
A BILL FOR AN ACT

RELATING TO BUREAU OF CONVEYANCES.

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

1 SECTION 1. The joint legislative investigative committee
2 established pursuant to Senate Concurrent Resolution No. 226,
3 adopted during the regular session of 2007, identified serious
4 shortcomings relating to the bureau of conveyances' operational
5 mismanagement, potential loss of revenue, and potential areas of
6 vulnerability. The joint legislative investigative committee
7 recognized that automation of certain functions in the bureau of
8 conveyances may address one of the major underlying problems,
9 work backlog. Modernizing through electronic recordation will
10 improve efficiency; however, a gradual approach will prevent the
11 existing work backlog from increasing due to a shift in
12 procedures.

13 The purpose of this Act is to ease the backlog in land
14 court recording and registration by:

15 (1) Transferring fee simple time share interest from the
16 land court system (Torrens) to the regular system; and



1 (2) Establishing a pilot program to implement electronic
2 recording of fee simple time share interest.

3 SECTION 2. Chapter 501, Hawaii Revised Statutes, is
4 amended by adding a new part to be appropriately designated and
5 to read as follows:

6 **"PART II. FEE TIME SHARE INTERESTS**

7 **§501-A Deregistration of fee time share interests. (a)**

8 Upon presentation to the assistant registrar for filing or
9 recording of any instrument, document, or paper conveying or
10 encumbering a fee time share interest or any interest therein,
11 the assistant registrar shall not register the same, but shall:

12 (1) Record in the bureau of conveyances, pursuant to
13 chapter 502, the current certificate of title for the
14 registered land in which the fee time share interest
15 includes an undivided interest; provided that:

16 (A) Prior thereto, the assistant registrar shall note
17 on the certificate of title all documents and
18 instruments that have been accepted for
19 registration and that have not yet been noted on
20 the certificate of title; and

21 (B) If separate certificates of title have been
22 issued for individual fee time share interests in



1 the time share plan, the assistant registrar
2 shall record in the bureau of conveyances,
3 pursuant to chapter 502, the certificate of title
4 for each fee time share interest in the time
5 share plan;

6 (2) Record in the bureau of conveyances, pursuant to
7 chapter 502, the instrument, document, or paper
8 presented to the assistant registrar for filing or
9 recording. The instrument, document, or paper shall
10 be recorded immediately after the certificate or
11 certificates of title; and

12 (3) Cancel the certificate of title.

13 (b) The registrar or assistant registrar shall note the
14 recordation and cancellation of the certificate of title in the
15 registration book and in the records of the application for
16 registration of the land that is the subject of the certificate
17 of title. The notation shall state the bureau of conveyances
18 document number for the certificate of title so recorded, the
19 certificate of title number, and the land court application
20 number, map number, and lot number for the land that is the
21 subject of the certificate of title so recorded.



1 (c) It shall not be necessary for the registered owner,
2 the registrar, the assistant registrar, or any other person to
3 seek or obtain an order of court prior to or in connection with
4 the performance of any of the foregoing actions.

5 **§501-B Effect of deregistration.** (a) Upon the
6 recordation in the bureau of conveyances of a certificate of
7 title pursuant to section 501-A:

- 8 (1) The deregistered land shall no longer be registered
9 land for purposes of this chapter;
- 10 (2) No instruments, documents, or papers relating solely
11 to deregistered land shall be filed or recorded with
12 the assistant registrar pursuant to this chapter, but
13 shall instead be recorded in the bureau of conveyances
14 pursuant to chapter 502; and
- 15 (3) Except as otherwise expressly provided in this
16 chapter, chapter 502 shall apply to the deregistered
17 land.

18 (b) Recordation of a certificate of title pursuant to
19 section 501-A shall not disturb the effect of any proceedings in
20 the land court where the question of title has been determined.
21 All proceedings had in connection with the registration of title
22 that relate to the settlement or determination of title before

1 that recording, and all provisions of this chapter that relate
 2 to the status of the title, shall have continuing force and
 3 effect with respect to the period of time that title remained
 4 under the land court system. Those provisions giving rise to a
 5 right of action for compensation from the State, including any
 6 limits on and conditions to the recovery of compensation and the
 7 State's rights of subrogation with respect thereto, shall also
 8 continue in force and effect with respect to the period of time
 9 that title remained under the land court system.

10 **§501-C Effect of deregistration in specific cases.**

11 Notwithstanding section 501-B(a)(3), the following documents,
 12 instruments, and papers need not be registered pursuant to this
 13 chapter to be effective and shall be recorded in the bureau of
 14 conveyances pursuant to chapter 502:

- 15 (1) Any document, instrument, or paper assigning,
- 16 extending, continuing, dissolving, discharging,
- 17 releasing in whole or in part, reducing, canceling,
- 18 extinguishing, or otherwise modifying or amending any
- 19 of the following documents, instruments, or papers
- 20 that have been registered pursuant to this chapter and
- 21 that pertain to deregistered land:

- 22 (A) A mortgage;



- 1 (B) An agreement of sale for the sale of a fee time
2 share interest. After the recordation of the
3 certificate of title, any agreement of sale shall
4 be subject to section 502-85 and shall not be
5 subject to section 501-101.5;
- 6 (C) A correction deed, correction mortgage, or other
7 document, instrument, or paper correcting a
8 document, instrument, or paper registered
9 pursuant to this chapter;
- 10 (D) A lien or claim of lien on a fee time share
11 interest held or claimed by a time share owners
12 association, an association of apartment owners,
13 or other homeowners' association;
- 14 (E) A lease that demises a fee time share interest;
- 15 (F) An order of court, attachment, writ, or other
16 process against a fee time share interest;
- 17 (G) A mechanic's or materialman's lien or other lien
18 upon a fee time share interest;
- 19 (H) A lis pendens or notice of pendency of action,
20 notice, affidavit, demand, certificate,
21 execution, copy of execution, officer's return,
22 or other instrument relating to a fee time share



1 interest and otherwise required or permitted to
2 be recorded or registered in connection with the
3 enforcement or foreclosure of any lien, whether
4 by way of power of sale pursuant to a power of
5 sale under section 667-5, or otherwise; or
6 (I) A power of attorney given by the owner of a fee
7 time share interest or the vendor or vendee under
8 an agreement of sale for the sale of a fee time
9 share interest, a mortgagee or other lienor
10 having a mortgage or lien upon a fee time share
11 interest, or another party holding a claim or
12 encumbrance against or an interest in a fee time
13 share interest;
14 (2) A lis pendens or notice of pendency of action, notice,
15 affidavit, demand, certificate, execution, copy of
16 execution, officer's return, or other instrument
17 relating to a fee time share interest and otherwise
18 required or permitted to be recorded or registered in
19 connection with the enforcement or foreclosure of any
20 lien, whether by way of power of sale pursuant to a
21 power of sale under section 667-5, or otherwise; and

1 (3) Any declaration annexing property to, any declaration
2 deannexing property from, any amendment or supplement
3 to, correction of, or release or termination of, any
4 of the following documents, instruments, or papers
5 that have been registered pursuant to this chapter and
6 that pertain to deregistered land:

7 (A) A declaration of covenants, conditions,
8 restrictions, or similar instrument, by whatever
9 name denominated, establishing or governing a
10 time share plan, or the bylaws of a time share
11 owners association, notice of time share plan, or
12 other time share instrument;

13 (B) A declaration of condominium property regime or
14 similar declaration by whatever name denominated,
15 the bylaws of the association of apartment
16 owners, the condominium map, any declaration of
17 merger and any instrument effecting a merger;
18 provided that if only some of the condominium
19 apartments are included in the time share plan,
20 then it shall be necessary to register, and to
21 note on the certificate of title for any
22 apartment not included in the time share plan:



- 1 (i) Any declaration annexing property to the
- 2 condominium property regime;
- 3 (ii) Any declaration deannexing property from the
- 4 condominium property regime;
- 5 (iii) Any instrument effecting a merger of two or
- 6 more condominium projects or two or more
- 7 phases of a condominium project; and
- 8 (iv) Any document, instrument, or paper amending,
- 9 supplementing, correcting, releasing, or
- 10 terminating any of the documents listed in
- 11 subparagraph (B)(i) through (iii), the
- 12 declaration of condominium property regime,
- 13 the bylaws of the association of apartment
- 14 owners, the condominium map, or any
- 15 declaration of merger;
- 16 and
- 17 (C) A declaration of covenants, conditions,
- 18 restrictions, or similar instrument, by whatever
- 19 name denominated, the bylaws of any homeowners
- 20 association, any declaration of annexation or
- 21 deannexation, any amendments and supplements
- 22 thereto, and any cancellation or extinguishment



1 thereof, any declaration of merger and any
2 instrument effecting a merger; provided that if
3 only some of the parcels of land covered by the
4 declaration constituted deregistered land, and if
5 one or more of the remaining parcels constitute
6 registered land, then it shall be necessary to
7 register, and to note on the certificate of title
8 for any registered land:

- 9 (i) Any declaration annexing property to the
10 declaration;
- 11 (ii) Any declaration deannexing property from the
12 operation of the declaration; and
- 13 (iii) Any document, instrument, or paper amending,
14 supplementing, correcting, releasing, or
15 terminating any of the documents listed in
16 subparagraph (C)(i) or (ii), the declaration
17 of covenants, conditions, restrictions, or
18 the bylaws of the homeowners association.

19 **§501-D Chain of title of deregistered land.** (a) A
20 certificate of title recorded pursuant to section 501-A shall
21 constitute a new chain of record title in the registered owner



1 of any estate or interest as shown on the certificate of title
2 so recorded, subject only to the following:

3 (1) The estates, mortgages, liens, charges, instruments,
4 documents, and papers noted on the certificate of
5 title so recorded;

6 (2) Liens, claims, or rights arising or existing under the
7 laws or Constitution of the United States, which the
8 statutes of this State cannot require to appear of
9 record in the registry; provided that notices of liens
10 for internal revenue taxes payable to the United
11 States, and certificates affecting the liens, shall be
12 deemed to fall within this paragraph only if the same
13 are recorded in the bureau of conveyances as provided
14 by chapter 505;

15 (3) Unpaid real property taxes assessed against the land
16 and improvements covered by the certificate of title
17 as recorded, with interest, penalties, and other
18 additions to the tax, which, unless a notice is filed
19 and registered as provided by county real property tax
20 ordinance, shall be for the period of three years from
21 and after the date on which the lien attached, and if
22 proceedings for the enforcement or foreclosure of the



- 1 tax lien are brought within the period, until the
2 termination of the proceedings or the completion of
3 the tax sale;
- 4 (4) State tax liens, if the same are recorded in the
5 bureau of conveyances as provided by section 231-33;
- 6 (5) Any public highway, or any private way laid out under
7 the provisions of law, when the certificate of title
8 does not state that the boundary of the way has been
9 determined;
- 10 (6) Any lease, coupled with occupancy, for a term not
11 exceeding one year; provided that the priority of the
12 unrecorded lease shall attach only at the date of the
13 commencement of the unrecorded lease and expire one
14 year from the date or sooner if so expressed;
- 15 (7) Any liability to assessments for betterments, or
16 statutory liability that may attach to land as a lien
17 prior to or independent of, the recording or
18 registering of any paper of the possibility of a lien
19 for labor or material furnished in the improvement of
20 the land; provided that the priority of any liability
21 and the lien therefor (other than for labor and
22 material furnished in the improvement of the land



1 which shall be governed by section 507-43) shall cease
2 and terminate three years after the liability first
3 accrues unless notice thereof, signed by the officer
4 charged with collection of the assessments or
5 liability, setting forth the amount claimed, the date
6 of accrual, and the land affected, is recorded in the
7 bureau of conveyances pursuant to chapter 502 within
8 the three-year period; and provided further that if
9 there are easements or other rights, appurtenant to a
10 parcel of deregistered land, which for any reason have
11 failed to be deregistered, the easements or rights
12 shall remain so appurtenant notwithstanding the
13 failure, and shall be held to pass with the
14 deregistered land until cut off or extinguished in any
15 lawful manner;

16 (8) The possibility of reversal or vacation of the decree
17 of registration upon appeal;

18 (9) Any encumbrance not herein required to be registered
19 as provided in sections 501-241 to 501-248 and
20 relating to a leasehold time share interest; and

21 (10) Child support liens that are created pursuant to order
22 or judgment filed through judicial or administrative



1 proceeding in this State or in any other state, the
2 recording of which shall be as provided by chapter
3 576D.

4 (b) For purposes of this section, an encumbrance shall be
5 deemed sufficiently noted on a certificate of title if the
6 notation:

7 (1) References a document by name or number which contains
8 an encumbrance; and

9 (2) Indicates that the referenced document contains an
10 encumbrance to which the registered land is subject.

11 (c) All instruments, documents, and papers noted on a
12 certificate of title recorded pursuant to section 501-A shall
13 have the same force and effect as if they had been recorded in
14 the bureau of conveyances pursuant to chapter 502 as of the
15 date, hour, and minute of reception noted on the certificate of
16 title pursuant to section 501-107; provided that:

17 (1) No instrument, document, or paper shall have any
18 greater or other effect after the certificate of title
19 is recorded pursuant to section 501-A, as constructive
20 notice or otherwise, than it had or acquired at the
21 time it was registered pursuant to this chapter or
22 made; and



1 (2) Nothing in this part shall be construed as giving any
2 greater or other effect, as constructive notice or
3 otherwise, to any instrument, document, or paper
4 recorded in the bureau of conveyances pursuant to
5 chapter 502 prior to the recordation of the
6 certificate of title pursuant to section 501-A as to
7 any land, than was provided by the laws of this State
8 (including this chapter and other laws regarding
9 registered land) in effect at the time the instrument,
10 document, or paper was recorded.

11 (d) If a certificate of title recorded pursuant to section
12 501-A relates to more than one fee time share interest, then
13 subsection (a) shall apply to each fee time share interest
14 separately and only those items described in subsection (a) that
15 encumbered a particular fee time share interest prior to
16 recordation of the certificate of title will continue to
17 encumber that fee time share interest after the recordation.

18 **§501-E Status of fee time share interest as real property.**

19 Nothing in this part shall affect the status of a fee time share
20 interest as real property.

21 **§501-F Dual recording involving deregistered land.**

22 Nothing in this part shall prevent or prohibit the registration



1 of an instrument that conveys, assigns, or affects both
2 registered land and deregistered land.

3 **§501-G Reference to prior recorded instrument.** Any
4 instrument conveying or otherwise dealing with deregistered land
5 and which requires a reference to a prior recorded instrument
6 may satisfy the requirements of section 502-33 by reference to
7 the land court document number (in the case of a document
8 recorded pursuant to chapter 501) or to the book and page or
9 bureau of conveyances document number (in the case of a document
10 recorded pursuant to chapter 502) of the instrument to which
11 reference is made.

12 **§501-H Legal incidents of deregistered land.** Nothing in
13 this part shall, in any way, be construed to relieve
14 deregistered land, or the owners thereof, of:

- 15 (1) Any rights incident to the relation of husband and
16 wife;
- 17 (2) Liability to attachment or mesne process or levy on
18 execution;
- 19 (3) Liability to any lien of any description established
20 by law on the deregistered land, or in the interest of
21 the owner in the deregistered land;
- 22 (4) The right to change the laws of descent;

1 (5) The rights of partition between coparceners and other
2 cotenants;

3 (6) The right to take the same by eminent domain;

4 (7) Liability to be recovered by a trustee in bankruptcy
5 under the provisions of law relating to preferences;
6 or

7 (8) Any other rights or liabilities created by law and
8 applicable to the owner of a condominium apartment
9 that is part of a condominium property regime
10 established on registered land and which is not used
11 in a time share plan, except as otherwise expressly
12 provided in this part.

13 **§501-I Jurisdiction for matters pertaining to deregistered**

14 **land.** The land court shall have jurisdiction over all matters
15 relating to instruments required by this part to be registered
16 pursuant to this chapter. Where any party is in doubt as to
17 whether an instrument must be registered, the question shall be
18 referred to the land court for decision; and the court, after
19 notice to all parties and a hearing, shall enter an order
20 determining the question. Notice to the owner of a fee time
21 share interest shall be given by mailing notice to the
22 association of time share owners required to be established



1 pursuant to section 514E-29, and the association shall represent
2 the owners in any matters and proceedings, without prejudice to
3 the right of any individual owner to appear and be heard as a
4 separate party. Except as expressly provided in this section,
5 nothing in this part shall deprive the land court of exclusive
6 jurisdiction pursuant to section 501-101 over registered land,
7 or any interest therein, other than registered land that becomes
8 deregistered land. The circuit court shall have jurisdiction,
9 pursuant to section 603-21.5(a)(3), over:

- 10 (1) All matters relating to instruments required by this
11 part to be recorded pursuant to chapter 502;
- 12 (2) All other matters pertaining to deregistered land
13 (except those in which jurisdiction is vested in the
14 land court pursuant to this section); and
- 15 (3) All matters as to which jurisdiction would otherwise
16 lie in the land court in part and in the circuit court
17 in part."

18 SECTION 3. Chapter 657, Hawaii Revised Statutes, is
19 amended by adding a new section to part II to be appropriately
20 designated and to read as follows:



1 "§657- Deregistered land. In no event shall the period
2 of limitations provided in this part begin prior to the
3 recordation of the certificate of title for deregistered land."

4 SECTION 4. Chapter 501, Hawaii Revised Statutes, is
5 amended by designating sections 501-1 to 501-248 as part I,
6 entitled:

7 "PART I. GENERAL PROVISIONS"

8 SECTION 5. Section 501-20, Hawaii Revised Statutes, is
9 amended by adding two new definitions to be appropriately
10 inserted and to read as follows:

11 "Deregistered land" means land that is the subject of a
12 certificate of title recorded pursuant to section 501-A.

13 "Fee time share interest" means a time share interest,
14 other than a leasehold time share interest, that consists of or
15 includes a present, undivided interest in registered land,
16 including an undivided interest in one or more fee simple
17 condominium apartments established in whole or in part on
18 registered land."

19 SECTION 6. Section 501-71, Hawaii Revised Statutes, is
20 amended to read as follows:

21 **"§501-71 Decree of registration; conditional when;**
22 **quieting title, exceptions; reopened when. (a) If the court**



1 after a hearing finds that the applicant, at the time of filing
2 an application, or subsequently, had title, as stated in the
3 application, that the title is proper for registration, and that
4 since filing the application, the title of the applicant has not
5 been encumbered in any manner, then a decree of confirmation and
6 registration as prayed for shall be entered.

7 (b) If the court finds that the applicant, at the time of
8 filing an application, or subsequently, had title, as stated in
9 the application, that the title is proper for registration, and
10 that subsequent to the filing of the application, the title has
11 been encumbered, then the title shall be registered subject to
12 the encumbrances so found.

13 (c) If the court finds that the applicant, at the time of
14 filing an application, or subsequently, had title, as stated in
15 the application, that the title is proper for registration, and
16 that subsequent to filing the application, the applicant has
17 conveyed away all or any portion or portions of the premises or
18 interest therein sought to be registered, then a decree of
19 confirmation and registration shall be entered, covering the
20 entire premises, confirming title in the applicant and the
21 person or persons deriving their title through the applicant, to
22 the premises or interest in accordance with the applicant's or



1 their respective true ownership of the whole or any portion or
2 portions thereof or interest therein at the time of filing the
3 decree, and subject to all encumbrances affecting all or any
4 portion thereof.

5 (d) Every decree of registration of absolute title shall
6 bind the land, and quiet the title thereto, subject only to the
7 exceptions stated in section 501-82. It shall be conclusive
8 upon and against all persons, including the State, whether
9 mentioned by name in the application, notice, or citation, or
10 included in the general description "to all whom it may
11 concern." The decree shall not be opened by reason of the
12 absence, infancy, or other disability of any person affected
13 thereby, nor by any proceeding for reversing judgments or
14 decrees[~~, subject, to the right of~~], except that any person
15 deprived of land or of any estate or interest therein by a
16 decree of registration obtained by fraud [~~to~~] may file a
17 petition for review within one year after the entry of the
18 decree[~~, provided no~~], unless an innocent purchaser for value
19 has acquired an interest. If there is any such purchaser, the
20 decree of registration shall not be opened but shall remain in
21 full force and effect forever, subject only to the right of
22 appeal [~~hereinbefore~~] herein provided. Any person aggrieved by



1 the decree in any case may pursue remedy by action of tort
2 against the applicant or any other person for fraud, in
3 procuring the decree.

4 (e) Deregistration pursuant to sections 501-A to 501-I
5 shall not alter or revoke the conclusive nature or effect of a
6 decree of registration, which shall continue to quiet the title
7 to the deregistered land as to all claims arising prior to the
8 recording of the certificate of title pursuant to section 501-A,
9 except claims as would not otherwise be barred under this
10 chapter if the lands were not registered."

11 SECTION 7. Section 501-86, Hawaii Revised Statutes, is
12 amended to read as follows:

13 **"§501-86 Registration runs with land.** The obtaining of a
14 decree of registration, and the entry of a certificate of title,
15 shall be regarded as an agreement running with the land, and
16 binding upon the applicant and all the applicant's successors in
17 title, that the land shall be and forever remain registered
18 land, and subject to this chapter [~~and of all acts in amendment~~
19 ~~hereof.~~], except as provided in part II."

20 SECTION 8. Section 501-108, Hawaii Revised Statutes, is
21 amended by amending subsection (a) to read as follows:

1 "(a) An owner desiring to convey in fee registered land or
2 any portion thereof shall execute a deed of conveyance, which
3 the grantor or the grantee may present to the assistant
4 registrar in the bureau of conveyances; provided that no deed,
5 mortgage, lease, or other voluntary instrument shall be accepted
6 by the assistant registrar for registration unless a reference
7 to the number of the certificate of title of the land affected
8 by such instrument is incorporated in the body of the instrument
9 tendered for registration. If the certificate reference in the
10 instrument is not current, an endorsement of the current
11 certificate of title shall be required.

12 The assistant registrar shall note upon all instruments
13 filed or recorded concurrently with the recorded instrument the
14 document number ~~[and]~~, the certificate of title number, and, in
15 the case of deregistered land, the bureau of conveyances
16 document number in the spaces provided therefor wherever
17 required.

18 ~~[The]~~ Except as otherwise provided in section 501-A:

19 (1) The assistant registrar shall thereupon, in accordance
20 with the rules and instructions of the court, make out
21 in the registration book a new certificate of title to
22 the grantee[-];



1 "(a) When the owner of registered land, or of any estate
2 or interest therein, dies, having devised the same by will, the
3 person or persons entitled thereto shall file or record with the
4 assistant registrar of the land court a correct statement of the
5 full names of the devisees, the residence or post office address
6 of each and their marital status and a reference to the number
7 of the certificate of title of the land affected, a certified
8 copy of the letters appointing the personal representative
9 showing the powers of the personal representative, or a
10 certified copy of an acknowledgment of authority, and either a
11 certified copy of an order of the circuit court determining the
12 persons entitled to distribution of the registered land and
13 directing or approving distribution or a deed from the personal
14 representative to the devisee or devisees, and thereupon the
15 assistant registrar shall cancel the certificate issued to the
16 testator, and, except as provided in part II, enter a new
17 certificate to the devisee or devisees. When the owner of
18 registered land or of any estate or interest therein dies, not
19 having devised the same, the persons entitled thereto by law
20 shall file or record with the assistant registrar a correct
21 statement of the full names of the heirs, the residence or post
22 office address of each, and their marital status, a certified



1 copy of the letters appointing the personal representative
2 showing the powers of the personal representative, or a
3 certified copy of an acknowledgment of authority, and either a
4 certified copy of an order of the circuit court in probate
5 proceedings determining the persons entitled to distribution of
6 the registered land and directing or approving distribution or a
7 deed from the personal representative to the heir or heirs, and
8 thereupon the assistant registrar shall cancel the certificate
9 issued to the intestate, and, except as provided in part II,
10 enter a new certificate to the heir or heirs entitled thereto."

11 SECTION 11. Section 502-7, Hawaii Revised Statutes, is
12 amended by amending the definition of "signature" to read as
13 follows:

14 "Signature" means the name of a person as written by the
15 individual [~~or~~], the affixing of a mark or finger or toe
16 print[~~or~~], or electronic signature as that term is defined in
17 chapter 489E."

18 SECTION 12. Section 502-8, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§502-8 Bureau of conveyances special fund.** (a) There is
21 established in the state treasury the bureau of conveyances
22 special fund, into which shall be deposited the revenues



1 remitted pursuant to sections 501-23.5 and 502-25, interest
2 earnings, grants, donations, and appropriations from the
3 legislature that shall be held separate and apart from all other
4 moneys, funds, and accounts in the state treasury.

5 (b) Moneys in the bureau of conveyances special fund shall
6 be used by the bureau of conveyances for the following purposes:

7 (1) Planning, design, construction, and acquisition of
8 equipment, furnishings, and software necessary for the
9 development of the recording system described in this
10 chapter and chapter 501;

11 (2) Operating, maintaining, and improving the recording
12 system described in this chapter and chapter 501 or
13 any other purpose deemed necessary by the bureau of
14 conveyances for the purpose of planning, improving,
15 developing, operating, and maintaining the recording
16 system described in this chapter and chapter 501;

17 (3) Permanent and temporary staff positions for the
18 purposes of this chapter and chapter 501; and

19 (4) Administrative costs for the purposes of this chapter
20 and chapter 501.

21 (c) All moneys in excess of [~~\$500,000~~] \$1,150,000
22 remaining on balance in the bureau of conveyances special fund



1 on June 30 of each year shall lapse to the credit of the state
2 general fund. On July 1 of each year, the director of finance
3 is authorized to transfer any excess funds in the bureau of
4 conveyances special fund to the state general fund."

5 SECTION 13. Section 502-31, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "**§502-31 Recording, method.** (a) The registrar shall make
8 or cause to be made an entire literal copy of all instruments,
9 with their original signatures, required to be recorded in the
10 registrar's office, and the registrar, the registrar's deputy,
11 or clerk shall certify its correspondence with the original,
12 after which the registrar, the registrar's deputy, or clerk
13 shall certify upon the exterior, or indorse upon the recorded
14 instrument with the original signature, the date of its registry
15 and the document number.

16 (b) The registrar, for purposes of the general indexes of
17 the bureau of conveyances, shall use the names of the parties as
18 they first appear in the recorded instrument. All names of all
19 natural persons signing in their individual capacity shall be
20 typewritten, stamped, legibly printed by hand, or by a
21 mechanical or electrical printing method beneath all signatures.
22 The provisions of this ~~[paragraph]~~ subsection shall not apply to



1 any deed or conveyance instrument executed prior to July 1,
2 1989.

3 (c) The registrar or the registrar's deputy may refuse to
4 accept for record any document of a size larger than eight and
5 one-half inches by eleven inches, or which contains a schedule
6 or inventory sheet in excess of such size.

7 (d) This section shall apply to all instruments presented
8 for recording in the bureau of conveyances, unless otherwise
9 provided by rules adopted by the department of land and natural
10 resources, pursuant to chapter 91.

11 (e) All instruments to be recorded shall include the
12 original signature and the top three and one-half inches of
13 space of the first page shall be reserved for recording
14 information for the assistant registrar on the left half of such
15 space, and for the registrar of conveyances on the right half of
16 such space. The following one inch of space shall be reserved
17 for information showing to whom the document should be returned
18 beginning one and one-half inch from the left margin and not
19 exceeding three and one-half inches per line. In addition, the
20 first page shall identify and include, if possible, all names of
21 the grantors and all names and addresses of the grantees, the
22 type of document, and the tax map key number. Indorsements, if



1 any, may be made on a conforming fly sheet. No papers or
2 materials, written or otherwise, shall be secured or attached to
3 a page in any manner that may conceal any other written text.
4 If an instrument consists of more than one page, each page shall
5 be single-sided sheets of written text numbered consecutively,
6 beginning with number one, and shall be stapled once in the
7 upper left corner. No instrument shall have a cover or backer
8 attached. The registrar of conveyances shall be permitted to
9 remove any rivets affixed to any instrument. The registrar may
10 refuse to accept all instruments, papers, or notices presented
11 for recordation that will not reproduce legibly under
12 photographic, electronic, or electrostatic methods.
13 Notwithstanding any other law to the contrary, the registrar may
14 accept an electronic instrument in lieu of an original
15 instrument with original signatures subject to the requirements
16 set forth in rules adopted by the department of land and natural
17 resources consistent with this section and chapter 489E."

18 SECTION 14. Section 634-51, Hawaii Revised Statutes, is
19 amended to read as follows:

20 "**§634-51 Recording of notice of pendency of action.** In
21 any action concerning real property or affecting the title or
22 the right of possession of real property, the plaintiff, at the



1 time of filing the complaint, and any other party at the time of
 2 filing a pleading in which affirmative relief is claimed, or at
 3 any time afterwards, may record in the bureau of conveyances a
 4 notice of the pendency of the action, containing the names or
 5 designations of the parties, as set out in the summons or
 6 pleading, the object of the action or claim for affirmative
 7 relief, and a description of the property affected thereby.
 8 From and after the time of recording the notice, a person who
 9 becomes a purchaser or incumbrancer of the property affected
 10 shall be deemed to have constructive notice of the pendency of
 11 the action and be bound by any judgment entered therein if the
 12 person claims through a party to the action; provided that in
 13 the case of registered land, section 501-151 [~~and~~], sections
 14 501-241 to 501-248, and sections 501-A to 501-I shall govern.

15 This section authorizes the recording of a notice of the
 16 pendency of an action in a United States District Court, as well
 17 as a state court."

18 SECTION 15. Section 636-3, Hawaii Revised Statutes, is
 19 amended to read as follows:

20 "**§636-3 Judgment, orders, decrees; lien when.** Any money
 21 judgment, order, or decree of a state court or the United States
 22 District Court for the District of Hawaii shall be a lien upon



1 real property when a copy thereof, certified as correct by a
2 clerk of the court where it is entered, is recorded in the
3 bureau of conveyances. No such lien shall continue beyond the
4 length of time the underlying judgment, order, or decree is in
5 force. Except as otherwise provided, every judgment shall
6 contain or have endorsed on it the Hawaii tax identification
7 number, the federal employer identification number, or the last
8 four digits only of the social security number for persons,
9 corporations, partnerships, or other entities against whom the
10 judgment, order, or decree is rendered. If the debtor has no
11 social security number, Hawaii tax identification number, or
12 federal employer identification number, or if that information
13 is not in the possession of the party seeking registration of
14 the judgment, order, or decree, the judgment, order, or decree
15 shall be accompanied by a certificate that provides that the
16 information does not exist or is not in the possession of the
17 party seeking recordation of the judgment. Failure to disclose
18 or disclosure of an incorrect social security number, Hawaii tax
19 identification number, or federal employer identification number
20 shall not in any way adversely affect or impair the lien created
21 upon recordation of the judgment, order, or decree. When any
22 judgment, order, or decree is fully paid, the creditor or the



1 creditor's attorney of record in the action [~~shall~~], at the
 2 expense of the debtor, shall execute, acknowledge, and deliver
 3 to the debtor a satisfaction thereof, which may be recorded in
 4 the bureau. Every satisfaction or assignment of judgment,
 5 order, or decree shall contain a reference to the book and page
 6 or document number of the registration of the original judgment.
 7 The recording fees for a judgment, order, or decree and for each
 8 assignment or satisfaction of judgment, order, or decree shall
 9 be as provided by section 502-25.

10 In the case of registered land, section 501-102 [~~and~~],
 11 sections 501-241 to 501-248, and sections 501-A to 501-I shall
 12 govern."

13 SECTION 16. Pursuant to sections 501-218 and 502-25,
 14 Hawaii Revised Statutes, the department of land and natural
 15 resources may establish a transaction fee of \$5 to be charged
 16 for each recording in the bureau of conveyances and in the
 17 office of the assistant registrar of the land court for services
 18 rendered by the bureau of conveyances pursuant to part II of
 19 chapter 501 and chapter 502, Hawaii Revised Statutes. The
 20 transaction fees collected shall be deposited to the credit of
 21 the bureau of conveyances special fund established under section
 22 502-8, Hawaii Revised Statutes, and shall be used to support

1 purchases of hardware, system design, and staff training related
2 to automation of the bureau of conveyances. Pursuant to section
3 502-8, the ceiling of the bureau of conveyances special fund is
4 increased to \$1,150,000 to support purchase of hardware, system
5 design, and staff training for the purpose of implementing full
6 electronic filing.

7 SECTION 17. **Fee time share interests electronic**
8 **recordation; two-year pilot program; establishment.** (a) The
9 bureau of conveyances shall implement an integrated electronic
10 filing system for electronic recordation of fee time share
11 interests. The bureau of conveyances shall provide staff as
12 needed for the implementation of the program. The goals of the
13 program shall be to:

14 (1) Design and implement an integrated electronic filing
15 system for electronic recordation of fee time share
16 interests; and

17 (2) Identify necessary employee training, changes in
18 applicable administrative rules or procedures, and
19 other relevant information necessary for the pilot
20 program to be expanded to the entire regular system.

21 (b) The bureau of conveyances shall submit a written
22 report on the implementation of the integrated electronic filing



1 system for electronic recordation of fee time share interests to
2 the legislature no later than twenty days prior to the convening
3 of the 2010 regular session. The report shall include findings
4 and recommendations, costs expended to date, and the estimated
5 cost of implementation on a permanent basis for the entire
6 regular system.

7 SECTION 18. There is created in the bureau of conveyances
8 an employer-employee working group to resolve any issues that
9 may arise in the implementation of section two of this Act and
10 to make recommendations for the recovery of lost revenue due to
11 deregistration of time shares. The working group shall be
12 chaired by the registrar of the bureau of conveyances.
13 Membership in the working group shall include the registrar or
14 the registrar's designee and representatives of bureau of
15 conveyances employees to be chosen by the employees according to
16 a process prescribed by the registrar. The registrar shall
17 prescribe rules and procedures for the conduct of the working
18 group. The working group shall submit a report of its findings
19 and activities to the legislature no later than twenty days
20 before the commencement of the 2010 regular session.

21 SECTION 19. In codifying the new sections added by
22 section 2 of this Act, the revisor of statutes shall substitute



1 appropriate section numbers for the letters used in designating
2 the new sections in this Act.

3 SECTION 20. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 21. This Act shall take effect on July 1, 2015;
6 provided that section 2 of this Act shall take effect on July 1,
7 2010; provided further that section 18 of this Act shall take
8 effect upon its approval and shall be repealed January 31, 2010;
9 and provided further that section 16 of this Act shall take
10 effect on July 1, 2009, and shall be repealed on June 30, 2011.



Report Title:

Bureau of Conveyances; Electronic Recording; Fee Time Share Interest

Description:

Transfers fee time share interest from the land court system to the regular system. Establishes a working group to resolve implementation issues. Establishes a pilot program to implement electronic recording of fee time share interests. Allows bureau of conveyances to charge a fee for deregistration of a fee time share interest. (SB1352 HD1)

