

The Judiciary, State of Hawai'i

Testimony to the Thirty-Third State Legislature, 2025 Session

Committee on Judiciary & Hawaiian Affairs

Representative David A. Tarnas, Chair Representative Mahina Poepoe, Vice Chair

> Friday, March 28, 2025, 2:00 p.m. Conference Room 325 & Via Videoconference

> > By:

Michelle D. Acosta
Deputy Chief Court Administrator
District Court of the First Circuit

Bill No. and Title: Senate Bill No. 1522, HD1 – Relating to Vehicle Title Transfers

Purpose: 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)

Judiciary's Position:

The Judiciary takes no position on the merits of the bill and submits the following concerns for the Legislatures regarding the part of this measure requiring the court to create a new form for transferors.

Currently, if a prior owner is notified that a vehicle they previously owned has been cited for a traffic infraction, the owner would submit to the court a simple letter explaining the circumstances regarding the previous ownership of the vehicle and include the Notice of

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Transfer provided by the county motor vehicle department. This information along with a copy of the citation is submitted to the presiding judge and the appropriate action is taken. The Judiciary is concerned that requiring a court form would add another layer to the process that may cause additional work for already limited staff and added costs to produce the form.

The Judiciary appreciates that a letter may not contain all the necessary information the court may require and that this could result in a previous owner having to appear for multiple court hearings. However, a standardized court form may not be necessary for all circuits. As such, the Judiciary would request that this provision requiring a new court form be deleted or modified to allow the Judiciary to create a court form if the court finds it necessary or to modify the Judiciary website to provide more information regarding vehicle transfers.

The Judiciary further requests that Section 2, line 20 on page 9 continuing to lines 1-2 on page 10, be deleted. The requirement that the Judiciary "take additional measures to assist transferors as necessary to facilitate the appropriate dismissal" assumes an outcome and may be considered as the court providing legal advice.

Thank you for the opportunity to testify on this measure.

DEPARTMENT OF CUSTOMER SERVICES KA 'OIHANA LAWELAWE KUPA CITY AND COUNTY OF HONOLULU

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March 25, 2025

The Honorable David A. Tarnas, Chair
The Honorable Mahina Poepoe, Vice Chair
and Members of the House Committee on Judiciary
and Hawaiian Affairs
State Capitol, Conference Room 325
415 South Beretania Street
Honolulu, Hawaiii 96813

Dear Chair Tarnas, Vice Chair Poepoe, and Members of the House Committee on Judiciary and Hawaiian Affairs,

SUBJECT: S.B. No. 1522, H.D. 1 - Relating to Vehicle Title Transfers HEARING: Friday, March 28, 2025, 2:00 p.m.

The City and County of Honolulu, Department of Customer Services (CSD) **supports** this bill and appreciates the opportunity to offer comments for your committee's consideration. Pursuant to Section 6-402 of the Revised Charter of the City and County of Honolulu, CSD Division of Motor Vehicles (DMV) administers the motor vehicle registration program for the island of Oʻahu.

S.B. No. 1522, H.D. 1 clarifies that a transferor (e.g., seller, donor) of a motor vehicle who complies with the portions of Section 286-52, Hawai'i Revised Statutes, requiring action on the transferor's part shall not be liable for any violation resulting from the operation of a transferred vehicle, even though the transferor remains the legal and registered owner of the vehicle, and that a copy of the transferor's notice of transfer form shall serve 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 after the transferor's filing of the form; provided that a copy of the form shall serve as proof of the filing of the form.

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Currently, the transferee's (e.g., buyer, recipient) endorsement is legally required and serves to acknowledge the transfer and that information on the title transfer is correct, including the transferee's address. Section 286-52, Hawai'i Revised Statutes, requires that when title or interest of a vehicle is being transferred, that both the transferor and transferee attest that the information provided on the certificate of ownership is accurate and that both the transferor and the transferee are entering into the transaction mutually and knowingly.

CSD is aware of issues of transferors having persistent liability on vehicles for which title and possession have been transferred but the transferee fails to endorse and submit the vehicle's title to CSD DMV within a specified period of time. CSD has been working with the Office of Senator Karl Rhoads on options to address issues of transferors having persistent liability on vehicles for which title and possession have been transferred but the transferee fails to endorse and submit the vehicle's title to CSD DMV within a specified period of time. Section 286-52(k), Hawai'i Revised Statutes, already includes language establishing that when a transferor complies with the portions of the statute applying to transferors, the transferor is released from liability arising out of the operation of the transferred vehicle. CSD supports the intent of S.B. No. 1522, H.D. 1 to retain the substance of Section 286-52, Hawai'i Revised Statutes, including maintaining the requirement that the transferor and transferee mutually attest to the information provided on the certificate of ownership, while also clarifying that a transferor shall not be liable for any violation resulting from the operation of a transferred vehicle if the transferor complies with the portions of the statute requiring action on the transferor's part.

Thank you for this opportunity to provide testimony is support of S.B. No. 1522, H.D. 1.

Sincerely,

Kimberly M. Hashiro Director