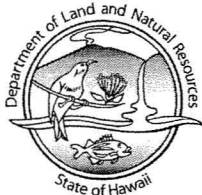


LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**TESTIMONY OF THE CHAIRPERSON
OF THE BOARD OF LAND AND NATURAL RESOURCES**

**On House Bill 3172— Relating to Electronic Filing In The Bureau Of Conveyances And The
Office Of The Assistant Registrar**

**BEFORE THE HOUSE COMMITTEE ON
FINANCE**

February 22, 2008

House Bill 3172 is an Administration bill which would authorize the Registrar and Assistant Registrar of the Bureau of Conveyances (Bureau) and the Office of the Assistant Registrar to accept electronic instruments in lieu of original instruments with original signatures. The Department of Land and Natural Resources (Department) strongly supports this Administration legislation as a means to facilitate the recording process and improve delivery of information to the general public.

Presently, the Bureau and the Office of the Assistant Registrar accepts only original paper instruments with original signatures for recordation in the Regular System and the Land Court System. This bill will allow the Bureau and the Office of the Assistant Registrar to accept electronic documents for recordation once the Bureau and the Office of the Assistant Registrar have the capabilities to do so and the Department adopts rules specifying the format of acceptable electronic documents. An electronic cover sheet will be required to be filed together with the electronic document that will allow for faster indexing of documents.

Additionally, this bill will allow the Bureau and the Office of the Assistant Registrar to archive all records in a digital format. Currently, the old records are allowed to be stored in photographic or electrostatic copy only. In order to improve efficiency and avoid duplication of functions at the Bureau, it is critical to allow the records to be scanned and stored in an electronic format.

The Departments strongly urges passage of this Administration bill.



The Judiciary, State of Hawaii

Testimony to the Twenty-Fourth State Legislature, 2008 Session

House Committee on Finance

The Honorable Marcus R. Oshiro, Chair

The Honorable Marilyn B. Lee, Vice Chair

Friday, February 22, 2008, 12:00 p.m.

State Capitol, Conference Room 308

by

Russell Tellio

Court Administrator

First Circuit Court

WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 3172, Relating to Electronic Filings in the Bureau of Conveyances and the Office of the Assistant Registrar

Judiciary's Position:

The Judiciary takes no position on this measure however submits the following comments for consideration by this committee.

House Bill No. 3172 authorizes the Registrar and Assistant Registrar of the Bureau of Conveyances to accept electronic signatures and electronically filed documents in lieu of an original document with original signatures.

While the Judiciary supports the concept of electronic filing for all legal documents, including the recordation of real estate documents, without more detailed information the Judiciary is unable to give its full support to any electronic filing system that may be proposed by this measure.

We respectfully submit that in consideration of the many questions that have been raised by the Joint Senate-House Investigative Committee on the Bureau of Conveyances with regards to the electronic record keeping system already installed at the Bureau of Conveyances, it is recommended that this measure be amended to provide for legislative and judicial oversight of the proposed system.



House Bill No. 3172, Relating to Electronic Filings in the
Bureau of Conveyances and the Office of the Assistant Registrar
House Committee on Finance
February 22, 2008
Page 2

We note the following statement in the report submitted by the legislative investigative committee:

“ . . . Despite the computer system’s extensive and integral role as the electronic repository of all recorded documents processed by the Bureau, the Bureau failed to exert the appropriate oversight with respect to the system’s installation, maintenance, and upgrading as well as subsequent installations and maintenance of computer servers and software. The Bureau’s lack of computer system oversight and management could ultimately affect the integrity of the Bureau’s operations, resulting in potentially enormous security ramifications.” Draft Report Joint Senate-House Investigative Committee on the Bureau of Conveyances, at page 39-40.

In view of the findings contained in that report and in consideration of the on-going investigations by the Office of the Attorney General and Ethics Commission, the Judiciary further recommends that problems that may be detailed in any report or investigation relating to the integrity of operations, data security, or internal controls in the current electronic data system be fully resolved prior to the implementation of any new electronic data systems that may be contemplated by this measure.

Thank you for the opportunity to comment on this measure.



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME LOCAL 152, AFL-CIO

888 MILILANI STREET, SUITE 601 • HONOLULU, HAWAII 96813-2991



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The Twenty-Fourth Legislature, State of Hawaii
Hawaii State House of Representatives
Committee on Finance

Testimony by
Hawaii Government Employees Association – HGEA/AFSCME, Local 152
February 22, 2008

**H.B. 3172 – RELATING TO ELECTRONIC
FILINGS IN THE BUREAU OF
CONVEYANCES AND THE OFFICE
OF THE ASSISTANT REGISTRAR**

H.B. 3172 authorizes the Registrar and Assistant Registrar of the Bureau of Conveyances to accept electronic signatures and electronically filed documents in lieu of an original document with original signatures.

While we can support the general intent of the proposed legislation, the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO provides the following comments.

We agree that technological changes and innovations have created many opportunities to become more efficient in communication and the way government conducts business. It is no doubt that the use of electronic communications to conduct transactions in any work operation has the potential to increase the efficiency of the current operations. However, if the infrastructure and appropriate staffing to effectively implement such a system is not in place or not prepared, efficiency can actually decrease and the impact on the work unit and staff can be devastating.

If it hasn't already been done, we would recommend that the department clearly determine the infrastructure and staffing needs required to implement such a system before authorizing the Bureau of Conveyances to accept electronic signatures and electronically filed documents.

Thank you for the opportunity to comment on H.B. 3172.

Respectfully submitted,

Nora A. Nomura
Deputy Executive Director



February 21, 2008

VIA EMAIL to FINtestimony@capitol.hawaii.gov

TESTIMONY On the Following Measure:

HB 3172, RELATING TO ELECTRONIC FILINGS IN THE BUREAU OF CONVEYANCES AND THE OFFICE OF THE ASSISTANT REGISTRAR

Before the: COMMITTEE ON FINANCE, HOUSE OF REPRESENTATIVES

Date: Friday, February 22, 2008 - Time: 12:00 noon – AGENDA #3

Place: State Capitol, Conference Room 308

Testifier(s): HAWAII LAND TITLE ASSOCIATION

Chair Oshiro, Vice Chair Lee and members of the Committee:

My name is Allen Yanos, and I am on the Board of Directors of the Hawaii Land Title Association. Our Association represents eleven member title companies in Hawaii which account for over 90% of the documents recorded at the Bureau of Conveyances. I am here on behalf of our Association which strongly supports HB 3172, Relating to Electronic Filings in the Bureau of Conveyances and the Office of the Assistant Registrar.

It is important for the Bureau and the Office of the Assistant Registrar, which I will refer to both as “the Bureau” hereafter in my testimony, to be able to provide fast and reliable recording services for the Hawaii title companies that handle the recordation of documents as part of closing real estate transactions and for the general public. The Bureau is greatly in need of legislation that will authorize them to accept electronic signatures and electronically filed documents in lieu of original paper documents with original signatures. HB 3172 will also allow documents to be archived in digital format, in lieu of micro-fiche or microfilm as a means of archiving.

The Hawaii Land Title Association initially supported related legislation in HB 2302, Relating to Real Property, but it no longer agrees with the provisions requiring the Judiciary to study Land Court filings and digital archiving. We do not believe that we should delay the move to electronic recording any longer with more studies and so we prefer HB 3172.

The President of our Association, Denise Kaehu, has been a member of DLNR’s Chair Laura Thielen’s Special Working Group and has first-hand knowledge of Chair Thielen’s plan to automate the Bureau which will require the revision of our current statutes to allow electronic signatures and electronically filed documents. The Special Working Group members are representatives of professional industry organizations which interact with the Bureau on a daily basis and which includes representatives of the HGEA and the Attorney General’s office. Its goals are to increase the security level of the records database, improve customer service and streamline the recording process.

Studies have been previously conducted dating back to 1990's researching how to improve the efficiency of the Bureau by streamlining the recording procedures and by automating process flows with technology. Many states are already using electronic recording systems. Technology decreases the amount of redundancy of re-keying information. It increases productivity and creates efficiency which allows the Bureau to dedicate more time to customer service and addressing its backlog.

In the proposal for the design of software to automate the Bureau, it would be inclusive of both land recording systems: the Regular System in the Bureau of Conveyances and the Land Court System in the Office of the Assistant Registrar. The intent of the software is to streamline the data processing, not to make changes in the rules governing the recording requirements of either recording system.

Currently, the backlog in the Land Court for endorsing documents that have recorded onto Transfer Certificates of Title is roughly eighteen months, which has been causing problems in verifying recorded data. The Bureau's grantor-grantee indexes which the general public uses to conduct research is behind approximately two and a half months.

With electronic recording, the current format of the documents would only change slightly, but the mandatory information that must be provided within the body of the document would not change. The Bureau would essentially be receiving the same documents as they do now, with the exception of it being electronically transmitted. There will still be a review of the documents by the Bureau staff, but confirmation of recording, payment for the recording fees, conveyance tax, penalty and interest all would be handled via a cashiering module within the system. Reporting features, electronic cashiering, automatic calculation of fees, indexing and verification, secure online access to document images for consumers, electronic warehouse for document images, privacy information requirements and a disaster recovery plan would be incorporated within the software. Electronic images are the wave of the future and the Bureau needs to keep current with technological developments and provide the public, as well as members of the HLTA that ultimately serve the public, with accurate and current recorded data. The Bureau may even be able to create additional modules that will help create Transfer Certificates of Title electronically within the same day.

The members of the Hawaii Land Title Association respectfully request passage of this important legislation that will enable the efforts already undertaken to automate the processes that in the near future, will improve efficiency and productivity, secure private information, archive documents electronically, provide a disaster plan for the State and greatly improve the level of customer service for the general public.

Thank you.

Allen G. Yanos, Director
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c/o 1100 Alakea Street, 5th Floor
Honolulu, HI 96813



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February 22, 2008

The Honorable Marcus R. Oshiro, Chair

House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

**RE: H.B. 3172 Relating to Electronic Filings in the Bureau of Conveyances and
the Office of the Assistant Registrar.
Hearing Date: Friday, February 22, 2008 @ 12:00 p.m., Room 308**

Dear Chair Oshiro and Members of the House Committee on Finance:

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS®
(HAR) **supports the intent of H.B 3172.**

H.B. 3172 proposes to authorize the Registrar and Assistant Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures and electronically filed documents in lieu of an original document with original signatures. HAR supports the streamlining of the process to record real estate documents at the Bureau of Conveyances.

Mahalo for the opportunity to testify.

GOODSILL ANDERSON QUINN & STIFEL

A LIMITED LIABILITY LAW PARTNERSHIP LLP

GOVERNMENT RELATIONS TEAM:

GARY M. SLOVIN, ESQ.
CHRISTOPHER G. PABLO, ESQ.
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February 20, 2008

TO: **The Honorable Marcus R. Oshiro, Chair**
House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

Via Email: FINtestimony@Capitol.hawaii.gov

FROM: Joanna Markle

RE **H.B. 3172 Relating to Electronic Filings in the Bureau of Conveyances
and the Office of the Assistant Registrar.
Hearing Date: Friday, February 22, 2008 @ 12:00 p.m., Room 308**

Dear Chair Oshiro and Members of the House Committee on Finance:

I am Joanna Markle testifying on behalf of Wyndham Worldwide. Wyndham Worldwide has substantial interests in Hawaii that include Wyndham Vacation Ownership, with its new resort at Waikiki Beach Walk.

Wyndham Worldwide strongly supports H.B. 3172 to authorize the Registrar and Assistant Registrar of the Bureau of Conveyances to accept electronic documents with electronic signatures and electronically filed documents in lieu of an original document with original signatures. This measure will allow for increased efficiency of the recording of documents.

Thank you very much for your consideration and for this opportunity to submit testimony.

Castle & Cooke
Hawai'i



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Mililani, Hawaii 96789-3997
P.O. Box 898900
Mililani, Hawaii 96789-8900
(808) 548-4811 Fax (808) 548-6670

February 22, 2008

Honorable Marcus Oshiro, Chair, Committee on Finance
Hawai'i State Capitol, Conference Room 308
415 South Beretania Street
Honolulu, HI 96813

RE: HB 2357, HD1 RELATING TO IMPORTANT AGRICULTURAL LANDS
Committee on Finance, February 22, 2008, 1 PM Room 308

Chair Oshiro and Members of the Committee:

I am Harry Saunders, President of Castle & Cooke Hawai'i. We appreciate the opportunity to express our views on HB 2357, HD1, relating to important agricultural lands.

The intent of Act 183 (2005) "is not only to set policies for important agricultural lands and to identify important agricultural lands but also to **provide for the development of incentives for agricultural viability in Hawaii, particularly for agricultural enterprises that farm important agricultural lands and for landowners of important agricultural lands.** These incentives would be designed to promote the retention of important agricultural lands for viable agricultural use over the long term."

We strongly feel that a comprehensive incentive program for both farmers and landowners is essential to move IAL forward. And we respectfully point out that LAND is the key component to this issue and its use and benefit to address farmers and landowners must be considered.

For these reasons we ask your Committee to allow continued discussion on this bill and allow time for further refinements to HB 2357, HD1, relating to important agricultural lands.

Mahalo for your interest in hearing our position. Should you have any questions, feel free to contact Carleton Ching, Vice President of Government and Community Relations, at 548-3793, or Mark Takemoto, Natural Resources Administrator at 548-6656.

Sincerely,

Harry A. Saunders
President



Hilton Grand Vacations Club®

Written Testimony on:
HB 3172 "RELATING TO ELECTRONIC FILINGS IN THE BUREAU OF CONVEYANCES
AND THE OFFICE OF THE ASSISTANT REGISTRAR"

Monday, February 22, 2008
12:00 p.m.
Conference Room 308 – State Capitol

Aloha, Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance. I am Mark Wang, Executive Vice President of Hilton Grand Vacations, Hawaii-Asia Region.

We are in strong support of this measure that authorizes the Registrar and Assistant Registrar of the Bureau of Conveyance to accept electronic signatures and electronically filed documents in lieu of an original document with original signatures.

Over the past six months a Joint State Senate-House Investigative Committee on the Bureau of Conveyances as well as a Department of Land and Natural Resources' working group of Bureau of Conveyance, real estate, title insurance, legal and labor professionals have been studying how to simplify the recording process and improve customer service. Myriad issues and opportunities for improvement were identified by both groups, not the least of which is to allow for electronic recordation. Such a step will allow for faster and better processing of documents to be recorded.

This bill will allow the affected government agencies to enhance access and improve the delivery of an important service and thus is deserving of legislative support.

Mahalo.