

JAN 23 2009

---

---

# 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



1        (7) A duly executed odometer disclosure statement as  
2                required under 49 United States Code section 32705."

3            SECTION 2. This Act does not affect rights and duties that  
4 matured, penalties that were incurred, and proceedings that were  
5 begun, before its effective date.

6            SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8            SECTION 4. This Act shall take effect upon its approval.

9

INTRODUCED BY: Rosalyn H. Baker  
Will Ezer  
Michelle M. Sidani



**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.

