of, or successor in interest of the  
9 person whose registered ownership or interest is so transferred  
10 in lieu of [such] the person. Every personal representative,  
11 receiver, trustee, sheriff, or other representative hereinabove  
12 referred to shall file with the director of finance a notice of  
13 any transfer by sale, lease, or otherwise by the person, of any  
14 [such] bicycle or moped, together with evidence satisfactory to  
15 the director of finance of all facts entitling [such] the  
16 representative to make the transfer.

17           (f) Any person who refuses or neglects to deliver a  
18 certificate of registration to a transferee entitled thereto  
19 under this section, shall be ~~[punished as]~~ subject to the  
20 penalty provided in section 249-14.6.



1 (g) Every dealer or manufacturer, upon transferring a  
2 bicycle or moped, whether by sale, lease, or otherwise, shall  
3 immediately give notice of the transfer to the director of  
4 finance upon the official form provided by the director of  
5 finance. [~~Every such~~] The notice shall contain the date of the  
6 transfer, the names and addresses of the transferor and  
7 transferee, and [~~such~~] a description of the bicycle or moped as  
8 may be called for in the official form.

9 (h) Every person, other than a dealer, upon transferring a  
10 bicycle or moped, whether by sale, lease, or otherwise, shall  
11 within ten days give notice of the transfer to the director of  
12 finance upon the official form provided by the director of  
13 finance. Every notice shall contain the date of transfer, the  
14 names and addresses of the transferor and transferee, and [~~such~~]  
15 a description of the bicycle or moped as may be called for in  
16 the official form. Any person who violates this subsection  
17 shall be fined not more than \$100.

18 (i) Whenever the registered owner of a bicycle or moped or  
19 any dealer or manufacturer has given notice to the director of  
20 finance of a transfer of the registered ownership to the bicycle  
21 or moped, as provided in subsection (g) or (h), and has



1 delivered the certificate of registration bearing the  
2 transferor's signature to the transferee as required by  
3 subsection (a), the transferor shall be relieved from liability,  
4 civil or criminal, which the transferor might subsequently incur  
5 by reason of being the registered owner of the bicycle or moped.

6 (j) Notwithstanding any other law to the contrary, a  
7 police officer shall remove from a public street any moped for  
8 which the director of finance has received a notice of transfer  
9 as provided in subsection (h), but whose transferee has not been  
10 issued a certificate of ownership within thirty days of the  
11 transfer due to noncompliance with subsection (b). The driver  
12 of the moped shall be cited and fined not more than \$100. A  
13 moped removed from the street pursuant to this subsection:

14 (1) Shall not be released to a transferee unless the  
15 transferee presents a valid certificate of ownership;

16 and

17 (2) If not released pursuant to paragraph (1), shall be  
18 disposed of not less than thirty calendar days after  
19 being removed from the street; provided that the  
20 disposal shall comply with part I of chapter 290.





1       ~~[(j)]~~ (k) Any person who falsely or fraudulently gives  
2 notice to the director of finance of a transfer of registered  
3 ownership to a bicycle or moped shall be subject to the penalty  
4 provided in section 249-14.6."

5       SECTION 3. Section 286-52, Hawaii Revised Statutes, is  
6 amended to read as follows:

7       "**§286-52 Procedure when title of vehicle transferred;**  
8 **delivery of certificate mandatory.** (a) Upon a transfer of the  
9 title or interest of a legal owner in or to a vehicle registered  
10 under this part, the ~~[person whose title or interest is to be~~  
11 ~~transferred]~~ transferor and the transferee shall write their  
12 signatures with pen and ink upon the certificate of ownership  
13 issued for the vehicle, together with the address of the  
14 transferee in the appropriate space provided upon the  
15 certificate.

16       (b) Within thirty calendar days thereafter, the transferor  
17 and transferee shall ~~[forward the certificate of ownership so~~  
18 ~~endorsed to]~~ appear together before the director of finance [who  
19 ~~shall file the same,]~~ to present the certificate of registration  
20 endorsed pursuant to subsection (a); provided that [if]:



1        (1) The director of finance shall require the transferor  
2        and transferee to present valid government-issued  
3        identification before accepting the certificate; and

4        (2) If the recorded lien holder does not have an office in  
5        the State, the applicable period shall be sixty days.

6        Whenever a transferor or transferee fails to comply with  
7        these provisions, the director of finance shall charge the  
8        person not in compliance a fee of \$50, in addition to the fee  
9        provided in section 286-51, for a new certificate of ownership.

10       ~~(c) [Subsection (b), requiring a transferee to forward the~~  
11       ~~certificate of ownership after endorsement to the director of~~  
12       ~~finance, shall not apply to the transferee of a vehicle who was~~  
13       ~~not intending to and does not drive the vehicle or permit the~~  
14       ~~vehicle to be driven upon the public highways, but every such~~  
15       ~~transferee, upon transferring the transferee's interest or title~~  
16       ~~to another, shall give notice of the transfer to the director of~~  
17       ~~finance and endorse the certificate of ownership to the new~~  
18       ~~legal owner and the certificate of registration to the new~~  
19       ~~owner, provided that if]~~ If the director of finance has  
20       ascertained as of the date of the application that the  
21       registered owner has not deposited or paid bail with respect to



1 any summons or citation issued to the registered owner for  
2 stopping, standing, or parking in violation of traffic  
3 ordinances within the county, the director may require, as a  
4 condition precedent to the transfer, that the registered owner  
5 deposit or pay bail with respect to all [~~such summons~~]  
6 outstanding summonses or citations.

7 (d) [The] After certifying that the transferor and  
8 transferee have complied with subsection (b), the director of  
9 finance [~~, upon receipt of the certificate of ownership properly~~  
10 ~~endorsed,~~] shall [~~register~~]:

11 (1) File the certificate;

12 (2) Register the vehicle<sup>[7]</sup>; and

13 (3) [~~shall issue~~] Issue to the owner and legal owner  
14 entitled thereto by reason of the transfer a new  
15 certificate of registration and the certificate of  
16 ownership, respectively, in the manner and form  
17 hereinabove provided for original registration.

18 (e) Until the director of finance has issued the new  
19 certificate of registration and certificate of ownership [~~as in~~]  
20 pursuant to subsection (d) [provided], delivery of [~~such~~] the  
21 vehicle shall be deemed not to have been made and title thereto



1 shall be deemed not to have passed, and the intended transfer  
2 shall be deemed to be incomplete and not to be valid or  
3 effective for any purpose, notwithstanding any provision of the  
4 Uniform Commercial Code; provided that a security interest in a  
5 motor vehicle shall be perfected as provided in the Uniform  
6 Commercial Code, section 490:9-311 and that the validity,  
7 attachment, priority, and enforcement of [~~such~~] the security  
8 interest shall be governed by Article 9 of the Code.

9 (f) In the event of the transfer by operation of law of  
10 the title or interest of a legal owner in and to a vehicle  
11 registered under this part, as upon inheritance, devise, or  
12 bequest, order in bankruptcy, or insolvency, execution sale,  
13 repossession upon default in performance of the terms of a lease  
14 or executory sales contract, or otherwise than by the voluntary  
15 act of the person whose title or interest is so transferred, the  
16 certificate of ownership shall be signed upon the spaces  
17 provided by the personal representative, receiver, trustee,  
18 sheriff, or other representative, or successor in interest of  
19 the person whose title or interest is so transferred in lieu of  
20 [~~such~~] the person. Every personal representative, receiver,  
21 trustee, sheriff, or other representative hereinabove referred



1 to shall file with the director of finance a notice of any  
2 transfer by sale, lease, or otherwise by [~~such~~] the person, of  
3 any [~~such~~] the vehicle[~~7~~] being transferred, together with  
4 evidence satisfactory to the director of finance of all facts  
5 entitling [~~such~~] the representative to make the transfer. Upon  
6 notice given to the director of finance that transfer by  
7 operation of law of the title or interest of a legal owner or a  
8 registered owner has been effected pursuant to any provision of  
9 law, the director of finance shall send to the legal owner or  
10 the registered owner or both a notice by registered mail of  
11 [~~such~~] the action and requesting the delivery to the director of  
12 finance of the certificate of ownership or the certificate of  
13 registration, as the case may be, within ten days after date of  
14 mailing of the notice, and any person who refuses or neglects to  
15 deliver the same to the director of finance pursuant to the  
16 notice shall be guilty of a misdemeanor and shall be [~~punished~~  
17 ~~as~~] subject to the penalty provided in section 286-61.

18 (g) Nothing in the foregoing subsections shall prevent a  
19 legal owner from assigning the title or interest in or to a  
20 vehicle registered under this part to another legal owner at any  
21 time without the consent of and without affecting the interest



1 of the holder of the certificate of registration thereof. Upon  
2 filing with the director of finance [~~of~~] a certificate of  
3 ownership endorsed by the legal owner and a transferee of legal  
4 ownership, the director of finance [~~shall~~], whether the  
5 certificate of registration has expired or not, shall enter the  
6 name of the new legal owner upon the records of the director's  
7 office and shall [~~forthwith~~] issue a new certificate of  
8 ownership to the new legal owner in the form for original  
9 registration. Upon so doing, the director of finance shall send  
10 to the registered owner a notice by mail of the action.

11 (h) Any person who refuses or neglects to deliver a  
12 certificate of ownership to a transferee entitled thereto under  
13 this part, shall be [~~punished as~~] subject to the penalty  
14 provided in section 286-61.

15 (i) Every dealer, upon transferring a motor vehicle,  
16 whether by sale, lease, or otherwise, shall immediately give  
17 notice of the transfer to the director of finance upon the  
18 official form provided by the director of finance. [~~Every such~~]  
19 The notice shall contain the date of the transfer, the names and  
20 addresses of the transferor and transferee, and [~~such~~] a



1 description of the vehicle as may be called for in the official  
2 form.

3 (j) Every person, other than a dealer, upon transferring a  
4 motor vehicle, whether by sale, lease, or otherwise, shall  
5 within ten days give notice of the transfer to the director of  
6 finance upon the official form provided by the director of  
7 finance. Every notice shall contain the date of transfer, the  
8 names and addresses of the transferor and transferee, and [such]  
9 a description of the vehicle as may be called for in the  
10 official form. Any person who violates this subsection shall be  
11 fined not more than \$100.

12 (k) Whenever the registered owner of any motor vehicle or  
13 any licensed dealer has given notice to the director of finance  
14 of a transfer of the title or interest in the motor vehicle, as  
15 provided in subsection (i) or (j), and has delivered the  
16 certificate of ownership bearing the transferor's signature to  
17 the transferee as required by subsection (a), the transferor  
18 shall be relieved from any liability, civil or criminal, from  
19 the date the transferor delivers the motor vehicle into the  
20 transferee's possession, which the transferor might otherwise



1 subsequently incur by reason solely of being the registered  
2 owner of the vehicle.

3 (1) Notwithstanding any other law to the contrary, a  
4 police officer shall remove from a public street any vehicle for  
5 which the director of finance has received notice of transfer  
6 pursuant to subsection (j), but whose transferee has not been  
7 issued a certificate of ownership within thirty days of the  
8 transfer due to noncompliance with subsection (b). The driver  
9 of the vehicle shall be cited and fined not more than \$100. A  
10 vehicle removed from the street pursuant to this subsection:

11 (1) Shall not be released to a transferee unless the  
12 transferee presents a valid certificate of ownership;  
13 and

14 (2) If not released pursuant to paragraph (1), shall be  
15 disposed of not less than thirty calendar days after  
16 being removed from the street; provided that the  
17 disposal shall comply with part I of chapter 290.

18 ~~[(1)]~~ (m) A licensed dealer who has forwarded a properly  
19 endorsed certificate of ownership to the director of finance  
20 shall be relieved of any civil liability, from the date the  
21 transferor delivers the motor vehicle into the transferee's





1 possession, which the transferor might otherwise subsequently  
2 incur by reason solely of being the registered owner of the  
3 vehicle; provided that a specific written authorization to  
4 forward the certificate has been obtained from the transferee.

5 ~~[(m)]~~ (n) Any person who falsely or fraudulently gives  
6 notice to the director of finance of a transfer of title or  
7 interest in a motor vehicle shall be subject to the penalty  
8 provided in section 286-61."

9 SECTION 4. Section 286-52.5, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 "**§286-52.5 Procedure when registration of a trailer**  
12 **transferred.** (a) Upon transfer of registered ownership in or  
13 to a trailer, the ~~[person whose interest is to be transferred]~~  
14 transferor and ~~[the]~~ transferee shall write their signatures  
15 with pen and ink upon the certificate of registration issued for  
16 the trailer, together with the address of the transferee in the  
17 appropriate space provided upon the certificate.

18 (b) Within thirty calendar days of the transfer of  
19 registered ownership of a trailer, the transferor and transferee  
20 shall ~~[forward the certificate of registration to]~~ appear  
21 together before the director of finance ~~[who shall file the~~



1 ~~certificate.]~~ to present the certificate of registration  
2 endorsed pursuant to subsection (a); provided that the director  
3 of finance shall require the transferor and transferee to  
4 present valid government-issued identification before accepting  
5 the certificate. Whenever a transferor or transferee fails to  
6 comply with this section, the director of finance shall charge  
7 the ~~[transferee]~~ person not in compliance a fee of \$50, in  
8 addition to the fee provided in this section, for the issuance  
9 of a new certificate of registration.

10 (c) If the director of finance has ascertained as of the  
11 date of the application that the registered owner has not  
12 deposited or paid bail with respect to any summons or citation  
13 issued to the registered owner for stopping, standing, or  
14 parking in violation of traffic ordinances within the county,  
15 the director may require, as a condition precedent to the  
16 transfer, that the registered owner deposit or pay bail with  
17 respect to all ~~[such]~~ outstanding summonses or citations.

18 (d) The director of finance, upon receipt of the  
19 certificate of registration properly endorsed, shall:

20 (1) File the certificate;

21 (2) ~~[register]~~ Register the trailer; and



1       (3)   ~~[shall-issue]~~ Issue to the owner thereof by reason of  
2           the transfer a new certificate of registration in the  
3           manner and form provided for original registration.

4       (e)   Until the director of finance has issued the new  
5       certificate of registration as provided in subsection (d),  
6       delivery of ~~[such]~~ the trailer shall be deemed not to have been  
7       made and registration thereto shall be deemed not to have  
8       passed, and the intended transfer shall be deemed to be  
9       incomplete and not to be valid or effective for any purpose.

10      (f)   In the event of the transfer by operation of law in or  
11      to a trailer registered under section 286-47.2, as upon  
12      inheritance, devise, or bequest, order in bankruptcy, or  
13      insolvency, execution sale, repossession upon default in  
14      performance of the terms of a lease or executory sales contract,  
15      or otherwise than by the voluntary act of the person whose  
16      interest is to be transferred, the certificate of registration  
17      shall be signed upon the spaces provided by the personal  
18      representative of, or successor in interest of the person whose  
19      registered ownership or interest is so transferred in lieu of  
20      ~~[such]~~ the person. Every personal representative, receiver,  
21      trustee, sheriff, or other personal representative hereinabove



1 referred to shall file with the director of finance a notice of  
2 any transfer by sale, lease, or otherwise by the person, of any  
3 [such] trailer, together with evidence satisfactory to the  
4 director of finance of all facts entitling [such] the  
5 representative to make the transfer.

6 (g) Any person who refuses or neglects to deliver a  
7 certificate of registration to a transferee entitled thereto  
8 under this section, shall be [~~punished as~~] subject to the  
9 penalty provided in section 286-61.

10 (h) Every dealer or manufacturer, upon transferring a  
11 trailer, whether by sale, lease, or otherwise, shall immediately  
12 give notice of the transfer to the director of finance upon the  
13 official form provided by the director of finance. Every [such]  
14 notice shall contain the date of transfer, the names and  
15 addresses of the transferor and transferee, and [such] a  
16 description of the trailer as may be called for in the official  
17 form.

18 (i) Every person, other than a dealer or manufacturer,  
19 upon transferring a trailer, whether by sale, lease, or  
20 otherwise, shall within ten days give notice of the transfer to  
21 the director of finance upon the official form provided by the



1 director of finance. Every notice shall contain the date of  
2 transfer, the names and addresses of the transferor and  
3 transferee, and [~~such~~] a description of the trailer as may be  
4 called for in the official form. Any person who violates this  
5 subsection shall be fined not more than \$100.

6 (j) Whenever the registered owner of any trailer or any  
7 dealer or manufacturer has given notice to the director of  
8 finance of a transfer of the registered ownership to the  
9 trailer, as provided in subsections (h) and (i), and has  
10 delivered the certificate of registration bearing the  
11 transferor's signature to the transferee as required by  
12 subsection (a), the transferor shall be relieved from liability,  
13 civil or criminal, which the transferor might subsequently incur  
14 by reason of being the registered owner of the trailer.

15 (k) A dealer or manufacturer who has forwarded a properly  
16 endorsed certificate of registration to the director of finance  
17 shall be relieved of any civil liability, only if, in addition  
18 to the requirement of subsection (j), the dealer or manufacturer  
19 obtains from the transferee a specific written authorization to  
20 forward the certificate.



1        (1) Notwithstanding any other law to the contrary, a  
2 police officer shall remove from a public street any trailer for  
3 which the director of finance has been given notice of transfer  
4 pursuant to subsection (i), but whose owner has not been issued  
5 a certificate of ownership within thirty days of the transfer  
6 due to noncompliance with subsection (b). The driver of the  
7 motor vehicle drawing the trailer shall be cited and fined not  
8 more than \$100. A trailer removed from the street pursuant to  
9 this subsection:

10        (1) Shall not be released to a transferee unless the  
11 transferee presents a valid certificate of ownership;  
12 and

13        (2) If not released pursuant to paragraph (1), shall be  
14 disposed of not less than thirty calendar days after  
15 being removed from the street; provided that the  
16 disposal comply with part I of chapter 290.

17        ~~[(1)]~~ (m) Any person who falsely or fraudulently gives  
18 notice to the director of finance of a transfer of registered  
19 ownership to a trailer shall be subject to the penalty provided  
20 in section 286-61.



1        [~~(m)~~] (n)    The director of finance may charge a fee which  
2    shall be deposited in the general fund for each new certificate  
3    of registration issued.    The fee charged to issue a new  
4    certificate of registration shall be established by the county's  
5    legislative body."

6        SECTION 5.    This Act does not affect rights and duties that  
7    matured, penalties that were incurred, and proceedings that were  
8    begun before its effective date.

9        SECTION 6.    Statutory material to be repealed is bracketed  
10   and stricken.    New statutory material is underscored.

11       SECTION 7.    This Act shall take effect upon its approval.

12

INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 2707

**Report Title:**

Counties; Motor Vehicles; Mopeds; Trailers; Transfer of Ownership

**Description:**

Requires transferors and transferees of used motor vehicles, mopeds, and trailers, including motor vehicles whose owners do not intend to drive the vehicle on public highways, to appear together before the county director of finance with government-issued identification to finalize a transfer of ownership. Directs police officers to remove from public streets any motor vehicle, moped, or trailer not properly transferred. Requires transferees to present a valid certificate of ownership in order to claim a vehicle removed from a public street.

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

