
A BILL FOR AN ACT

RELATING TO REGISTRATION OF VEHICLES.

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

1 SECTION 1. Section 286-52, Hawaii Revised Statutes, is
2 amended to read as follows:

3 **"§286-52 Procedure when title of vehicle transferred;**
4 **delivery of certificate mandatory.** (a) [~~Upon a transfer of~~]
5 When transferring the title or interest of a legal owner in or
6 to a vehicle registered under this part, the person whose title
7 or interest is to be transferred and the transferee shall write
8 their signatures with pen and ink upon the certificate of
9 ownership issued for the vehicle, together with the address of
10 the transferee in the appropriate space provided upon the
11 certificate[~~-~~], and shall both appear in person before a clerk
12 at the respective county department of motor vehicles to execute
13 the transfer; provided that the requirement to appear in person
14 before a clerk at the respective county department of motor
15 vehicles shall not apply when the:

16 (1) Transferor or transferee is:

17 (A) An insurance company;



- 1 (B) A licensed motor vehicle dealer;
2 (C) A financial institution;
3 (D) A motor vehicle rental company;
4 (E) A tax exempt organization pursuant to section
5 501(c) (3) of the Internal Revenue Code of 1986,
6 as amended; or
7 (F) A licensed dealer whose primary business is the
8 auction of insurance salvage vehicles;
9 (2) Vehicle is transferred by auction as defined in
10 section 437-1.1; and
11 (3) Vehicle is a salvage vehicle pursuant to
12 section 286-48.

13 If the transferor is not available to appear in person, the
14 transferor shall complete the certificate of ownership, together
15 with the notice of transfer, and sign the certificate of
16 ownership before a notary public in the State or any other
17 state. The transferee and the transferor's representative shall
18 both appear in person and present the notarized document at the
19 county department of motor vehicles when transferring the title
20 to the transferee.



1 (b) ~~[Within]~~ Except as provided in subsection (a) (1) to
2 (3), within thirty calendar days ~~[thereafter, the transferee~~
3 ~~shall forward the certificate of ownership so endorsed to the~~
4 ~~director of finance who shall file the same; provided that if~~
5 ~~the recorded lien holder does not have an office in the State,~~
6 ~~the applicable period shall be sixty days.]~~ of the date on the
7 notice of transfer, the transferor or representative along with
8 the transferee shall abide by the requirements set forth in
9 subsection (a). Whenever a ~~[transferee]~~ transferor fails to
10 comply with these provisions, the director of finance shall
11 charge a fee of \$50, in addition to the fee provided in section
12 286-51 ~~[, for a new certificate of ownership].~~

13 (c) Subsection ~~[(b), requiring a transferee to forward the~~
14 ~~certificate of ownership after endorsement to the director of~~
15 ~~finance,]~~ (a) shall not apply ~~[to]~~ in the event that the
16 transferee of a vehicle who was not intending to and does not
17 drive the vehicle or permit the vehicle to be driven upon the
18 public highways, but every such transferee, upon transferring
19 the transferee's interest or title to another, shall give notice
20 of the transfer to the director of finance and endorse the
21 certificate of ownership to the new legal owner and the



1 certificate of registration to the new owner; provided that if
2 the director of finance has ascertained as of the date of the
3 application that the registered owner has not deposited or paid
4 bail with respect to any summons or citation issued to the
5 registered owner for stopping, standing, or parking in violation
6 of traffic ordinances within the county, the director may
7 require, as a condition precedent to the transfer, that the
8 registered owner deposit or pay bail with respect to all such
9 summons or citations.

10 (d) The director of finance, upon receipt of the
11 certificate of ownership properly endorsed, shall register the
12 vehicle, and shall issue to the owner and legal owner entitled
13 thereto by reason of the transfer a new certificate of
14 registration and the certificate of ownership, respectively, in
15 the manner and form hereinabove provided for original
16 registration.

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



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

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



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

16 (g) Nothing in the foregoing subsections shall prevent a
17 legal owner from assigning the title or interest in or to a
18 vehicle registered under this part to another legal owner at any
19 time without the consent of and without affecting the interest
20 of the holder of the certificate of registration thereof. Upon
21 filing with the director of finance of a certificate of



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

9 (h) Any person who refuses or neglects to deliver a
10 certificate of ownership to a transferee entitled thereto under
11 this part, shall be punished as provided in section 286-61.

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

19 ~~[(j) Every person, other than a dealer, upon transferring~~
20 ~~a motor vehicle, whether by sale, lease, or otherwise, shall~~
21 ~~within ten days give notice of the transfer to the director of~~



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

7 ~~(k)~~ (j) Whenever ~~[the registered owner of any motor~~
8 ~~vehicle or]~~ any licensed dealer has given notice to the director
9 of finance of a transfer of the title or interest in the motor
10 vehicle, as provided in subsection (i) ~~[or (j)]~~, and has
11 delivered the certificate of ownership bearing the transferor's
12 signature to the transferee as required by subsection (a), the
13 transferor shall be relieved from any liability, civil or
14 criminal, from the date the transferor delivers the motor
15 vehicle into the transferee's possession, which the transferor
16 might otherwise subsequently incur by reason solely of being the
17 registered owner of the vehicle.

18 ~~(l)~~ (k) 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)~~ (l) 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 2. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Hawaii State Association of Counties Package; Registration of Vehicles; Registration Transfer; Personal Delivery; Fees

Description:

Requires a motor vehicle transferor, or the transferor's representative, and transferee to appear in person to execute the transfer of a motor vehicle, except in certain situations. Subjects motor vehicle transferors to certain fees previously assessed on motor vehicle transferees. Effective 7/1/2050.
(HD1)

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

