

JAN 22 2021

A BILL FOR AN ACT

RELATING TO MOTOR VEHICLES.

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

1 SECTION 1. Section 286-41, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) Notwithstanding any other law to the contrary, the
4 director of finance of the county in which the application for
5 registration is sought shall ~~[not]~~ require proof of insurance as
6 a condition to satisfy the requirements of this part. This
7 subsection shall apply ~~[only]~~ to the initial ~~[registration]~~ and
8 every subsequent registration of any motor vehicle."

9 SECTION 2. Section 286-45, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§286-45 Records of county finance director.** The director
12 of finance shall file each application received and register the
13 vehicle therein described in a record or book to be kept by the
14 director of finance under the following headings:

- 15 (1) Vehicle registration number;
16 (2) Name of owner; ~~[and]~~
17 (3) Vehicle identification number~~[-]~~; and



1 (4) Motor vehicle insurance policy number, insurer, and
2 policy period for the vehicle.

3 The director of finance may microfilm vehicle registration
4 and ownership records which are a year old and may discard the
5 original records. The director of finance may discard vehicle
6 registration and ownership records which are older than six
7 years."

8 SECTION 3. Section 286-52, Hawaii Revised Statutes, is
9 amended by amending subsections (i) and (j) to read as follows:

10 "(i) Every dealer, upon transferring a motor vehicle,
11 whether by sale, lease, or otherwise, shall immediately give
12 notice of the transfer to the director of finance upon the
13 official form provided by the director of finance. Every such
14 notice shall contain the date of the transfer, the names and
15 addresses of the transferor and transferee, and such description
16 of the vehicle as may be called for in the official form. Every
17 transferee shall immediately give notice to the director of
18 finance upon the official form provided by the director of
19 finance the name of the motor vehicle insurer and the motor
20 vehicle insurance policy number that will provide the transferee
21 with coverage for the motor vehicle.



1 (j) Every person, other than a dealer, upon transferring a
2 motor vehicle, whether by sale, lease, or otherwise, shall
3 within ten days give notice of the transfer to the director of
4 finance upon the official form provided by the director of
5 finance. Every notice shall contain the date of transfer, the
6 names and addresses of the transferor and transferee, and such
7 description of the vehicle as may be called for in the official
8 form. Every transferee shall immediately give notice to the
9 director of finance upon the official form provided by the
10 director of finance the name of the motor vehicle insurer and
11 the motor vehicle insurance policy number that will provide the
12 transferee with coverage for the motor vehicle. Any person who
13 violates this subsection shall be fined not more than \$100."

14 SECTION 4. Section 286-61, Hawaii Revised Statutes, is
15 amended to read as follows:

16 **"§286-61 Penalty.** Any person who violates sections
17 286-41, 286-42, 286-44.5 to 286-56.5, and 286-58 to 286-60 shall
18 be fined not less than \$5 nor more than \$1,000; provided that
19 any corporate owner of a motor vehicle who fails to register a
20 motor vehicle as required by section 286-41(a) following a
21 transfer of the vehicle between counties shall be fined \$1,000



1 for each violation[-]; provided further that any person who
2 fails to maintain motor vehicle insurance on the motor vehicle,
3 as required under article 10C of chapter 431, throughout the
4 period of registration shall be fined not less than \$500 nor
5 more than \$2,000 for each day that the motor vehicle is not
6 covered by that motor vehicle insurance. Any person who
7 violates section 286-43, 286-44, or 286-57 shall be fined not
8 less than \$5 and not more than \$1,000 or imprisoned not more
9 than one year, or both."

10 SECTION 5. Section 431:10C-107, Hawaii Revised Statutes,
11 is amended by amending subsection (a) to read as follows:

12 "(a) Every insurer shall issue to its insureds a paper or
13 electronic motor vehicle insurance identification card for each
14 motor vehicle for which the basic motor vehicle insurance
15 coverage is written. The electronic motor vehicle insurance
16 identification card may be accessed directly through the
17 licensed insurer's website, application, or database. The
18 identification card shall contain the following:

19 (1) Name of make and factory or serial number of the motor
20 vehicle; provided that insurers of five or more motor
21 vehicles which are under common registered ownership



1 and used in the regular course of business shall not
2 be required to indicate the name of make and the
3 factory or serial number of each motor vehicle;

4 (2) Policy number;

5 (3) Names of the insured and the insurer; ~~and~~

6 (4) Effective dates of coverage including the expiration
7 date[-]; and

8 (5) The motor vehicle registration period of the motor
9 vehicle and the name of the county director of finance
10 who issued the registration certificate and license
11 plates for the vehicle."

12 SECTION 6. Section 431:10C-112, Hawaii Revised Statutes,
13 is amended by amending subsection (a) to read as follows:

14 "(a) In the case of cancellation or nonrenewal of a motor
15 vehicle insurance policy by the insurer, the insurer shall mail
16 ~~[a written notice]~~ written notices of prospective cancellation
17 or nonrenewal to the insured and the county director of finance
18 who issued the registration certificate and license plates for
19 the vehicle not fewer than thirty days prior to the effective
20 date of the cancellation or nonrenewal. The insurer shall
21 continue all motor vehicle insurance and optional additional



1 coverages in force for thirty days following the mailing;
2 provided that in the case of cancellation for the nonpayment of
3 premiums the insurer shall:

4 (1) Mail [~~a written notice~~] written notices of prospective
5 cancellation to the insured and the county director of
6 finance that issued the registration certificate and
7 license plates for the vehicle not fewer than twenty
8 days prior to the effective date of the cancellation;
9 and

10 (2) Continue all motor vehicle insurance and optional
11 additional coverages in force for twenty days
12 following the mailing.

13 Cancellation or nonrenewal shall not be deemed valid unless
14 the mailing required by this section is supported by a
15 certificate of mailing properly validated by the United States
16 Postal Service."

17 SECTION 7. The legislature finds and declares that the
18 additional fines to be imposed by the counties for a lack of
19 motor vehicle insurance coverage for a motor vehicle registered
20 under chapter 286, Hawaii Revised Statutes, shall constitute the
21 State's share in the cost of increasing the level of service



S.B. NO. 373

1 under the motor vehicle registration program, thereby fulfilling
2 the State's constitutional obligations under article VIII,
3 section 5, of the state constitution, on the transfer of
4 mandated programs.

5 SECTION 8. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 9. This Act shall take effect on July 1, 2022.

8

INTRODUCED BY:





S.B. NO. 373

Report Title:

Car Insurance; Motor Vehicles; Registration

Description:

Requires motor vehicle insurers to notify the county director of finance of cancellations and nonrenewals of motor vehicle insurance policies on registered vehicles. Requires transferees to notify the county director of finance of motor vehicle insurance policy coverage for the transferred vehicles. Increases registration fines for a failure to maintain insurance on the vehicle during the period of registration.

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