

Testimony of Harriet Enrique
Individual

LATE

Before the Senate Committee on
Commerce and Consumer Protection

Senator Rosalyn H. Baker, Chair
Senator David Y. Ige, Vice Chair

Date: Wednesday, February 18, 2009

Time: 10:00 a.m.

Place: Conference Room 229 A

State Capitol

415 South Beretania Street

In consideration of
SENATE BILL 1352
RELATING TO THE BUREAU OF CONVEYANCES

Senate Bill 1352 proposes two issues. First, that the recording of time shares be shifted from the Land Court recording system to the Regular recording system. Secondly, it proposes that the Bureau implements an electronic filing system to be up and running in a period of 2 years.

Although I appreciate the intent of this bill which I am assuming is to make recording faster, I would like to introduce information that I feel is valid towards this intent.

Recording a document is simple. You bring in a document and give to a receiving clerk in the Bureau. This clerk checks the document for various items that make it recordable in the respective recording branch. As you know, Hawaii has two recording systems and each has its own statutory requirements.

Once the document has been checked for recordability, it is either returned to the recorder with a rejection slip to show what it is deficient in. If the document IS recordable, it is time-stamped and given a document number. At this point, the document is considered RECORDED. It is the same process in both recording systems.

Bearing this in mind, moving the time shares from Land Court to Regular system will not improve the time that the document is recorded.

The other issue that this bill appears to be addressing is the so-called 'back-log' in the Land Court branch. It appears that by moving the time shares out of Land Court into Regular system would alleviate the back log.

This is not true. In my 25 years of experience in the Bureau, I have seen a serious back log in the Review section of the Bureau only twice. Once was in the middle 1980's when the Bureau got computerized. The backlog

jam at that time was approximately 3 years of backlog in the certification end of the recording process. The Bureau struggled to find a workable computer system to help with the processing of the documents. Time share, during that period, was on the rise but not a very popular type of sale. The Bureau had enough time share recordings to make a dent but it was not substantial.

The second time that a backlog existed was due to a management decision to move all employees in our review section to assist in the Land Court receiving section. The employees in that Review section were responsible for the processing of the documents **after** recordation but were unable to process documents because they were doing other duties in another section.

When this management decision was made to move the employees' duties, the Review section was only 3 – 4 weeks behind in their processing. This time frame exploded into a 2 year backlog within months and the review section is still trying to diminish this backlog. Time shares and ALL recordings peaked when the Bureau was current (1990s) and time shares were a part of the deluge of recordings.

I guess my bottom line is that timeshares were always a part of our daily recordings and had NO impact on any backlog in the Bureau.

The only change that I see when moving timeshares from Land Court to Regular is financial in nature. The State of

Hawaii, which is well known to be in a state of financial recession should enhance all avenues for revenue generating instead of doing a take-away from the monies coming into the coffers.

By moving time shares from Land Court to Regular system, the only change I see is that you will be losing approximately \$300,000- \$500,000 per year on the low side. The numbers are probably higher if you consider future re-sales.

In conclusion, I would like to state that I oppose the movement of time share recordings from the Land Court to Regular System.

Testimony of Kerian Onishi
Individual

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Inconsideration of
SENATE BILL 1352
RELATING TO THE BUREAU OF CONVEYANCES

I am the Receiving Clerk Supervisor for the Regular System and have been at the Bureau of Conveyances for 16 years. I am opposed to Senate Bill 1352. The movement of time share recordings from the Land Court recording system to the Regular System is a considerable loss of revenue for the State of Hawaii. In these recession times, we surely DON'T need to turn money away.

The change of recording venue will NOT speed up the time of recording NOR will it alleviate the backlog in our Land Court System. This bill only complicates the recording system further and, in fact, will probably create a THIRD recording system which will certainly confuse and complicate all the employees at the Bureau but, more importantly, the general public.

In the recent past, the Bureau has undergone major changes and the employees are still trying to get their bearings back after the turmoil that we have endured. We do NOT need more on our plate to distract us from getting back on track.

The second part of this bill to force the Bureau to implement electronic filing within a two-year time frame is another major distraction. However, more importantly, we at the Bureau do NOT (and I repeat – DO NOT) have the infrastructure in place to accommodate this part of the bill. We have antiquated equipment (we just got rid of our Wang computers) and the employees are not trained. Most of the employees do NOT have any internet access (which is needed for it's resource value). In January of this year we just started going to Word, Excel, Windows classes - only to discover that our programs are far outdated (we have the 1999 versions on some; Windows XP???? We don't even have Windows 2007).

Without money, equipment and training, we certainly cannot meet the deadline of two years. We cannot meet ANY deadline if there is no infrastructure. We cannot meet the requirements by twiddling our thumbs.

I am strongly opposed to this bill and am pleading that you do not implement this outrageous demand on the employees of the Bureau.

LATE

COMMERCE & CONSUMER PROTECTION COMMITTEE

Senator Roslyn H Baker, Chair
Senator David Y Ige, Vice Chair

Testimony Opposing: SB1352

Dear Senator Baker, Senator Ige & Committee Members,

My name is Zelei Abordo and I am here representing myself and others at the Bureau of Conveyances. In 2007, a joint legislative investigation was conducted and the committee identified serious shortcomings relating to the **Bureau of Conveyances' operational mismanagement, potential loss of revenue, and potential areas of vulnerability.**

Since the investigations, management has changed, the 52 bins of mail have been dealt with, the indexing, microfilm, regular system receiving and land court receiving sections are current. Review is the only section backlogged but management has been coming up with creative ways to help us catch up.

The joint legislative investigative committee has managed to help the Bureau deal with their operational mismanagement and potential areas of vulnerability but if you pass this bill the investigative committee would fail in recognizing the potential loss of revenue. Not only would the investigative committee fail but this legislative committee would be helping in the potential loss of revenue that was recognized during the investigations.


In the past DLNR administrators have tried to pass bills to deregister land court timeshares but have been unsuccessful when legislators were made aware of the loss of revenue to the Bureau. Now administrators and those who have been trying to pass the deregistration of timeshares are using the backlog as the excuse for the deregistration. Not only administrators but now legislators are on board to deregister the land court timeshares because they are being led to believe that this is the solution to the backlog and that the Bureau would be able to record documents faster.

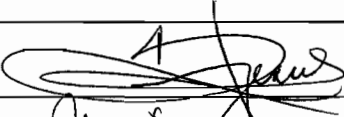
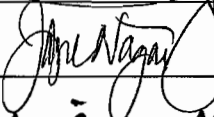
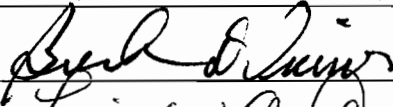
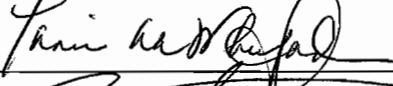
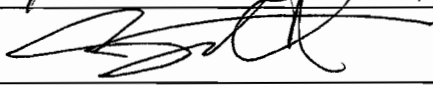
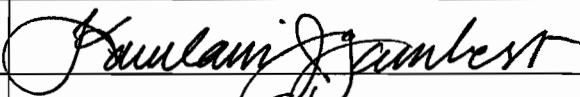
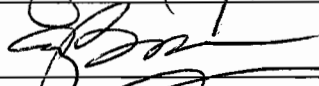
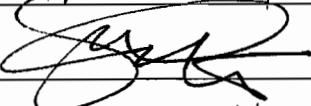
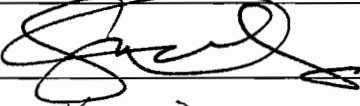
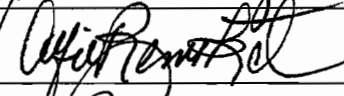
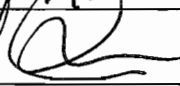

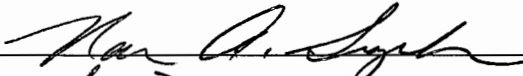
In 2006, the Bureau of Conveyances was current. Operational mismanagement created the backlog. Whether timeshares are recorded in regular system or land court it will take the same amount of time to record. Deregistration will not have an effect on the backlog. The notion that moving the timeshares will fix the backlog is a misnomer because the timeshares didn't create the backlog so it won't fix the backlog. Electronic filing won't help the backlog either because our infrastructure can't handle electronic filing.

So this is the scenario. Legislators pass this bill, the Bureau deregisters the timeshares, it overwhelms regular system, review gets more backlogged because we have to manually cancel thousands of certificates and electronic filing doesn't become a reality because our infrastructure is inadequate and the only thing that is accomplished is that the Bureau loses \$500,000 plus per fiscal year. If the bureau loses this revenue who stands to gain?

Today, as in 2007 the employees of the Bureau of Conveyances are in front of the legislators again not to report any operational mismanagement but to report the **potential loss of revenues.** Revenues that could be used to help us to upgrade our infrastructure so that it can accommodate electronic filing or revenues that could be added to state coffers, which is badly needed at this time due to the recession. So here we are pleading with legislators not to approve a bill that will cause the Bureau to lose much needed income and a bill that will definitely add to the backlog in other sections.

Thank you for your time & concern,


Zelei Abordo

PRINT NAME	SIGNATURE
Susan de Jesus	
JANE NAGAI	
SHIRLENE MIYASHIRO	Shirlene Miyashiro
MICHELLE PANG	Michelle Pang
IMELDA LIBAO	Imelda Libao
BRENDA D. VIBANES	
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SCOT CHANG	
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Cynthia Shimada	Cynthia Shimada
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 Virginia Bacto	
Jolynn Kapeliela	Jolynn Kapeliela
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