
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1 SECTION 1. The legislature finds that when used motor
2 vehicles are transferred from one individual owner to another,
3 the transferor often remains exposed to liability during the
4 time period between the vehicle being physically transferred and
5 the buyer officially updating the vehicle's registration. The
6 legislature believes that transferors should not be held
7 responsible if the new owner is involved in an accident, commits
8 a traffic infraction, or otherwise uses the vehicle in an
9 unlawful manner before completing the required registration.

10 The legislature further finds that transferors of titles of
11 motor vehicles in the State continue to suffer from the civil
12 and criminal penalties incurred by transferees who fail to
13 officially complete the transfer in a timely manner or at all.
14 Parking tickets, impound fees, and other legal or financial
15 obligations resulting from the action or inaction of transferees
16 unjustly remain the transferor's responsibility to resolve.



1 The legislature also finds that Act 109, Session Laws of
2 Hawaii 2025, attempted to address this problem by amending the
3 existing state law on vehicle title transfer to include a
4 provision on complete defense on the part of a legally compliant
5 transferor to any act or omission, civil or criminal, arising
6 from violations perpetrated by the transferee after the transfer
7 date, but this Act has been insufficient to effect its purpose.
8 Multiple transferors in 2025 have been fined due to actions from
9 transferees nevertheless, and subsequent attempts to invoke the
10 complete defense provision to resolve these penalties in the
11 favor of the transferor have been frustrating and
12 time-intensive. One noted area of concern is that county
13 agencies involved in vehicular administration and law
14 enforcement are not updating applicable state agencies to the
15 detriment of law-abiding transferors who must expend extra
16 effort and resources in the resolution of their unjust cases.

17 Accordingly, the purpose of this Act is to:

18 (1) Facilitate the transfer of ownership of used motor
19 vehicles between individuals and reduce the risk of
20 liability for transferors by requiring new number
21 plates and tags or emblems for those motor vehicles;



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

6 SECTION 2. Chapter 249, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 **"§249- Used motor vehicles; individuals; number plates;**
10 **new plate numbers, tags, and emblems; transferred motor**
11 **vehicles; registration.** (a) This section shall only apply to
12 used motor vehicles transferred between individuals and not to
13 new motor vehicles or used vehicles sold by any dealer.
14 (b) Upon the completion of the bill of sale in a form
15 approved by the director of finance and that shows the date of
16 sale, and the transfer of title to or interest in a motor
17 vehicle pursuant to section 286-52, an individual transferor
18 shall remove the number plates and registration tag or emblem
19 from the motor vehicle and submit the plates and the tag or
20 emblem to the director of finance for disposal.



1 (c) Within seven days of the removal of the number plates,
2 an individual transferee shall register the motor vehicle
3 pursuant to 249-7 and obtain new number plates with new numbers
4 and a registration tag or emblem for the motor vehicle by
5 submitting proof of the transfer by showing the director of
6 finance the certificate of title, the dated bill of sale, and
7 any other documentation required by the director of finance.

8 (d) The director of finance may adopt rules pursuant to
9 chapter 91 as necessary to implement this section.

10 (e) Any person who violates this section shall be fined
11 not more than \$ _____."

12 SECTION 3. Section 249-7, Hawaii Revised Statutes, is
13 amended by amending subsection (d) to read as follows:

14 "(d) After the initial payment of the tax and the original
15 registration of a vehicle as herein specified, a motor vehicle
16 shall not be required to be reweighed in any succeeding year
17 unless it has been so altered or changed as to increase or
18 diminish its weight. No new number plates shall, however, be
19 issued to a new owner except as provided in sections 249-7.5
20 [~~and~~], 249-8[~~-~~], and 249- _____."



1 SECTION 4. Section 286-52, Hawaii Revised Statutes, is
2 amended by amending subsections (i) and (j) to read as follows:

3 "(i) Every dealer, upon transferring a motor vehicle,
4 whether by sale, lease, or otherwise, shall immediately give
5 notice of the transfer to the director of finance upon the
6 official form provided by the director of finance. Each notice
7 shall contain the date of the transfer, the names and addresses
8 of the transferor and transferee, and a description of the
9 vehicle as may be called for in the official form. Upon receipt
10 of the official form, the director of finance shall immediately
11 notify all applicable state and local agencies of the transfer
12 through a centralized notification system.

13 (j) Every person, other than a dealer, upon transferring a
14 motor vehicle, whether by sale, lease, or otherwise, shall
15 within ten days give notice of the transfer to the director of
16 finance upon the official form provided by the director of
17 finance. Every notice shall contain the date of transfer, the
18 names and addresses of the transferor and transferee, and a
19 description of the vehicle as may be called for in the official
20 form. Any person who violates this subsection shall be fined
21 [~~no~~] not more than \$100. Upon receipt of the official form, the



1 director of finance shall immediately notify all applicable
2 state and local agencies of the transfer through a centralized
3 notification system."

4 SECTION 5. No later than July 1, 2027, each county
5 director of finance shall establish a centralized notification
6 system that automatically and instantaneously updates all
7 applicable agencies, including but not limited to:

- 8 (1) State and county law enforcement agencies;
 - 9 (2) The department of accounting and general services; and
 - 10 (3) The judiciary,
- 11 upon notice of a transfer of a motor vehicle title.

12 SECTION 6. This Act does not affect rights and duties that
13 matured, penalties that were incurred, and proceedings that were
14 begun before its effective date.

15 SECTION 7. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect upon its approval.



Report Title:

Motor Vehicles; Private Parties; Registration; Vehicle Transfer;
Plates; Tags; Emblems; Notification; Centralized Notification
System

Description:

Requires new number plates and tags or emblems for used motor vehicles transferred between private individuals. 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 for applicable agencies for every vehicle transfer by 7/1/2027. (SD1)

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

