



American Resort Development Association  
c/o PMCI Hawaii 84 N. King Street Honolulu, HI 96817 (808) 536-5688

March 16, 2009

**TO:** House Water, Land, and Ocean Resources Committee  
Representative Ken Ito, Chair  
Representative Sharon Har, Vice-Chair

**FROM:** Ed Thompson  
ARDA-Hawaii

**DATE:** Monday, March 16, 2009  
Conference Room 325  
9:00 a.m.

**RE: SB 1352, SD2, RELATING TO BUREAU OF CONVEYANCES**

Chair Ito and Members of the Committee:

ARDA-Hawaii is the local chapter of the national timeshare trade association. Hawaii's timeshare industry currently accounts for ten percent of the State's lodging inventory with 7,700 timeshare units and more planned in the future.

ARDA-Hawaii supports SB 1352, SD2, which would transfer fee simple time share interest from the land court system to the regular system and establishes a working group to resolve implementation issues. The bill also establishes a pilot program to implement electronic recording of fee time share interests and allows the Bureau of Conveyances to charge a fee for deregistration of a fee time share interest.

Currently every timeshare owner is issued a certificate of title which amounts to thousands of individual owners. This measure will help to streamline the registration process while maintaining adequate protection of ownership.

Thank you very much for the opportunity to offer testimony in support of this measure.



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The Twenty-Fifth Legislature, State of Hawaii  
Hawaii House of Representatives

Committee on Water, Land & Ocean Resources

Testimony by  
Hawaii Government Employees Association – HGEA/AFSCME, Local 152  
March 16, 2009

**SB 1352, SD2 – RELATING TO BUREAU OF CONVEYANCES**

SB 1352, SD2 will transfer fee time share interest from the land court system to the regular system, establish a pilot program to implement electronic recording of fee time share interests, establish a working group to resolve issues and make recommendations regarding the recovery of lost revenue, and empowers the department to charge a \$5 transaction fee for deregistration of a fee time share interest.

We understand the purpose of this measure, which is to ease the backlog in the land court system; however, we would like to provide the following comments and concerns.

First, it is our understanding that the movement of fee time share recordings to the regular system from the land courts system will not help alleviate the current backlog in the land court system. Nor will it actually accelerate the time in which a document is recorded.


Second, we appreciate the recognition of the importance of the potential loss in revenue as a result of some of these changes. In these economic times, we urge the department to preserve opportunities to generate revenue and look to make those processes more efficient. At the same time, we would certainly agree that the department should look at increasing transaction fees at the Bureau of Conveyances.

Regarding electronic recording, we agree that technological innovation and automation can assist government in becoming more efficient. The use of electronic recording has the potential to increase the efficiency of the current operations in the Bureau of Conveyances. However, if the appropriate infrastructure and staffing levels are not in place to successfully implement the changes made, service to the public will suffer, efficiency of operations may increase instead of decrease, and the impact on staff morale can be devastating.

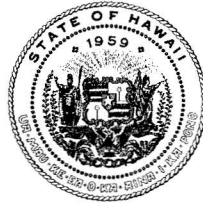
We ask that the department ensure that the appropriate infrastructure, staffing, and training are in place prior to implementing any pilot program to make changes to improve the services provided by the Bureau of Conveyances through technology and automation.

Thank you for the opportunity to comment on SB 1352, SD2.

Respectfully submitted,

 Nora A. Nomura  
Deputy Executive Director

LINDA LINGLE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**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

**Transmittal Cover Sheet for**  
**Department of Land and Natural Resources Testimony**

**Date Submitted: March 13, 2009**

**Testifier's Name/Position/Title:** Nicki Thompson, Bureau of Conveyances Division  
Administrator

**Committee the comments are directed to:** HOUSE COMMITTEE ON WATER, LAND &  
OCEAN RESOURCES (WLO)

**The Date & Time of Hearing:** Monday, March 16, 2009  
9:00 AM, Conference, Room 325

**Measure Number:** SB 1352 SD 2 RELATING TO BUREAU OF CONVEYANCES

**Number of Copies the Committee is Requesting:** In paper, 1 copies (including original) to  
Room 438 in the State Capitol

LINDA LINGLE  
GOVERNOR OF HAWAII



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

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HONOLULU, HAWAII 96809

**Testimony of  
LAURA H. THIELEN  
Chairperson**

**Before the House Committee on  
WATER, LAND AND OCEAN RESOURCES**

**Monday, March 16, 2009  
9:00 AM**

**State Capitol, Conference Room 325**

**In consideration of  
SENATE BILL 1352, SENATE DRAFT 2  
RELATING TO BUREAU OF CONVEYANCES**

Senate Bill 1352, Senate Draft 2 proposes: 1) To remove time share interests from Land Court registration, 2) To authorize the Registrar of the Bureau of Conveyances (Bureau) to accept in the Regular System electronic instruments in lieu of original instruments with original signatures, 3) To authorize the Department of Land and Natural Resources (Department) to establish a transaction fee for services rendered relating to automation and, 4) To establish a pilot program for the to accept electronic filing of time share documents. The Department supports the intent of this bill, however has reservations with the timing of the pilot program.

First, Senate Bill 1352 is an attempt to ease the backlog in the recording and review process by removing time share interests from Land Court registration. Past and future increases in the development of time shares cause delays in the recording of these interests in Land Court and increase the labor required to maintain the records.

The Bureau is under tremendous pressure to keep current with the increase in timeshare recordings. The Land Court, established in 1903, was never intended for the purpose of maintaining multiple owners and interests on specific parcels. Administration of recorded instruments in Land Court was impacted with the passage of condominium laws. Time share recordation in Land Court further challenges the Bureau's staff and affects the integrity of the System.

Further, the Department proposes that this bill be amended to include the ability for landowners to opt out of Land Court. There is minimal exposure to the landowners who choose to opt out of Land Court due to the availability of title insurance that affords protection to landowners against defective title. Land Court was established in 1903, prior to the introduction of title insurance in 1957 in Hawaii.

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

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LAND  
STATE PARKS

Second, the Department strongly supports the authority to accept electronic documents. Electronic filing of documents would facilitate the recording process and improve delivery of information to the general public. This measure allows documents recorded in the Regular System to be filed in electronic format. The Department prefers to allow documents to be recorded electronically in both the Regular System and the Land Court System.

Presently, the Bureau and the Office of the Assistant Registrar accepts only original paper instruments with original signatures for recordation in the Regular System. This bill will allow the Bureau to accept electronic documents for recordation once the Department adopts rules specifying the format of acceptable electronic documents.

Third, this bill authorizes the Department to establish a transaction fee for services rendered relating to automation. Although the Department has the authority to change the fees charged for recording or other services through administrative rules without legislative approval, we welcome the establishment of a \$5 transaction fee for all recordings in the Bureau and the Office of the Assistant Registrar of the Land Court, to commence on July 1, 2009 and sunset on June 30, 2011. This fee will be deposited in the Bureau of Conveyances Special Fund and will be used to purchase hardware, system design and staff training relating to the automation of the Bureau.

Finally, this bill establishes a pilot program for the Bureau to accept electronic filing of time share documents. The Department plans on moving forward with accepting all documents via electronic filing. The Bureau began beta testing Uniform Commercial Code documents, with a goal to be on-line this spring. However, before the Bureau can be on-line with all documents, it needs to upgrade the system. The Bureau must purchase and install adequate computer hardware or systems to manage the full volume of documents filed at the Bureau through an on-line system.

## GOODSILL ANDERSON QUINN & STIFEL

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### FACSIMILE TRANSMISSION

**DATE:** March 14, 2009

**To:**

NAME:	FAX NO.:	PHONE NO.:	SENT/OPERATOR
Rep. Sharon E. Har Vice Chair, Committee on Water, Land & Ocean Resources	586-8504	586-8500	

**FROM:** Mihoko E. Ito

**PHONE:** (808) 547-5683

**RE:** SB1352 SD2 – Relating to Bureau of Conveyances  
Hearing: Monday, March 16, 2009 at 9:00 a.m.

**MATTER NO:** 102871

**NUMBER OF PAGES WITH COVER PAGE:** 2

**Message:**

Attached is testimony in support of SB1352 SD2 from the Hawaii Association of REALTORS.

Thank you.

***If you do not receive all of the pages or if they are illegible, please call  
the fax room at (808) 547-5600, ext. 528.***

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March 14, 2009

**The Honorable Ken Ito, Chair**  
House Committee on Water, Land, & Ocean Resources  
State Capitol, Room 325  
Honolulu, Hawaii 96813

**RE: S.B. 1352, S.D. 2, Relating to Bureau of Conveyances**

**HEARING DATE: Monday, March 16, 2009 at 9:00 a.m.**

Aloha Chair Ito, Vice-Chair Har, and Members of the Committee:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® (HAR) and its 9,600 members. HAR supports S.B. 1352, S.D. 2, which transfers fee time interest from the Land Court system to the Regular system, creates an employer-employee working group, establishes a pilot program to implement electronic recording of fee time share interests, and establishes a fee for deregistration of a fee time share interest, and

The Land Court was originally designed to accommodate individually owned properties. Timeshare, however, are comprised of multiple fee owners for each property. This, together with the development of new timeshare condominiums and converted condominium hotels, has created a significant backlog in the Land Court system.

HAR believes that the transfer of fee simple time share interests from the Land Court system to Regular system and acceptance of electronic signatures will make the Bureau of Conveyance more efficient, and ultimately, benefit the real estate industry and consumers.

HAR further notes that it generally supports S.B. 1352, but takes no position at this time on the authorization for the Bureau of Conveyances to charge additional fees for deregistration.

Mahalo for the opportunity to testify.

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### FACSIMILE TRANSMISSION

**DATE:** March 14, 2009

**To:**

NAME:	FAX No.:	PHONE No.:	SENT/OPERATOR
Rep. Sharon E. Har Vice Chair, Committee on Water, Land & Ocean Resources	586-8504	586-8500	

**FROM:** Mihoko E. Ito

**PHONE:** (808) 547-5683

**RE:** SB1352 SD2 – Relating to Bureau of Conveyances  
Hearing: Monday, March 16, 2009 at 9:00 a.m.

**MATTER No:** 102928

**NUMBER OF PAGES WITH COVER PAGE:** 2

**Message:**

Attached is testimony in support of SB1352 SD2 from Wyndham Worldwide.

Thank you.

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the fax room at (808) 547-5600, ext. 528.***

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## MEMORANDUM

**TO:** Representative Ken Ito  
Chair, Committee on Water, Land & Ocean Resources

**FROM:** Mihoko Ito

**DATE:** March 14, 2009

**RE:** **S.B. No. 1352, S.D.2 – Relating to Bureau of Conveyances  
Hearing on Monday, March 16, 2009 at 9:00 a.m., Room 325**

Dear Chair Ito and Members of the Committee:

I am Mihoko Ito, testifying on behalf of Wyndham Worldwide. Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its portfolio of world-renowned brands. Wyndham Worldwide has substantial interests in Hawaii that include Wyndham Vacation Ownership, with its new resort at Waikiki Beach Walk.

We support S.B. 1352, S.D.2, which removes fee simple time share transactions from the Land Court System, establishes an employer-employee working group to facilitate the changes to the system, authorizes a recording fee for Bureau of conveyance transactions establishes a pilot program to implement electronic recording of fee simple time share interests.

The removal of fee simple time share transactions from the Land Court System would eliminate the need to issue a certificate of title for each fee simple time share unit for each owner. The number of owners for a fee simple time share ranges from hundreds to thousands, and each owner has a percentage interest in the time share property. S.B. 1352, S.D.2 will ultimately streamline the registration process for fee simple timeshare interests and, for this reason, we ask for your favorable support.

Thank you very much for the opportunity to submit testimony.