



The Judiciary, State of Hawai'i

Testimony to the Senate Committee on Ways and Means

The Honorable David Y. Ige, Chair

The Honorable Michelle N. Kidani, Vice Chair

Friday, February 24, 2012, 9:00 a.m.

State Capitol, Conference Room 211

by

Calvin C. Ching

Acting Deputy Chief Court Administrator

First Circuit

Bill No. and Title: Senate Bill No. 2632, SD1 Relating to Fee Time Share Interests

Purpose: Ease the backlog in land court recording and registration by:

- (1) Requiring all fee time share interests to be recorded in the regular system rather than the land court, as of the effective date of this Act;
- (2) Streamlining the procedure for the office of the assistant registrar to update the certificates of title for all remaining fee time share interests as part of the deregistration process; and
- (3) Allowing the bureau of conveyances to charge a transaction fee for each deed of a time share interest recorded in the bureau of conveyances pursuant to chapter 502, Hawaii Revised Statutes. This is intended to offset any decline in recording fee revenue that may result from the changes in recording procedures established by this Act.

Judiciary's Position:

The Judiciary supports the intent of SB 2632, SD1, Relating to Fee Time Share Interests, which seeks to ease the backlog in land court recording and registration.

The Judiciary is supportive of the transfer of fee simple time share interests from the land court to the regular system. And, from an operational perspective, the Judiciary is aware and understanding of the desire to ease the backlog in land court recording and registration.



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However, the Judiciary must respectfully raise concerns regarding fee simple time share interest chain of title issues, which would occur upon this mandatory transfer from the land court to the regular system. These similar concerns also apply to treatment of an estate for years time share interest as well as any previously recorded time share fee interest documents, which are part of the backlog existing on the effective date of this act. This bill, as written, appears ambiguous with respect to clearly addressing the chain of title as well as cancellation of certificates of title of time share fee interests from the land court to the regular system, which may ultimately impact questions of title for Land Court properties.

While the Judiciary has concerns regarding the above-noted issues, and as stated previously, is supportive of the intent of this proposed legislation, work and discussion continues with the Office of the Assistant Registrar, Bureau of Conveyances as well as industry representatives with the intent to provide this Legislature with an efficient and workable solution that will benefit both the government agencies as well as the public we serve.

Thank you for the opportunity to testify on this measure.



February 24, 2012

TO: SENATE COMMITTEE ON WAYS AND MEANS
Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair

FROM: Daniel Dinell
ARDA-Hawaii, Chair

RE: SB 2632, SD1 Relating to Fee Time Share Interests

Dear Chair Ige and members of the Committee:

ARDA-Hawaii is the local chapter of the American Resort Development Association, the national timeshare trade association, comprising of over 20 local members with 45 properties statewide. In the aggregate the timeshare industry comprises approximately 12% of the visitor units throughout the state.

ARDA Hawaii supports SB 2632, SD1 which is intended to streamline the removal of fee simple time share interests from the land court system.

In 2009, the Legislature passed Act 120 which was intended to ease the backlog in land court recordings and registrations by, among other things, transferring fee simple time share interests from the land court system to the regular system.

To accomplish this, Act 120 requires that the assistant registrar update the certificate of title for each fee time share interest and then record that certificate of title in the bureau of conveyances. However, updating and recording the certificates of title for all fee time share interests concurrently has exceeded the capacity of the land court, particularly in light of the approximately three-year backlog of land court recordings and registration.

SB 2632, SD1 is intended to eliminate this problem by removing all fee time share interests from the land court effective as of July 1, 2012. It eliminates the requirement to update or record the certificates of title prior to such removal.

SB 2632, SD1 also provides for a temporary increase in recording fees. We understand that the bureau of conveyances intends to increase the recording fees in the future. This temporary increase is intended to maintain the solvency of the bureau until the new fees can take affect.

Thank you for the opportunity to submit these comments.

“Timeshare With Aloha”

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TO: Senator David Y. Ige
Chair, Committee on Ways and Means
Via Email: WAMTestimony@Capitol.hawaii.gov

FROM: Gary M. Slovin / Mihoko E. Ito

DATE: February 23, 2012

RE: **S.B. No. 2632, SD1 – Relating to Fee Time Share Interests**
Hearing: February 24, 2012 at 9:00 a.m.
Conference Room 211

Dear Chair Ige and Members of the Committee on Ways and Means:

Wyndham Vacation Ownership offers individual consumers and business-to-business customers a broad suite of hospitality products and services through its portfolio of world-renowned brands. Wyndham has a substantial presence in Hawaii through its Wyndham Vacation Resorts and WorldMark by Wyndham brands.

Wyndham **supports** S.B. 2632, SD1, Relating to Fee Time Share Interests, which would require all fee time share interests to be recorded in the regular system rather than the land court, streamline the procedure for the office of the assistant registrar to update the certificates of title for all remaining fee time share interests as part of the deregistration process, and allow the bureau of conveyances to charge a transaction fee for each deed of a time share interest recorded in the bureau of conveyances pursuant to chapter 502, Hawaii Revised Statutes.

We understand that the bill is still a work in progress, but would ask that the Committee move the bill forward for the purposes of continued discussion to work on the issues the measure is intended to address.

Wyndham appreciates the opportunity to submit comments on this matter and supports the passage of S.B. 2632, SD1.