

Honolulu, Hawaii

APR 04 2008

RE: H.B. No. 2302
H.D. 2
S.D. 2

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 2302, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL PROPERTY,"

begs leave to report as follows:

The purpose of this measure is to require the Department of Land and Natural Resources to conduct a feasibility study on implementing an electronic filing system at the Bureau of Conveyances.

More specifically, the feasibility study would:

- (1) Determine the impact of such a filing system on the operations of the Bureau of Conveyances and the public;
- (2) Determine the cost of installing and maintaining a new system;
- (3) Establish a time frame for procuring, implementing, and launching a new electronic filing system;
- (4) Explore similar systems in other jurisdictions; and
- (5) Address concerns regarding the current computer system at the Bureau of Conveyances.



Testimony opposing the measure was received from the Department of Land and Natural Resources.

Your Committee finds that the widespread enactment of the Uniform Electronic Signatures Transactions Act and the federal Electronic Signatures in Global and National Commerce Act has made it possible to treat sales contracts, mortgage instruments, and promissory notes memorialized in electronic form with electronic signatures as equivalent to paper documents with manual signatures. Your Committee further finds that allowing the Bureau of Conveyances to accept the recordation of documents digitally would greatly streamline the process of recording real estate documents.

Upon further consideration, your Committee has amended the measure by:

- (1) Deleting the requirement for the Department of Land and Natural Resources to perform a feasibility study on a new electronic filing system at the Bureau of Conveyances;
- (2) Requiring the Department of Land and Natural Resources to initiate the planning and design of a new electronic filing system;
- (3) Requiring the Department of Land and Natural Resources to submit to the Legislature, prior to the convening of the 2009 Regular Session, a report detailing the timeline and requirements for launching an electronic filing system by July 1, 2009;
- (4) Making an appropriation of an unspecified amount; and
- (5) Making a technical, nonsubstantive change for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2302, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2302, H.D. 2, S.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

Rosalyn D Baker

ROSALYN D. BAKER, Chair



