

STAND. COM. REP. NO.

3220

Honolulu, Hawaii

MAR 28 2008

RE: S.C.R. No. 232

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

Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred S.C.R. No. 232 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO INVESTIGATE AND DEVELOP FEASIBILITY AND IMPLEMENTATION MODELS REGARDING MERGING THE LAND COURT AND REGULAR SYSTEMS, REASSIGNING THE BUREAU OF CONVEYANCES TO ANOTHER STATE DEPARTMENT, AND PRIVATIZING CERTAIN FUNCTIONS OF THE BUREAU OF CONVEYANCES,"

begs leave to report as follows:

The purpose of this measure is to assist in addressing the existing problems and issues at the Bureau of Conveyances by requesting the Legislative Reference Bureau to investigate and develop feasibility and implementation models regarding merging the Land Court and Regular Systems, reassigning the Bureau of Conveyances to another state department, and privatizing certain functions of the Bureau of Conveyances.

Testimony in opposition to this measure was submitted by the Department of Land and Natural Resources. The Legislative Reference Bureau and the Hawaii Government Employees Association (HGEA), AFSCME, Local 152 submitted comments.

In 2007, the Legislature adopted S.C.R. No. 226, which established a Joint Senate-House Investigative Committee to investigate the personnel, operational, and fiscal management of the Bureau of Conveyances to ensure that the Bureau serves the public at its most optimal level, and required the Joint Investigative Committee to submit its findings and recommendations

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to the Legislature. During the six months of public hearings and intense investigative work, the Joint Investigative Committee uncovered several and sometimes troubling findings relating to the voluminous and escalating problems at the Bureau of Conveyances. As a result, the Joint Investigative Committee drew three prevailing and interlocking conclusions from its findings:

- (1) Severe mismanagement of the employees and operations of the Bureau of Conveyances hampers effective and efficient property recordings;
- (2) A lack of fiscal management and accountability at the Bureau of Conveyances has led to a loss of revenue for the State; and
- (3) Employee and operational mismanagement and a lack of fiscal accountability cause the operations of the Bureau of Conveyances to be vulnerable to abuse.

The Joint Investigative Committee found it necessary and appropriate to develop and mandate methods and solutions, short- and long-range, to assist the Bureau of Conveyances in becoming a more efficient, effective, and accountable operation, especially in light of the breadth and depth of the challenges the Bureau of Conveyances faces, and given the relative lack of success that accompanied earlier attempts at improving its operations. Your Committee finds that requesting the Legislative Reference Bureau to develop feasibility and implementation models regarding long-term options for the Bureau of Conveyances will provide the special concentrated and comprehensive action that is necessary to address the problems at the Bureau of Conveyances.


Your Committee notes the concerns HGEA indicated in testimony regarding one of the components of the study that requests an investigation of privatizing certain functions of the Bureau of Conveyances. Your Committee emphasizes, however, that the intent of the requested study is to investigate the feasibility of privatization, and not to actually implement this option. Your Committee believes that additional information is necessary before appropriate and effective legislation is enacted and long-term options are implemented at the Bureau of Conveyances.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee concurs with the



intent and purpose of S.C.R. No. 232 and recommends that it be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,



RUSSELL S. KOKUBUN, Chair



