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# A BILL FOR AN ACT

RELATING TO TRANSPORTATION.

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

SECTION 1. The legislature finds that the existing process for transferring ownership of a salvaged motor vehicle to an insurance company after a total loss insurance settlement can involve unnecessary delays and paperwork burdens due to notarization and manual signature requirements. These inefficiencies can hinder timely processing, increase administrative costs, and burden vehicle owners, insurers, and the counties.

The purpose of this Act is to modernize and streamline the vehicle title transfer process by allowing for electronic signatures to be used for salvaged vehicles after a total loss insurance settlement.

SECTION 2. Section 286-48, Hawaii Revised Statutes, is amended to read as follows:

**"§286-48 Certificates of ownership of salvaged motor vehicles.** (a) Whenever a motor vehicle subject to registration under this part is sold as salvage or conveyed to an insurance



1 company, in the ordinary course of business or as the result of  
2 a total loss insurance settlement where the insurance company  
3 receives the certificates of registration and ownership, the  
4 purchaser or, if an insurance company, its authorized agent,  
5 shall, within ten days from the purchase~~[7]~~ or the settlement of  
6 the insurance loss, forward the motor vehicle's endorsed  
7 certificate of ownership or other evidence of title, certificate  
8 of registration, license plates, and an application for a  
9 salvage certificate as provided for in section 286-44.5, to the  
10 director of finance. If the certificate of registration or one  
11 or both license plates are lost, an affidavit, duly notarized  
12 and signed or signed electronically without a notary by the  
13 party responsible for the compliance of this section stating  
14 that the party has no knowledge of the location of the  
15 certificate of registration or the license plates, shall be  
16 filed with the director of finance of the county having  
17 jurisdiction over the vehicle. In any event the certificate of  
18 ownership or other evidence of title shall be forwarded to the  
19 director of finance.

20 (b) Upon receipt of the certificate of ownership,  
21 certificate of registration, license plates, and application for



1 a salvage certificate, the director of finance shall issue a  
2 salvage certificate in the name of the purchaser or insurance  
3 company.

4 (c) Upon resale of the salvage vehicle, the seller or, if  
5 the seller is an insurance company, its authorized agent, shall  
6 transfer the salvage certificate and issue a bill of sale to the  
7 purchaser, which shall be on a form prescribed by the director  
8 of finance. The seller shall notify the purchaser, in writing,  
9 of the requirements of this chapter regarding the  
10 recertification of salvage vehicles. The seller shall sell the  
11 salvage vehicle only to a person licensed pursuant to chapter  
12 437B, sections 289-4, or 445-232, or any person who executes an  
13 affidavit ~~[which]~~ that states whether or not the salvage vehicle  
14 would be used to construct a rebuilt vehicle as defined in  
15 section 286-2 and that if the salvage vehicle is to be rebuilt,  
16 the purchaser will register the rebuilt vehicle as required by  
17 this chapter.

18 (d) In the event the salvage vehicle is rebuilt so as to  
19 be capable of again operating on the highways of ~~[this]~~ the  
20 State, the motor vehicle shall not be licensed for such



1 operation, nor shall the ownership thereof be transferred until  
2 there is submitted to the director of finance:

3 (1) The prescribed bill of sale;

4 (2) An appropriate application for registration of the  
5 rebuilt or restored motor vehicle along with the  
6 salvage certificate and a certificate of inspection  
7 signed by the registered or certified motor vehicle  
8 repair dealer who is bonded as required by section  
9 437B-26, and who rebuilt the vehicle, attesting that  
10 the original recognized vehicle manufacturer's  
11 established repair procedures or specifications and  
12 allowable tolerances for the particular model and year  
13 were utilized and adhered to; and

14 (3) Any other document and fee required by the director of  
15 finance.

16 The counties may, by ordinance, establish the fee to be charged  
17 for the inspection of rebuilt motor vehicles.

18 (e) Whenever a certificate of registration and certificate  
19 of ownership is issued for a motor vehicle with respect to which  
20 a salvage certificate has been previously issued, the new



certificates shall conform to the requirements of section 286-47  
and:

(1) Bear the words "Rebuilt Vehicle"; and

(2) Appear in such a manner as to distinguish them from  
the certificate of registration and certificate of  
ownership for motor vehicles other than rebuilt or  
restored motor vehicles.

(f) In the event a total loss insurance settlement between  
an insurance company and its insured or a claimant for property  
damage caused by its insured results in the retention of the  
salvage vehicle by the insured or claimant, as the case may be,  
then in such event, the insurance company or its authorized  
agent shall notify, within ten days from the date of settlement,  
the director of finance of such retention by its insured or  
claimant, as the case may be, and shall notify its insured, or  
claimant as the case may be, in writing, of the requirements of  
this chapter regarding the recertification of salvage vehicles.  
The notification shall be on a form prescribed by the director  
of finance.

(g) Notwithstanding any other law to the contrary,  
supporting documents used to transfer ownership of a motor



1 vehicle to an insurer after payment of damages from the result  
2 of a total loss insurance settlement pursuant to this section:

3 (1) Shall not require a notarized signature;

4 (2) May be signed electronically; and

5 (3) May be printed on hard copy.

6 For the purposes of this subsection, "supporting documents"  
7 includes but is not limited to power of attorney, duplicate  
8 title, and odometer disclosure forms.

9 (h) An insurance company shall indemnify and hold harmless  
10 the director of finance for any claims resulting from issuing a  
11 title pursuant to this section utilizing documents signed  
12 electronically without a notary."

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

15 SECTION 4. This Act shall take effect on January 1, 2027.

16 INTRODUCED BY: 

JAN 20 2026



# H.B. NO. 1691

**Report Title:**

Salvaged Motor Vehicles; Transfer; Electronic Signature

**Description:**

Authorizes supporting documents used to transfer ownership of a motor vehicle to an insurer after payment of damages from the result of a total loss insurance settlement to be signed electronically. Requires insurance companies to indemnify and hold harmless the Director of Finance for any claims resulting from the issuance of motor vehicle titles utilizing documents signed electronically without a notary. Effective 1/1/2027.

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

