

JAN 22 2026

A BILL FOR AN ACT

RELATING TO VEHICLE TRANSFERS.

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

1 SECTION 1. The legislature finds that transferors of
2 titles of motor vehicles in the State continue to suffer from
3 the civil and criminal penalties incurred by transferees who
4 fail to officially complete the transfer in a timely manner or
5 at all. Parking tickets, impound fees, and other legal or
6 financial obligations resulting from the action or inaction of
7 transferees unjustly remain the transferor's responsibility to
8 resolve.

9 The legislature further finds that Act 109, Session Laws of
10 Hawaii 2025, attempted to address this problem by amending the
11 existing state law on vehicle title transfer to include a
12 provision on complete defense on the part of a legally compliant
13 transferor to any act or omission, civil or criminal, arising
14 from violations perpetrated by the transferee after the transfer
15 date, but this Act has been insufficient to effect its purpose.
16 Multiple transferors in 2025 have been fined due to actions from
17 transferees nevertheless, and subsequent attempts to invoke the



1 complete defense provision to resolve these penalties in the
2 favor of the transferor have been frustrating and time-
3 intensive. One noted area of concern is that county agencies
4 involved in vehicular administration and law enforcement are not
5 updating applicable state agencies to the detriment of law-
6 abiding transferors who must expend extra effort and resources
7 in the resolution of their unjust cases.

8 Accordingly, the purpose of this Act is to:

- 9 (1) Amend the law on vehicle title transfer to mandate a
10 transfer notification by county directors of finance
11 to all applicable state and local agencies; and
12 (2) Require each county to establish an automatic and
13 instantaneous notification system by July 1, 2027.

14 SECTION 2. Section 286-52, Hawaii Revised Statutes, is
15 amended by amending subsections (i) and (j) to read as follows:

16 "(i) Every dealer, upon transferring a motor vehicle,
17 whether by sale, lease, or otherwise, shall immediately give
18 notice of the transfer to the director of finance upon the
19 official form provided by the director of finance. Each notice
20 shall contain the date of the transfer, the names and addresses
21 of the transferor and transferee, and a description of the



1 vehicle as may be called for in the official form. Upon receipt
2 of the official form, the director of finance shall immediately
3 notify all applicable state and local agencies of the transfer
4 through a centralized notification system.

5 (j) Every person, other than a dealer, upon transferring a
6 motor vehicle, whether by sale, lease, or otherwise, shall
7 within ten days give notice of the transfer to the director of
8 finance upon the official form provided by the director of
9 finance. Every notice shall contain the date of transfer, the
10 names and addresses of the transferor and transferee, and a
11 description of the vehicle as may be called for in the official
12 form. Any person who violates this subsection shall be fined no
13 more than \$100. Upon receipt of the official form, the director
14 of finance shall immediately notify all applicable state and
15 local agencies of the transfer through a centralized
16 notification system."

17 SECTION 3. No later than July 1, 2027, each county
18 director of finance shall establish a centralized notification
19 system that automatically and instantaneously updates all
20 applicable agencies, including but not limited to:

21 (1) State and county law enforcement agencies;



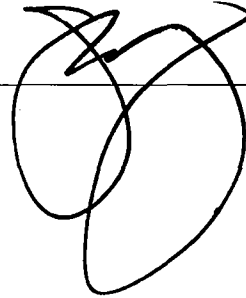
1 (2) The department of accounting and general services; and
2 (3) The judiciary,
3 upon notice of a transfer of a motor vehicle title.

4 SECTION 4. New statutory material is underscored.

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

6

INTRODUCED BY: _____

A large, stylized handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke, positioned over the line following "INTRODUCED BY:".

S.B. NO. 2498

Report Title:

Vehicle Transfer; Notification; Centralized Notification System

Description:

Requires each county Director of Finance to notify all applicable state and local agencies upon receipt of official notification of a vehicle transfer from a transferor. Requires each county Director of Finance to establish a centralized notification system to applicable agencies for every vehicle transfer by 7/1/2027.

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

