
A BILL FOR AN ACT

RELATING TO MOTOR 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 the
5 title or interest of a legal owner in or to a vehicle registered
6 under this part, the person whose title or interest is to be
7 transferred and the transferee shall write their signatures with
8 pen and ink upon the certificate of ownership issued for the
9 vehicle, together with the addresses of the person whose title
10 or interest is to be transferred and the transferee in the
11 appropriate spaces provided upon the certificate. The signature
12 of the person whose title or interest is to be transferred and
13 signature of the transferee shall each serve as an attestation
14 by that respective party that the information provided on the
15 certificate is correct. Any person who provides false or
16 fraudulent information under this subsection shall be fined no
17 less than \$500 and no more than \$1,000.



1 (b) Within thirty calendar days thereafter, the transferee
2 shall forward the certificate of ownership so endorsed to the
3 director of finance who shall file the same; provided that if
4 the recorded lien holder does not have an office in the State,
5 the applicable period shall be sixty days. Whenever a
6 transferee fails to comply with these provisions, the director
7 of finance shall charge a fee of \$50, in addition to the fee
8 provided in section 286-51, for a new certificate of ownership.

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



1 parking in violation of traffic ordinances within the county or
2 has outstanding charges and fines owed to the county relating to
3 the disposition of an abandoned vehicle under the registered
4 owner, including for costs related to towing, storage,
5 processing, and disposal, the director may require, as a
6 condition precedent to the transfer, that the registered owner
7 deposit or pay bail with respect to ~~[all-such]~~ the summons or
8 citations or pay all outstanding charges and fines relating to
9 the disposition of the abandoned vehicle; provided that payment
10 of all outstanding charges and fines relating to the disposition
11 of the abandoned vehicle shall not be a condition precedent to
12 the transfer if the abandoned vehicle was stolen or taken from
13 the registered owner without permission or authorization and a
14 police report for the abandoned vehicle is filed within a period
15 of time, to be determined by the director of finance of each
16 county, after discovery of the abandoned vehicle.

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~~] the 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~~] the security interest shall be governed by
14 Article 9 of the Uniform Commercial 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~~] that person. Every personal representative, receiver,
6 trustee, sheriff, or other representative hereinabove referred
7 to shall file with the director of finance a notice of any
8 transfer by sale, lease, or otherwise by [~~such~~] the person, of
9 [~~any-such~~] the vehicle, together with evidence satisfactory to
10 the director of finance of all facts entitling [~~such~~] the
11 representative to make the transfer. Upon notice given to the
12 director of finance that transfer by operation of law of the
13 title or interest of a legal owner or a registered owner has
14 been effected pursuant to any provision of law, the director of
15 finance shall send to the legal owner or the registered owner or
16 both a notice by registered mail of [~~such~~] the action and
17 requesting the delivery to the director of finance of the
18 certificate of ownership or the certificate of registration, as
19 the case may be, within ten days after date of mailing of the
20 notice, and any person who refuses or neglects to deliver the
21 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 Each notice shall contain the date of the transfer, the names
4 and addresses of the transferor and transferee, and [~~such~~] a
5 description of the vehicle as may be called for in the official
6 form.

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

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



1 shall be relieved from any liability, civil or criminal, from
2 the date the transferor delivers the motor vehicle into the
3 transferee's possession, which the transferor might otherwise
4 subsequently incur by reason solely of being the registered
5 owner of the vehicle.

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

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

18 (n) Any organization that receives a motor vehicle as a
19 charitable donation shall be deemed, upon receipt of the motor
20 vehicle, to be a transferee for purposes of this section and
21 shall be subject to all of the applicable rights,



1 responsibilities, and liabilities of a transferee under this
2 section."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on July 1, 2023.

6

INTRODUCED BY: 

JAN 20 2023



H.B. NO. 494

Report Title:

Motor Vehicles; Registration; Transfer of Title; Charitable Donations

Description:

Subjects to the rights, responsibilities, and liabilities of transferees under section 286-52, Hawaii Revised Statutes, organizations that receive motor vehicles as charitable donations.

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