
A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1 SECTION 1. Section 286-48, Hawaii Revised Statutes, is
2 amended by amending subsections (a) and (b) to read as follows:
3 "(a) Whenever a motor vehicle subject to registration
4 under this part is sold as salvage or conveyed to an insurance
5 company, in the ordinary course of business or as the result of
6 a total loss insurance settlement where the insurance company
7 receives the certificates of registration and ownership, the
8 purchaser or, if an insurance company its authorized agent,
9 shall within ten days from the purchase, or the settlement of
10 the insurance loss, forward the motor vehicle's endorsed
11 certificate of ownership or other evidence of title, certificate
12 of registration, license plates, and an application for a
13 salvage certificate as provided for in section 286-44.5, to the
14 director of finance. ~~[If the certificate of registration or one
15 or both license plates are lost, an affidavit, duly notarized
16 and signed by the party responsible for the compliance of this
17 section stating that the party has no knowledge of the location~~



1 ~~of the certificate of registration or the license plates, shall~~
2 ~~be filed with the director of finance of the county having~~
3 ~~jurisdiction over the vehicle. In any event the certificate of~~
4 ~~ownership or other evidence of title shall be forwarded to the~~
5 ~~director of finance.~~

6 ~~(b)~~ Upon receipt of the certificate of ownership,
7 certificate of registration, license plates, and application for
8 a salvage certificate, the director of finance shall issue a
9 salvage certificate in the name of the purchaser or insurance
10 company.

11 (b) If the certificate of registration or one or both
12 license plates are lost, an affidavit, duly notarized and signed
13 by the party responsible for compliance with this section
14 stating that the party has no knowledge of the location of the
15 certificate of registration or the license plates, shall be
16 filed with the director of finance of the county having
17 jurisdiction over the vehicle. In any event the certificate of
18 ownership or other evidence of title shall be forwarded to the
19 director of finance. Upon receipt of the certificate of
20 ownership or other evidence of title, the prescribed affidavit,
21 and application for a salvage certificate, the director of



1 finance shall issue a salvage certificate in the name of the
2 purchaser or insurance company.

3 (c) If the legal or registered owner of the motor vehicle
4 fails to provide or assign the motor vehicle's endorsed
5 certificate of ownership to the insurance company within thirty
6 days after the payment of the claim, the insurance company may,
7 at any time thereafter, forward an application for a salvage
8 certificate to the director of finance. The director shall
9 issue a salvage certificate to the insurance company for the
10 vehicle upon receipt of:

11 (A) The application;

12 (B) Proof of payment of the claim, which shall be:

13 (i) In the case of payment by check, either a copy of
14 the front and back of the endorsed check or
15 evidence that the check has cleared the account
16 of the payor; or

17 (ii) In the case of payment by electronic transfer,
18 evidence that the payment was charged to the
19 account of the payor;

20 (C) Proof of notice sent to the legal or registered owner
21 by certified mail or other commercially available



1 service requesting the properly endorsed certificate
2 of ownership or any documentation necessary to effect
3 the proper assignment of the certificate of ownership
4 for the motor vehicle; and

5 (D) Proof that the notice was received or returned as
6 undeliverable.

7 The director's issuance of the salvage certificate pursuant
8 to this subsection shall extinguish all existing liens against
9 the vehicle. The insurance company shall relieve the director
10 of finance of all liability, civil or criminal, resulting from
11 the issuance of a salvage certificate to the insurance company
12 pursuant to this subsection.

13 [~~(e)~~] (d) Upon resale of the salvage vehicle, the seller or,
14 if the seller is an insurance company, its authorized agent
15 shall transfer the salvage certificate and issue a bill of sale
16 to the purchaser which shall be on a form prescribed by the
17 director of finance. The seller shall notify the purchaser, in
18 writing, of the requirements of this chapter regarding the
19 recertification of salvage vehicles. The seller shall sell the
20 salvage vehicle only to a person licensed pursuant to chapter
21 437B, sections 289-4, or 445-232, or any person who executes an



1 affidavit which states whether or not the salvage vehicle would
2 be used to construct a rebuilt vehicle as defined in section
3 286-2 and that if the salvage vehicle is to be rebuilt, the
4 purchaser will register the rebuilt vehicle as required by this
5 chapter.

6 [~~d~~] (e) In the event the salvage vehicle is rebuilt so as
7 to be capable of again operating on the highways of this State,
8 the motor vehicle shall not be licensed for such operation, nor
9 shall the ownership thereof be transferred until there is
10 submitted to the director of finance:

- 11 (1) The prescribed bill of sale;
- 12 (2) An appropriate application for registration of the
13 rebuilt or restored motor vehicle along with the
14 salvage certificate and a certificate of inspection
15 signed by the registered or certified motor vehicle
16 repair dealer who is bonded as required by section
17 437B-26, and who rebuilt the vehicle, attesting that
18 the original recognized vehicle manufacturer's
19 established repair procedures or specifications and
20 allowable tolerances for the particular model and year
21 were utilized and adhered to; and



1 (3) Any other document and fee required by the director of
2 finance.

3 The counties may, by ordinance, establish the fee to be charged
4 for the inspection of rebuilt motor vehicles.

5 ~~[(e)]~~ (f) Whenever a certificate of registration and
6 certificate of ownership is issued for a motor vehicle with
7 respect to which a salvage certificate has been previously
8 issued, the new certificates shall conform to the requirements
9 of section 286-47 and:

10 (1) Bear the words "Rebuilt Vehicle"; and

11 (2) Appear in such a manner as to distinguish them from
12 the certificate of registration and certificate of
13 ownership for motor vehicles other than rebuilt or
14 restored motor vehicles.

15 ~~[(f)]~~ (g) In the event a total loss insurance settlement
16 between an insurance company and its insured or a claimant for
17 property damage caused by its insured results in the retention
18 of the salvage vehicle by the insured or claimant, as the case
19 may be, then in such event, the insurance company or its
20 authorized agent shall notify, within ten days from the date of
21 settlement, the director of finance of such retention by its



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1 insured or claimant, as the case may be, and shall notify its
2 insured, or claimant as the case may be, in writing, of the
3 requirements of this chapter regarding the recertification of
4 salvage vehicles. The notification shall be on a form
5 prescribed by the director of finance."

6 SECTION 2. This Act does not affect rights and duties that
7 matured, penalties that were incurred, and proceedings that were
8 begun before its effective date.

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

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

12

INTRODUCED BY:



JAN 28 2015



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Report Title:

Salvaged Motor Vehicles; Salvage Certificate; Insurance

Description:

Allows for the issuance of a salvage certificate for a motor vehicle without a certificate of ownership.

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