
A BILL FOR AN ACT

RELATING TO THE MOTOR VEHICLE INDUSTRY LICENSING ACT.

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

1 SECTION 1. Section 437-12, Hawaii Revised Statutes, is
2 amended to read as follows:
3 "§437-12 Legal ownership certificates[-]; reasonable
4 indicia of ownership or right of possession. (a) Possession or
5 proof of possession of legal ownership certificate. No dealer
6 shall sell or advertise for sale a motor vehicle unless the
7 dealer has in the dealer's possession or proof of possession of
8 the legal ownership certificate of the subject motor vehicle[-];
9 provided that if the vehicle is a used motor vehicle, the dealer
10 may sell or advertise for sale the used motor vehicle if the
11 dealer has in the dealer's possession reasonable indicia of
12 ownership or right of possession of the legal ownership
13 certificate of the subject motor vehicle.
14 (b) Delivery of legal ownership certificate. The legal
15 ownership certificate shall be delivered within the period as
16 provided in section 286-52(b).



1 (c) For the purposes of this section, the term "reasonable
2 indicia of ownership or right of possession" includes but is not
3 limited to:

4 (1) A consignment contract between the owner and the
5 dealer along with a secure power of attorney from the
6 owner to the dealer authorizing the dealer to apply
7 for a duplicate certificate of title and assign the
8 title on behalf of the owner;

9 (2) A court order awarding title to the vehicle to the
10 dealer;

11 (3) A salvage certificate of title;

12 (4) A photocopy of a duly assigned certificate of title
13 being held by a financial institution as collateral
14 for a business loan of money to the dealer;

15 (5) A copy of a cancelled check or other documentation
16 evidencing that an outstanding lien on the vehicle
17 taken in trade by a dealer has been satisfied and that
18 the certificate of title will be, but has not yet
19 been, received by the dealer;

20 (6) A vehicle purchase order or installment contract for a
21 specific vehicle identifying that vehicle as a trade-
22 in on a replacement vehicle; or



Report Title:

Motor Vehicle Dealers

Description:

Allows motor vehicle dealers of used vehicles to have in their possession reasonable indicia of ownership or right of possession, as an alternative to a legal ownership certificate, when selling the used vehicle.

