

ACT 164

S.B. NO. 1559

A Bill for an Act Relating to Motor Vehicle Registration.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 249-10, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Any tax imposed by sections 249-1 to 249-13 for any year and not paid when due, shall become delinquent and a penalty shall be added to, and become part of, the delinquent tax. The amount of the delinquency penalty shall be established by the county’s legislative body. If the date that the tax is due is a Saturday, Sunday, or legal holiday, the tax shall become delinquent at the end of the next day that is not a Saturday, Sunday, or legal holiday. The director of finance may require the payment of any delinquent tax and penalty as a condition precedent to the registration, renewal, or transfer of ownership of such vehicle. Any vehicle not having the number plates required by sections 249-1 to 249-13, or any vehicle upon which taxes are delinquent as provided in this section, may be seized, wherever found, by the director of finance or by any police officer, and held for a period of ten days, during which time the vehicle shall be subject to redemption by its owner by payment of the taxes due, together with the delinquent penalties and the cost of storage and other charges incident to the seizure of the vehicle. The director of finance, chief of police, or any police officer shall be deemed to have seized and taken possession of any vehicle, after having securely sealed it where located and posted a notice upon the vehicle, setting forth the fact that it has been seized for taxes and warning all other persons from molesting it under penalty provided by section 249-11.”

SECTION 2. Section 286-42, Hawaii Revised Statutes, is amended to read as follows:

“**§286-42 County finance director’s duties.** (a) The county director of finance shall examine and to the best of the director’s ability determine the genuine-

ness and regularity of every registration and transfer of registration of a vehicle as in this part provided, in order that every certificate issued for a vehicle shall contain true statements of the ownership thereof, and to prevent the registration of a vehicle by any person not entitled thereto, and the director of finance may require any applicant to furnish such information, in addition to that contained in the application, as may be necessary to satisfy the director of finance of the truth and regularity of the application. The director of finance may accept any county certificate of title issued for a vehicle as prima facie evidence of ownership for registration and transfer of registration.

(b) For the purpose of registering standard makes and body types of new passenger motor vehicles the director of finance may accept the certificate of any licensed motor vehicle dealer certifying to the weight and identification of such vehicle. The director of finance of any county may accept the certificate of the director of finance of any other county as to weight and identification of any such vehicle.

(c) The director of finance may enter into a contract with new car dealerships for the registration of new motor vehicles consistent with any statute, ordinance, or provision of any applicable collective bargaining agreement. The director of finance may adopt rules pursuant to chapter 91 as may be necessary for the application, bonding, and procedural requirements of such contractor.

[(c)] (d) In the event the director of finance is not satisfied as to the ownership of any vehicle sought to be registered, unless the applicant presents satisfactory evidence to the director of finance of the applicant's ownership of the vehicle and as to any liens thereon, the director of finance may accept from the applicant a bond in such form as may be determined by the director of finance in an amount equal to the retail value of the vehicle. The bond and the deposit thereof shall be conditioned to protect the director of finance and any subsequent purchaser of the vehicle or person acquiring any lien thereon or the successor in interest of any such person against any loss or damage on account of any defect in or undisclosed encumbrance upon the right, title, and interest of the applicant in and to the vehicle. Any such interested person shall have a right of action to recover on any such bond for any breach of the conditions for which the same was deposited. The aggregate liability of the surety to all such persons shall in no event exceed the amount of the bond and interest thereon, plus a reasonable attorney's fee to be allowed by the court incurred to procure the recovery under the bond. The bond shall (unless suit has been instituted thereon) be returned and surrendered at the end of three years.

[(d)] (e) The county finance director, upon being notified by the designated county department that a vehicle has been inspected and approved as a reconstructed vehicle, shall cause that fact to be shown upon the registration and title certificates for that vehicle."

SECTION 3. Section 286-46, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) With the exception of delinquent taxes and penalties imposed by section 249-10, the record shall show the year, month, day, hour, and minute at which the notice has been filed with the director of finance, shall show the nature and kind of lien or encumbrance claimed, the amount of tax or other claim, with interest, penalties, and costs, and shall identify the registered motor vehicles affected by the lien or encumbrance, and shall contain such further information as the director of finance may require. The record shall be a public record and may be arranged in such manner as the director of finance determines.

The interest of the owner or the legal owner in the motor vehicle shall not be deemed to be affected until the notice referred to in [paragraphs] subsection (a) (1) to

(5) has been filed with the director of finance in such form as the director of finance shall prescribe for entry in the tax lien and encumbrance record; provided the director of finance may require the payment of delinquent taxes and penalties as a condition precedent to the vehicle's renewal, registration, or transfer of ownership. The director of finance shall charge a fee of [50 cents] \$5 for each entry made in the tax lien and encumbrance record, which shall be deposited in the general fund; provided that the fee shall not be charged for entries filed by or on behalf of the United States of America or its wholly owned agencies or instrumentalities, the State of Hawaii, or any county, or wholly owned agencies or instrumentalities of the State or any county].

Nothing in this section shall be deemed to alter or amend any statute relating to tax liens or the enforcement thereof."

SECTION 4. Section 286-52, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

"(b) Within thirty calendar days thereafter, the transferee shall forward both the certificate of ownership so endorsed [and the current certificate of registration] to the director of finance who shall file the same. Whenever a transferee fails to comply with these provisions, the director of finance shall charge a fee of \$50, in addition to the fee provided in section 286-51, for a new certificate of ownership."

2. By amending subsection (c) to read:

"(c) Subsection (b), requiring a transferee to forward the certificate of ownership after endorsement [and the certificate of registration] to the director of finance, shall not apply to the transferee of a vehicle who was not intending to and does not drive the vehicle or permit the vehicle to be driven upon the public highways, but every such transferee, upon transferring the transferee's interest or title to another, shall give notice of the transfer to the director of finance and endorse the certificate of ownership to the new legal owner and the certificate of registration to the new owner; provided that if the director of finance has ascertained as of the date of the application that the registered owner has not deposited or paid bail with respect to any summons or citation issued to the registered owner for stopping, standing, or parking in violation of traffic ordinances within the county, the director may require, as a condition precedent to the transfer, that the registered owner deposit or pay bail with respect to all such summons or citations."

3. By amending subsection (d) to read:

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

4. By amending subsection (l) to read:

"(l) A licensed dealer who has forwarded a properly endorsed certificate of ownership [and certificate of registration] to the director of finance shall be relieved of any civil liability, from the date the transferor delivers the motor vehicle into the transferee's possession, which the transferor might otherwise subsequently incur by

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reason solely of being the registered owner of the vehicle; provided that a specific written authorization to forward the certificates has been obtained from the transferee.”

SECTION 5. Section 249-3, Hawaii Revised Statutes, is repealed.

SECTION 6. Section 249-3.5, Hawaii Revised Statutes, is repealed.

SECTION 7. Section 249-5, Hawaii Revised Statutes, is repealed.

SECTION 8. Statutory material to be repealed is bracketed.¹ New statutory material is underscored.

SECTION 9. This Act shall take effect upon its approval.

(Approved June 14, 1995.)

Note

1. Edited pursuant to HRS §23G-16.5.