

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



GOV. MSG. NO. 1209

EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

May 29, 2025

The Honorable Ronald D. Kouchi
President of the Senate,
and Members of the Senate
Thirty-Third State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Nadine Nakamura
Speaker, and Members of the
House of Representatives
Thirty-Third State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on May 29, 2025, the following bill was signed into law:

S.B. NO. 1522, H.D. 2,
C.D. 1

RELATING TO VEHICLE TITLE TRANSFERS.
ACT 109

Mahalo,

A handwritten signature in black ink that reads "Josh Green M.D." in a cursive style.

Josh Green, M.D.
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO VEHICLE TITLE TRANSFERS.

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

1 SECTION 1. The legislature finds that when an automobile
2 transfer is made in the State and title is transferred from an
3 owner to a buyer, the transfer is not considered complete until
4 the county receives certain documentation from the vehicle's new
5 owner, the transferee. Until that occurs, the vehicle remains
6 legally registered to the original owner, the transferor. As a
7 result, the transferor may be liable for parking tickets,
8 traffic infractions, and other civil or criminal liabilities
9 even though the transferor no longer retains possession of the
10 vehicle. Meanwhile, the transferee will not be held legally or
11 financially responsible for violations arising out of the
12 transferee's operation of the vehicle. This situation is unfair
13 and frustrating for transferors, and ripe for abuse and
14 exploitation by transferees. Years' worth of news reports,
15 including a July 2024 article in the Honolulu Star-Advertiser,
16 demonstrate that this problem continually plagues motorists.



1 The legislation further finds that the State's vehicle
2 title transfer law already includes language establishing that
3 when a transferor complies with the portions of the statute
4 applying to transferors, the transferor is released from
5 liability arising out of the operation of the transferred motor
6 vehicle. Despite this provision, transferors continue to incur
7 liability. Other states, such as Texas, have addressed this
8 issue by inserting statutory language that clarifies the steps a
9 transferor can take to avoid such liability.

10 Accordingly, the purpose of this Act is to:

- 11 (1) Clarify that proof that a transferor has filed
12 required notice forms with the county director of
13 finance serves as a complete defense to any action
14 brought against the transferor for an act or omission,
15 civil or criminal, arising from the use, operation, or
16 abandonment of the vehicle by another person; and
17 (2) Require, by July 1, 2026, the judiciary to determine
18 whether new forms or modification of the judiciary's
19 website is necessary to assist vehicle transferors
20 and, if so, to create the forms or modify the website.



SECTION 2. Section 286-52, Hawaii Revised Statutes, is amended to read as follows:

"§286-52 Procedure when title or interest of vehicle transferred; delivery of certificate mandatory[-]; complete defense. (a) Upon a transfer of the title or interest of a legal owner in or to a vehicle registered under this part, the person whose title or interest is to be transferred and the transferee shall write their signatures with pen and ink upon the certificate of ownership issued for the vehicle, together with the addresses of the person whose title or interest is to be transferred and the transferee in the appropriate spaces provided upon the certificate. The signature of the person whose title or interest is to be transferred and signature of the transferee shall each serve as an attestation by that respective party that the information provided on the certificate is correct. Any person who provides false or fraudulent information under this subsection shall be fined no less than \$500 and no more than \$1,000.

(b) Within thirty calendar days thereafter, the transferee shall forward the certificate of ownership so endorsed to the director of finance who shall file the same; provided that if



1 the recorded lien holder does not have an office in the State,
2 the applicable period shall be sixty days. Whenever a
3 transferee fails to comply with these provisions, the director
4 of finance shall charge a fee of \$50, in addition to the fee
5 provided in section 286-51, for a new certificate of ownership.

6 (c) Subsection (b), requiring a transferee to forward the
7 certificate of ownership after endorsement to the director of
8 finance, shall not apply to the transferee of a vehicle who was
9 not intending to and does not drive the vehicle or permit the
10 vehicle to be driven upon the public highways, but the
11 transferee, upon transferring the transferee's interest or title
12 to another, shall give notice of the transfer to the director of
13 finance and endorse the certificate of ownership to the new
14 legal owner and the certificate of registration to the new
15 owner. If the director of finance has ascertained as of the
16 date of the application that the registered owner has not
17 deposited or paid bail with respect to any summons or citation
18 issued to the registered owner for stopping, standing, or
19 parking in violation of traffic ordinances within the county or
20 has outstanding charges and fines owed to the county relating to
21 the disposition of an abandoned vehicle under the registered



1 owner, including for costs related to towing, storage,
2 processing, and disposal, the director may require, as a
3 condition precedent to the transfer, that the registered owner
4 deposit or pay bail with respect to the summons or citations or
5 pay all outstanding charges and fines relating to the
6 disposition of the abandoned vehicle; provided that payment of
7 all outstanding charges and fines relating to the disposition of
8 the abandoned vehicle shall not be a condition precedent to the
9 transfer if the abandoned vehicle was stolen or taken from the
10 registered owner without permission or authorization and a
11 police report for the abandoned vehicle is filed within a period
12 of time, to be determined by the director of finance of each
13 county, after discovery of the abandoned vehicle.

14 (d) The director of finance~~[7]~~ shall, upon receipt of the
15 certificate of ownership properly endorsed, ~~[shall]~~ register the
16 vehicle, and shall issue to the owner and legal owner entitled
17 thereto by reason of the transfer a new certificate of
18 registration and the certificate of ownership, respectively, in
19 the manner and form hereinabove provided for original
20 registration.



1 (e) Until the director of finance has issued the new
2 certificate of registration and certificate of ownership as
3 provided in subsection (d) [~~provided~~], delivery of the vehicle
4 shall be deemed not to have been made and title thereto shall be
5 deemed not to have passed, and the intended transfer shall be
6 deemed to be incomplete and not to be valid or effective for any
7 purpose, notwithstanding any provision of the Uniform Commercial
8 Code; provided that a security interest in a motor vehicle shall
9 be perfected as provided in the Uniform Commercial Code, section
10 490:9-311 and that the validity, attachment, priority, and
11 enforcement of the security interest shall be governed by
12 Article 9 of the Uniform Commercial Code.

13 (f) In the event of the transfer by operation of law of
14 the title or interest of a legal owner in and to a vehicle
15 registered under this part, as upon inheritance, devise,
16 bequest, order in bankruptcy, insolvency, execution sale,
17 repossession upon default in performance of the terms of a lease
18 or executory sales contract, or otherwise than by the voluntary
19 act of the person whose title or interest is so transferred, the
20 certificate of ownership shall be signed upon the spaces
21 provided by the personal representative, receiver, trustee,



1 sheriff, or other representative, or successor in interest of
2 the person whose title or interest is so transferred in lieu of
3 that person. Every personal representative, receiver, trustee,
4 sheriff, or other representative or successor hereinabove
5 referred to shall file with the director of finance a notice of
6 any transfer by sale, lease, or otherwise by the person, of the
7 vehicle, together with evidence satisfactory to the director of
8 finance of all facts entitling the person to make the transfer.
9 Upon notice given to the director of finance that transfer by
10 operation of law of the title or interest of a legal owner or a
11 registered owner has been effected pursuant to any provision of
12 law, the director of finance shall send to the legal owner or
13 the registered owner or both a notice by registered mail of the
14 action and requesting the delivery to the director of finance of
15 the certificate of ownership or the certificate of registration,
16 as the case may be, within ten days after date of mailing of the
17 notice, and any person who refuses or neglects to deliver the
18 same to the director of finance pursuant to the notice shall be
19 guilty of a misdemeanor and punished as provided in section
20 286-61.



1 (g) Nothing in the foregoing subsections shall prevent a
2 legal owner from assigning the title or interest in or to a
3 vehicle registered under this part to another legal owner at any
4 time without the consent of and without affecting the interest
5 of the holder of the certificate of registration thereof. Upon
6 filing with the director of finance [~~of~~] a certificate of
7 ownership endorsed by the legal owner and a transferee of legal
8 ownership, the director of finance shall, regardless of whether
9 the certificate of registration has expired, enter the name of
10 the new legal owner upon the records of the director's office
11 and shall forthwith issue a new certificate of ownership to the
12 new legal owner in the form for original registration. Upon so
13 doing, the director of finance shall send to the registered
14 owner a notice by mail of the action.

15 (h) Any person who refuses or neglects to deliver a
16 certificate of ownership to a transferee entitled thereto under
17 this part[~~r~~] shall be punished as provided in section 286-61.

18 (i) Every dealer, upon transferring a motor vehicle,
19 whether by sale, lease, or otherwise, shall immediately give
20 notice of the transfer to the director of finance upon the
21 official form provided by the director of finance. Each notice



1 shall contain the date of the transfer, the names and addresses
2 of the transferor and transferee, and a description of the
3 vehicle as may be called for in the official form.

4 (j) Every person, other than a dealer, upon transferring a
5 motor vehicle, whether by sale, lease, or otherwise, shall
6 within ten days give notice of the transfer to the director of
7 finance upon the official form provided by the director of
8 finance. Every notice shall contain the date of transfer, the
9 names and addresses of the transferor and transferee, and a
10 description of the vehicle as may be called for in the official
11 form. Any person who violates this subsection shall be fined no
12 more than \$100.

13 (k) Whenever the registered owner of any motor vehicle or
14 any licensed dealer has given notice to the director of finance
15 of a transfer of the title or interest in the motor vehicle, as
16 provided in subsection (i) or (j), and has delivered the
17 certificate of ownership bearing the transferor's signature to
18 the transferee as required by subsection (a), the transferor
19 shall be relieved from any liability, civil or criminal, from
20 the date the transferor delivers the motor vehicle into the
21 transferee's possession, which the transferor might otherwise



1 subsequently incur by reason solely of being the registered
2 owner of the vehicle.

3 (l) A licensed dealer who has forwarded a properly
4 endorsed certificate of ownership to the director of finance
5 shall be relieved of any civil liability[7] from the date the
6 transferor delivers the motor vehicle into the transferee's
7 possession, which the transferor might otherwise subsequently
8 incur by reason solely of being the registered owner of the
9 vehicle; provided that a specific written authorization to
10 forward the certificate has been obtained from the transferee.

11 (m) Any person who falsely or fraudulently gives notice to
12 the director of finance of a transfer of title or interest in a
13 motor vehicle shall be subject to the penalty provided in
14 section 286-61.

15 (n) Any organization that receives a motor vehicle as a
16 charitable donation shall be deemed, upon receipt of the motor
17 vehicle, to be a transferee for purposes of this section and
18 shall be subject to all of the applicable rights,
19 responsibilities, and liabilities of a transferee under this
20 section.



1 (o) Proof by the transferor that the transferor has filed
2 the notice form in subsection (i) or (j) shall serve as a
3 complete defense to any action brought against the transferor
4 for an act or omission, civil or criminal, arising from the use,
5 operation, or abandonment of the vehicle by another person after
6 the transferor's filing of the notice form; provided that a copy
7 of the form shall serve as proof of the filing of the form.

8 (p) A transferor who submits false or fraudulent
9 information to complete the provisions of this section requiring
10 action by the transferor shall be fined not less than \$500 and
11 not more than \$1,000."

12 SECTION 3. No later than July 1, 2026, the judiciary
13 shall:

14 (1) Determine whether it is necessary to either:

15 (A) Create a new court form; or

16 (B) Modify the judiciary's website to provide more
17 information,

18 relating to transferors responding to actions arising
19 from the use, operation, or abandonment of transferred
20 vehicles; and



1 (2) If the judiciary answers paragraph (1) in the
2 affirmative, create the new forms or modify the
3 website accordingly.

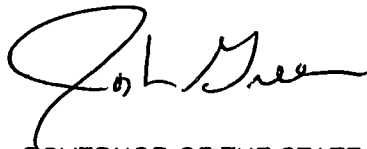
4 SECTION 4. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 5. This Act shall take effect upon its approval.



S.B. NO. 1522
H.D. 2
C.D. 1

APPROVED this 29th day of May, 2025

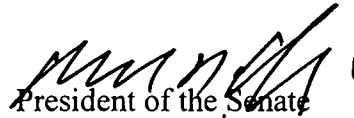
A handwritten signature in black ink, appearing to read "Jon L. Green". The signature is fluid and cursive, with the first name "Jon" being the most prominent.

GOVERNOR OF THE STATE OF HAWAII


THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025
Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate
of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.



President of the Senate



Clerk of the Senate

SB No. 1522, HD 2, CD 1

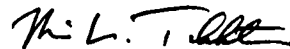
THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.



Nadine K. Nakamura
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives