

JAN 19 2024

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 or interest of vehicle**
4 **transferred; delivery of certificate mandatory.** (a) [~~Upon a~~
5 ~~transfer of~~] When transferring the title or interest of a legal
6 owner in or to a vehicle registered under this part, the person
7 whose title or interest is to be transferred and the transferee
8 shall [~~write~~] complete the following requirements:

9 (1) Write their signatures with pen and ink upon the
10 certificate of ownership issued for the vehicle,
11 together with the addresses of the person whose title
12 or interest is to be transferred and the transferee in
13 the appropriate spaces provided upon the certificate.
14 The signature of the person whose title or interest is
15 to be transferred and signature of the transferee
16 shall each serve as an attestation by that respective
17 party that the information provided on the certificate



1 is correct. Any person who provides false or
2 fraudulent information under this subsection shall be
3 fined no less than \$500 and no more than \$1,000[-];
4 and

5 (2) Both appear in person before a clerk at the respective
6 county department of motor vehicles to execute the
7 transfer; provided that licensed dealers shall be
8 exempt from this requirement; provided further that if
9 the person whose title or interest is to be
10 transferred is not available to appear in person:

11 (A) The person whose title or interest is to be
12 transferred shall complete the certificate of
13 ownership, together with the notice of transfer,
14 and sign the certificate of ownership before a
15 notary in any state of the United States and
16 select a representative to appear on the person's
17 behalf; and

18 (B) The transferee and the representative of the
19 person whose title or interest is to be
20 transferred shall both appear in person and
21 present the notarized document at the respective



1 department of motor vehicles when transferring
2 the title or interest to the transferee.

3 The transferee shall provide proof of identification
4 when executing the transfer.

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

16 (c) Subsection [~~(b)~~], (a), requiring a [~~transferee to~~
17 ~~forward~~] person whose title or interest is to be transferred to
18 personally deliver the certificate of ownership after
19 endorsement to the director of finance, shall not apply [~~to~~] if
20 the transferee of a vehicle [~~who was~~] does not [~~intending~~]
21 intend to and does not drive the vehicle or permit the vehicle



1 to be driven upon the public highways [~~, but~~]; provided that if
2 the transferee [~~, upon transferring~~] transfers the transferee's
3 interest or title to another, the transferee who is transferring
4 ownership to a new owner shall give notice of the transfer to
5 the director of finance and endorse the certificate of ownership
6 to the new legal owner and the certificate of registration to
7 the new owner. If the director of finance has ascertained as of
8 the date of the application that the registered owner has not
9 deposited or paid bail with respect to any summons or citation
10 issued to the registered owner for stopping, standing, or
11 parking in violation of traffic ordinances within the county or
12 has outstanding charges and fines owed to the county relating to
13 the disposition of an abandoned vehicle under the registered
14 owner, including for costs related to towing, storage,
15 processing, and disposal, the director may require, as a
16 condition precedent to the transfer, that the registered owner
17 deposit or pay bail with respect to the summons or citations or
18 pay all outstanding charges and fines relating to the
19 disposition of the abandoned vehicle; provided that payment of
20 all outstanding charges and fines relating to the disposition of
21 the abandoned vehicle shall not be a condition precedent to the



1 transfer if the abandoned vehicle was stolen or taken from the
2 registered owner without permission or authorization and a
3 police report for the abandoned vehicle is filed within a period
4 of time, to be determined by the director of finance of each
5 county, after discovery of the abandoned vehicle.

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

13 (e) Until the director of finance has issued the new
14 certificate of registration and certificate of ownership as in
15 subsection (d) provided, delivery of the vehicle shall be deemed
16 not to have been made and title thereto shall be deemed not to
17 have passed, and the intended transfer shall be deemed to be
18 incomplete and not to be valid or effective for any purpose,
19 notwithstanding any provision of the Uniform Commercial Code;
20 provided that a security interest in a motor vehicle shall be
21 perfected as provided in the Uniform Commercial Code,

1 section 490:9-311 and that the validity, attachment, priority,
2 and enforcement of the security interest shall be governed by
3 Article 9 of the Uniform Commercial Code.

4 (f) [~~In the event of~~] If the transfer by operation of law
5 of the title or interest of a legal owner in and to a vehicle
6 registered under this part, as upon inheritance, devise,
7 bequest, order in bankruptcy, insolvency, execution sale,
8 repossession upon default in performance of the terms of a lease
9 or executory sales contract, or otherwise than by the voluntary
10 act of the person whose title or interest is so transferred[~~7~~]
11 occurs, the certificate of ownership shall be signed upon the
12 spaces provided by the personal representative, receiver,
13 trustee, sheriff, or other representative, or successor in
14 interest of the person whose title or interest is so transferred
15 in lieu of that person. Every personal representative,
16 receiver, trustee, sheriff, or other representative or successor
17 hereinabove referred to shall file with the director of finance
18 a notice of any transfer by sale, lease, or otherwise by the
19 person, of the vehicle, together with evidence satisfactory to
20 the director of finance of all facts entitling the person to
21 make the transfer. Upon notice given to the director of finance



1 that transfer by operation of law of the title or interest of a
2 legal owner or a registered owner has been effected pursuant to
3 any provision of law, the director of finance shall send to the
4 legal owner or the registered owner or both a notice by
5 registered mail of the action and requesting the delivery to the
6 director of finance of the certificate of ownership or the
7 certificate of registration, as the case may be, within ten days
8 after date of mailing of the notice, and any person who refuses
9 or neglects to deliver the same to the director of finance
10 pursuant to the notice shall be guilty of a misdemeanor and
11 punished as provided in section 286-61.

12 (g) Nothing in the foregoing subsections shall prevent a
13 legal owner from assigning the title or interest in or to a
14 vehicle registered under this part to another legal owner at any
15 time without the consent of and without affecting the interest
16 of the holder of the certificate of registration thereof. Upon
17 filing with the director of finance of a certificate of
18 ownership endorsed by the legal owner and a transferee of legal
19 ownership, the director of finance shall, regardless of whether
20 the certificate of registration has expired, enter the name of
21 the new legal owner upon the records of the director's office



1 and shall forthwith issue a new certificate of ownership to the
2 new legal owner in the form for original registration. Upon so
3 doing, the director of finance shall send to the registered
4 owner a notice by mail of the action.

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

8 (i) Every licensed dealer, upon transferring a motor
9 vehicle, whether by sale, lease, or otherwise, shall immediately
10 give notice of the transfer to the director of finance upon the
11 official form provided by the director of finance. Each notice
12 shall contain the date of the transfer, the names and addresses
13 of the [~~transferor~~] licensed dealer and transferee, and a
14 description of the vehicle as may be called for in the official
15 form.

16 [~~(j) Every person, other than a dealer, upon transferring~~
17 ~~a motor vehicle, whether by sale, lease, or otherwise, shall~~
18 ~~within ten days give notice of the transfer to the director of~~
19 ~~finance upon the official form provided by the director of~~
20 ~~finance. Every notice shall contain the date of transfer, the~~
21 ~~names and addresses of the transferor and transferee, and a~~



1 ~~description of the vehicle as may be called for in the official~~
2 ~~form. Any person who violates this subsection shall be fined no~~
3 ~~more than \$100.~~

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

16 ~~(l)]~~ (k) A licensed dealer who has forwarded a properly
17 endorsed certificate of ownership to the director of finance
18 shall be relieved of any civil liability, from the date the
19 ~~[transferor]~~ licensed dealer delivers the motor vehicle into the
20 transferee's possession, which the ~~[transferor]~~ licensed dealer
21 might otherwise subsequently incur by reason solely of being the



1 registered owner of the vehicle; provided that a specific
2 written authorization to forward the certificate has been
3 obtained from the transferee.

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

8 ~~[(m)]~~ (m) Any organization that receives a motor vehicle
9 as a charitable donation shall be deemed, upon receipt of the
10 motor vehicle, to be a transferee for purposes of this section
11 and shall be subject to all of the applicable rights,
12 responsibilities, and liabilities of a transferee under this
13 section."

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

16 "(b) Delivery of legal ownership certificate. The legal
17 ownership certificate shall be delivered to the director of
18 finance within ~~[the time period specified in section 286-52(b).]~~
19 thirty calendar days of the transfer of title or interest in a
20 new or used motor vehicle to a transferee."



S.B. NO. 2734

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

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

4

INTRODUCED BY: 



S.B. NO. 2134

Report Title:

Vehicle Registration; Title of Vehicle Transfer

Description:

Amends the procedure of transferring the title or ownership interest in a vehicle. Requires the person whose title or interest is to be transferred, or their representative with the appropriate documentation, and the transferee to 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 the transfer.

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

