
A BILL FOR AN ACT

RELATING TO VEHICLE TITLE TRANSFERS.

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

SECTION 1. 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



1 fraudulent information under this subsection shall be fined no
2 less than \$500 and no more than \$1,000.

3 (b) Within thirty calendar days thereafter, the transferee
4 shall forward the certificate of ownership so endorsed to the
5 director of finance who shall file the same; provided that if
6 the recorded lien holder does not have an office in the State,
7 the applicable period shall be sixty days. Whenever a
8 transferee fails to comply with these provisions, the director
9 of finance shall charge a fee of \$50, in addition to the fee
10 provided in section 286-51, for a new certificate of ownership.

11 (c) Subsection (b), requiring a transferee to forward the
12 certificate of ownership after endorsement to the director of
13 finance, shall not apply to the transferee of a vehicle who was
14 not intending to and does not drive the vehicle or permit the
15 vehicle to be driven upon the public highways, but the
16 transferee, upon transferring the transferee's interest or title
17 to another, shall give notice of the transfer to the director of
18 finance and endorse the certificate of ownership to the new
19 legal owner and the certificate of registration to the new
20 owner. If the director of finance has ascertained as of the
21 date of the application that the registered owner has not



1 deposited or paid bail with respect to any summons or citation
2 issued to the registered owner for stopping, standing, or
3 parking in violation of traffic ordinances within the county or
4 has outstanding charges and fines owed to the county relating to
5 the disposition of an abandoned vehicle under the registered
6 owner, including for costs related to towing, storage,
7 processing, and disposal, the director may require, as a
8 condition precedent to the transfer, that the registered owner
9 deposit or pay bail with respect to the summons or citations or
10 pay all outstanding charges and fines relating to the
11 disposition of the abandoned vehicle; provided that payment of
12 all outstanding charges and fines relating to the disposition of
13 the abandoned vehicle shall not be a condition precedent to the
14 transfer if the abandoned vehicle was stolen or taken from the
15 registered owner without permission or authorization and a
16 police report for the abandoned vehicle is filed within a period
17 of time, to be determined by the director of finance of each
18 county, after discovery of the abandoned vehicle.

19 (d) The director of finance[7] shall, upon receipt of the
20 certificate of ownership properly endorsed, [~~shall~~] register the
21 vehicle, and shall issue to the owner and legal owner entitled



1 thereto by reason of the transfer a new certificate of
2 registration and the certificate of ownership, respectively, in
3 the manner and form hereinabove provided for original
4 registration.

5 (e) Until the director of finance has issued the new
6 certificate of registration and certificate of ownership as
7 provided in subsection (d) [~~provided~~], delivery of the vehicle
8 shall be deemed not to have been made and title thereto shall be
9 deemed not to have passed, and the intended transfer shall be
10 deemed to be incomplete and not to be valid or effective for any
11 purpose, notwithstanding any provision of the Uniform Commercial
12 Code; provided that a security interest in a motor vehicle shall
13 be perfected as provided in the Uniform Commercial Code, section
14 490:9-311 and that the validity, attachment, priority, and
15 enforcement of the security interest shall be governed by
16 Article 9 of the Uniform Commercial Code.

17 (f) In the event of the transfer by operation of law of
18 the title or interest of a legal owner in and to a vehicle
19 registered under this part, as upon inheritance, devise,
20 bequest, order in bankruptcy, insolvency, execution sale,
21 repossession upon default in performance of the terms of a lease



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



1 same to the director of finance pursuant to the notice shall be
2 guilty of a misdemeanor and punished as provided in section 286-
3 61.

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

18 (h) Any person who refuses or neglects to deliver a
19 certificate of ownership to a transferee entitled thereto under
20 this part, shall be punished as provided in section 286-61.



1 (i) Every dealer, upon transferring a motor vehicle,
2 whether by sale, lease, or otherwise, shall immediately give
3 notice of the transfer to the director of finance upon the
4 official form provided by the director of finance. Each notice
5 shall contain the date of the transfer, the names and addresses
6 of the transferor and transferee, and a description of the
7 vehicle as may be called for in the official form.

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

17 (k) Whenever the registered owner of any motor vehicle or
18 any licensed dealer has given notice to the director of finance
19 of a transfer of the title or interest in the motor vehicle, as
20 provided in subsection (i) or (j), and has delivered the
21 certificate of ownership bearing the transferor's signature to



1 the transferee as required by subsection (a), the transferor
2 shall be relieved from any liability, civil or criminal, from
3 the date the transferor delivers the motor vehicle into the
4 transferee's possession, which the transferor might otherwise
5 subsequently incur by reason solely of being the registered
6 owner of the vehicle.

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

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

19 (n) Any organization that receives a motor vehicle as a
20 charitable donation shall be deemed, upon receipt of the motor
21 vehicle, to be a transferee for purposes of this section and



1 shall be subject to all of the applicable rights,
2 responsibilities, and liabilities of a transferee under this
3 section.

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

12 (p) A transferor who submits false or fraudulent
13 information to complete the provisions of this section requiring
14 action by the transferor shall be subject to the penalties under
15 subsection (a)."

16 SECTION 2. By December 31, 2025, the courts shall create
17 new forms permitting transferors to respond to actions arising
18 out of the use, operation, or abandonment of transferred
19 vehicles by submitting proof of a filed notice form, and shall
20 develop relevant instructions. The judiciary shall take



1 additional measures to assist transferors as necessary to
2 facilitate the appropriate dismissal of those actions.

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

5 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

Vehicle Title Transfers; Liability; Motor Vehicles

Description:

Clarifies that proof that a transferor has filed required notice forms serves as a complete defense to any action brought against the transferor for an act or omission, civil or criminal, arising out of the use, operation, or abandonment of the vehicle by another person. Requires, by 12/31/2025, the courts to create new forms permitting transferors to respond to actions arising out of the use, operation, or abandonment of transferred vehicles. Effective 7/1/3000. (HD1)

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