
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[~~er~~], and shall both appear in person before a clerk
12 at the respective county department of motor vehicles to execute
13 such transfer. If the transferor is not available to appear in
14 person the transferor shall complete the certificate of
15 ownership, together with the notice of transfer, and sign the
16 certificate of ownership before a notary in any state of the
17 United States. The transferor shall then select a



1 representative to appear on the transferor's behalf. The
2 transferee and the transferor's representative shall both appear
3 in person and present the notarized document at the respective
4 county department of motor vehicles when transferring such title
5 to the transferee. The transferee shall provide proof of
6 identification when executing the transfer. Licensed dealers
7 shall be exempt from the requirement to appear in person with
8 the transferee.

9 (b) [~~Within~~] The requirements of subsection (a) shall be
10 met within thirty calendar days [thereafter, the transferee
11 shall forward the certificate of ownership so endorsed to the
12 director of finance who shall file the same; provided that if
13 the recorded lien holder does not have an office in the State,
14 the applicable period shall be sixty days.] of the date on the
15 notice of transfer. Whenever a [transferee] transferor fails to
16 comply with these provisions, the director of finance shall
17 charge a fee of \$50, in addition to the fee provided in section
18 286-51[, for a new certificate of ownership].

19 (c) Subsection [~~(b)~~] (a), requiring a [transferee to
20 forward] transferor to personally deliver the certificate of
21 ownership after endorsement to the director of finance, shall



1 not apply [~~to~~] in the event that the transferee of a vehicle who
2 was not intending to and does not drive the vehicle or permit
3 the vehicle to be driven upon the public highways, but every
4 such transferee, upon transferring the transferee's interest or
5 title to another, shall give notice of the transfer to the
6 director of finance and endorse the certificate of ownership to
7 the new legal owner and the certificate of registration to the
8 new owner; provided that if the director of finance has
9 ascertained as of the date of the application that the
10 registered owner has not deposited or paid bail with respect to
11 any summons or citation issued to the registered owner for
12 stopping, standing, or parking in violation of traffic
13 ordinances within the county, the director may require, as a
14 condition precedent to the transfer, that the registered owner
15 deposit or pay bail with respect to all such summons or
16 citations.

17 (d) The director of finance, upon receipt of the
18 certificate of ownership properly endorsed, shall register the
19 vehicle, and shall issue to the owner and legal owner entitled
20 thereto by reason of the transfer a new certificate of
21 registration and the certificate of ownership, respectively, in



1 the manner and form hereinabove provided for original
2 registration.

3 (e) Until the director of finance has issued the new
4 certificate of registration and certificate of ownership as in
5 subsection (d) provided, delivery of such vehicle shall be
6 deemed not to have been made and title thereto shall be deemed
7 not to have passed, and the intended transfer shall be deemed to
8 be incomplete and not to be valid or effective for any purpose,
9 notwithstanding any provision of the Uniform Commercial Code;
10 provided that a security interest in a motor vehicle shall be
11 perfected as provided in the Uniform Commercial Code, section
12 490:9-311 and that the validity, attachment, priority, and
13 enforcement of such security interest shall be governed by
14 Article 9 of the Code.

15 (f) In the event of the transfer by operation of law of
16 the title or interest of a legal owner in and to a vehicle
17 registered under this part, as upon inheritance, devise, or
18 bequest, order in bankruptcy, or insolvency, execution sale,
19 repossession upon default in performance of the terms of a lease
20 or executory sales contract, or otherwise than by the voluntary
21 act of the person whose title or interest is so transferred, the



1 certificate of ownership shall be signed upon the spaces
2 provided by the personal representative, receiver, trustee,
3 sheriff, or other representative, or successor in interest of
4 the person whose title or interest is so transferred in lieu of
5 such person. Every personal representative, receiver, trustee,
6 sheriff, or other representative hereinabove referred to shall
7 file with the director of finance a notice of any transfer by
8 sale, lease, or otherwise by such person, of any such vehicle,
9 together with evidence satisfactory to the director of finance
10 of all facts entitling such representative to make the transfer.
11 Upon notice given to the director of finance that transfer by
12 operation of law of the title or interest of a legal owner or a
13 registered owner has been effected pursuant to any provision of
14 law, the director of finance shall send to the legal owner or
15 the registered owner or both a notice by registered mail of such
16 action and requesting the delivery to the director of finance of
17 the certificate of ownership or the certificate of registration,
18 as the case may be, within ten days after date of mailing of the
19 notice, and any person who refuses or neglects to deliver the
20 same to the director of finance pursuant to the notice shall be



1 guilty of a misdemeanor and shall be punished as provided in
2 section 286-61.

3 (g) Nothing in the foregoing subsections shall prevent a
4 legal owner from assigning the title or interest in or to a
5 vehicle registered under this part to another legal owner at any
6 time without the consent of and without affecting the interest
7 of the holder of the certificate of registration thereof. Upon
8 filing with the director of finance of a certificate of
9 ownership endorsed by the legal owner and a transferee of legal
10 ownership, the director of finance shall, whether the
11 certificate of registration has expired or not, enter the name
12 of the new legal owner upon the records of the director's office
13 and shall forthwith issue a new certificate of ownership to the
14 new legal owner in the form for original registration. Upon so
15 doing, the director of finance shall send to the registered
16 owner a notice by mail of the action.

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

20 (i) Every dealer, upon transferring a motor vehicle,
21 whether by sale, lease, or otherwise, shall immediately give



1 notice of the transfer to the director of finance upon the
2 official form provided by the director of finance. Every such
3 notice shall contain the date of the transfer, the names and
4 addresses of the transferor and transferee, and such description
5 of the vehicle as may be called for in the official form.

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

15 ~~(k)]~~ (j) Whenever ~~[the registered owner of any motor~~
16 ~~vehicle or]~~ any licensed dealer has given notice to the director
17 of finance of a transfer of the title or interest in the motor
18 vehicle, as provided in subsection (i) ~~[or (j), and has~~
19 ~~delivered the certificate of ownership bearing the transferor's~~
20 ~~signature to the transferee as required by subsection (a)], the~~
21 transferor shall be relieved from any liability, civil or



1 criminal, from the date the transferor delivers the motor
2 vehicle into the transferee's possession, which the transferor
3 might otherwise subsequently incur by reason solely of being the
4 registered owner of the vehicle.

5 ~~[(1)]~~ (k) A licensed dealer who has forwarded a properly
6 endorsed certificate of ownership to the director of finance
7 shall be relieved of any civil liability, from the date the
8 transferor delivers the motor vehicle into the transferee's
9 possession, which the transferor might otherwise subsequently
10 incur by reason solely of being the registered owner of the
11 vehicle; provided that a specific written authorization to
12 forward the certificate has been obtained from the transferee.

13 ~~[(m)]~~ (l) Any person who falsely or fraudulently gives
14 notice to the director of finance of a transfer of title or
15 interest in a motor vehicle shall be subject to the penalty
16 provided in section 286-61."

17 SECTION 2. Section 437-12, Hawaii Revised Statutes, is
18 amended by amending subsection (b) to read as follows:

19 "(b) Delivery of legal ownership certificate. The legal
20 ownership certificate shall be delivered to the director of
21 finance within [~~the time period specified in section 286-52(b).~~]



1 thirty calendar days of the transfer of title or interest in a
2 new or used motor vehicle to a transferee."

3 SECTION 3. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 4. This Act shall take effect upon its approval.

6

INTRODUCED BY: Madina K. Nakum

JAN 22 2021



H.B. NO. 002

Report Title:

Vehicle Registration; Title of Vehicle Transfer

Description:

Amends 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. Exempts licensed dealers from appearing in person with the transferee to execute such transfer.

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

