

JAN 23 2009

A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

1 SECTION 1. The purpose of the Act is to enable the
2 counties to promptly track property ownership, encumbrances,
3 restrictions, uses, and sales prices of real property for the
4 purposes of determining more accurate real property tax
5 assessments by requiring the registrar of the bureau of
6 conveyances to provide, within ten days after each week and
7 without charge, the administrator of the real property
8 assessment division of the city and county of Honolulu an image
9 and index of all instruments and documents that have been
10 recorded in the registrar's office relating to regular system
11 land in all the counties. The real property assessment division
12 administrator will act as a central clearinghouse and provide
13 copies of the images to the real property assessment
14 administrators of the other counties.

15 SECTION 2. Section 502-26, Hawaii Revised Statutes, is
16 amended to read as follows:

17 "**§502-26 Copies of instruments, certificates.** (a) The
18 registrar, when applied to, shall furnish an attested copy of



1 any instrument or document recorded in the registrar's office,
2 or of any fact appearing upon the registrar's records. The
3 registrar may also issue nonattested portions of any instrument
4 or document recorded in the registrar's office. The registrar
5 may issue certificates of search or incumbrance when personnel
6 is available for the making of the certificate.

7 (b) Within ten days after the end of each week, the
8 registrar shall deliver or forward by mail, and without charge,
9 to the real property assessment administrator of the city and
10 county of Honolulu an image and index of all instruments or
11 documents that have been recorded in the registrar's office
12 during each week relating to land in all the counties. The
13 index shall include but not limited to the following for each
14 instrument:

- 15 (1) Document number;
- 16 (2) Certificate number;
- 17 (3) Date of the filing;
- 18 (4) Type of document;
- 19 (5) Grantor and grantee;
- 20 (6) Current tax map key number; and
- 21 (7) Location by island.



1 The real property assessment administrator of the city and
2 county of Honolulu shall provide copies of the images, without
3 charge, to the real property assessment administrators of the
4 other counties."

5 SECTION 3. New statutory material is underscored.

6 SECTION 4. This Act shall take effect upon its approval.

7

INTRODUCED BY: Rosslyn H. Boh
By Request



Report Title:

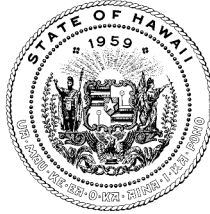
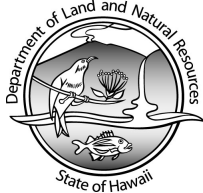
Bureau of Conveyances; Counties; Recorded Instruments

Description:

Requires the registrar of the bureau of conveyances to provide, within 10 days and free of charge, an image and index of all instruments that contain real property transactions each week to the administrator of the city and county of Honolulu's real property assessment division.



LINDA LINGLE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the Senate Committees on
COMMERCE AND CONSUMER PROTECTION
And
JUDICIARY AND GOVERNMENT OPERATIONS**

**Tuesday, February 17, 2009
9:30 AM
State Capitol, Conference Room 229**

**In consideration of
SENATE BILL 521
RELATING TO REAL PROPERTY**

Senate Bill 521 proposes that the Registrar of the Bureau of Conveyances (Bureau) be required to provide to the Administrator of the Real Property Assessment Division of the City and County of Honolulu, an image and index of all documents relating to regular system land recorded in the Bureau. Further, this information is to be provided within ten days of the week of recording and without charge. The Department of Land and Natural Resources (Department) is opposed to this bill.

Currently, the Registrar has been meeting with the Administrator of the Real Property Assessment Division of the City and County of Honolulu to develop a process of transmitting the images and index information. Even though the Bureau does not require the tax map key numbers to be captured, the City and County of Honolulu requests the tax map key number to be included with the index information. In an effort to work toward a common goal of providing information to the City and County of Honolulu, the staff of the Bureau has begun inputting the tax map key numbers.

The Department believes this is unnecessary legislation. The Registrar of the Bureau of Conveyances and the Administrator of the Real Property Assessment Division of the City and County of Honolulu should be able to accomplish this transfer of information through a continued effort of working together to achieve this goal.

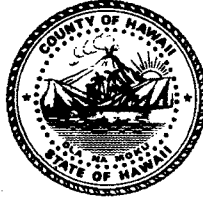
LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

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

William P. Kenoi
Mayor



Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawaii

Finance Department

25 Aupuni Street, Room 118 • Hilo, Hawaii 96720
(808) 961-8234 • Fax (808) 961-8248

February 13, 2009

The Honorable Rosalyn Baker, Chair
and Members of the Senate Committee on Commerce and Consumer Protection
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

The Honorable Brian Taniguchi, Chair
and Members of the Senate Committee on Judiciary and Government Operations
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Testimony in Support of Senate Bill No. 521
Hearing Tuesday, February 17, 2009, at 9:30 a.m., Conference Room 229

The Department of Finance, County of Hawai'i, Real Property Tax Division is tasked with assessing real property and maintaining current ownership records for Ad Valorem tax purposes. We strongly support S.B. 521, relating to real property, requiring the Registrar of the Bureau of Conveyances to provide, within 10 days and free of charge, an image and index of all instruments that contain real property transactions each week to the administrator of the city and county of Honolulu's real property assessment division.

The City and County of Honolulu's real property assessment division will then make that data available to the other counties. This amendment enables the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices for real property tax assessment and billing purposes. Access to the documents filed at the Bureau of Conveyances is critical to the counties' real property assessment programs.

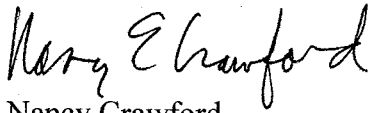
This transfer of data has, to date, been dependent on private agreements and these agreements are currently in jeopardy. The real property divisions face the prospect of either adding greatly to the costs of running the real property assessment process or worse being cut off from data needed to function.

Other jurisdictions assessing a real property tax have similar mechanisms in place requiring the rapid and accurate transfer of all conveyances on a regular basis from their regular registrars to the various assessment offices recognizing the vital nature of this link.

We urge the committee to pass this extremely important bill which along with a complementary bill addressing the Land Court System (S.B..522) as this would give the counties the means to equitably administer their real property tax programs in a timely and cost effective manner.

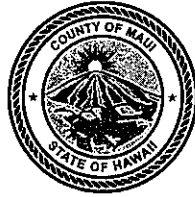
Thank you for your attention to our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Nancy E Crawford". The signature is written in black ink and is positioned above the printed name and title.

Nancy Crawford
Director of Finance

CHARMAINE TAVARES
Mayor



KALBERT K. YOUNG
Director of Finance

AGNES M. HAYASHI
Deputy Director of Finance

SCOTT K. TERUYA
Acting Administrator

COUNTY OF MAUI
DEPARTMENT OF FINANCE

REAL PROPERTY TAX DIVISION

70 E. KAAHUMANU AVENUE, SUITE A-16, KAHULUI, MAUI, HAWAII 96732

Assessment: (808) 270-7297 | Billing and Collection: (808) 270-7697 | Fax: (808) 270-7884
www.mauipropertytax.com

COMMITTEE ON COMMERCE AND CONSUMER AFFAIRS

Senator Rosalyn Baker, Chair

COMMITTEE ON JUDICIARY AND GOVERNMENT OPERATIONS

Senator Brian T. Taniguchi, Chair

County of Maui, Department of Finance, Real Property Tax Division
Friday, February 13, 2009

Support of SB 521, Relating to Real Property

The County of Maui, Real Property Tax Division supports HB 521, Relating to Real Property, which would provide the Counties an image and index of all instruments and documents recorded with the registrar's office in a timely manner and free of charge.

Obtaining documents in a timely manner enables the Counties to promptly maintain records necessary for notification and real property tax purposes. Property owners are also affected and will benefit as applicants seeking zoning change, conditional use permits, bed and breakfast permits, and transient vacation rental permits are required to mail notifications to property owners within a specified radius notifying owners of the proposed use. This will expedite updating current ownership to the public records.

Under existing law, the registrar of the Bureau of Conveyances must furnish an attested copy of any instrument or document recorded in the registrar's office when requested. This amendment will simply add a timetable to help assure the timely receipt of the documents and at no cost to the Counties.

We urge you to pass this important bill and give the Counties the means to maintain their records in a timely manner for the public's best interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. Teruya", is written over the typed name.

Scott K. Teruya
Acting Real Property Tax Administrator

Senator Rosalyn H. Baker, Chair
Committee on Commerce and Consumer Protection

Senator Brian T. Taniguchi, Chair
Committee on the Judiciary and Government Operations

Senate of the State of Hawai'i

Lance D. Collins, Esq.

Tuesday, February 17, 2009
Support of SB No. 521, Relating to Real Property (with Amendments)

My name is Lance D. Collins and I support the intent of Senate Bill No. 521 with amendments. As a civil litigator and counselor in real property matter on Maui, providing an automatic mechanism for the Bureau of Conveyances to inform the counties of changes in ownership and other matters affecting a titleholders interest in a property and providing them with this information, if utilized by the counties effectively, will provide a wider access to information related to real property transactions.

Many counties and municipalities around the country have the same government that assesses real property tax and records conveyances. This alignment of government services is so wide spread that many people mistakenly believe that the county tax records evince current ownership. Case law in many parts of the country recognize the presence of one's name on a real property tax record and the paying of real property taxes to be dispositive or highly persuasive in adverse possession proceedings. In our state, it is not. Yet, that is not widely known. Many individuals who have inherited land intestate or own with other family members "family" and "hui" type lands, may be misguided by out-of-date or inaccurate information on real property tax rolls.

The counties have made tremendous strides in updating and keeping current their real property tax rolls. Yet, unlike the title companies that have built the cost of retrieving this data on a regular basis into their business plans, the counties simply do not have the time or revenue to do this.

One small amendment would be to have the registrar forward this information directly to each counties' real property tax division instead of having all information sent to the City and County of Honolulu and requiring the City to forward the information onto the other counties. In addition to the concern that this "extra step" for the other counties will make informational access slower, it may also constitute an unconstitutional mandate violating Article VIII, Section 5 since it

requires the City and County to participate in a new program or increase in the level of service under an existing program “without charge” and no appropriation being made by the state to share in the cost.

Thank you for allowing me this opportunity to provide testimony on this measure.

//