



GOV. MSG. NO. 1219

EXECUTIVE CHAMBERS OF HONOLULU

NEIL ABERCROMBIE
GOVERNOR

June 14, 2013

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

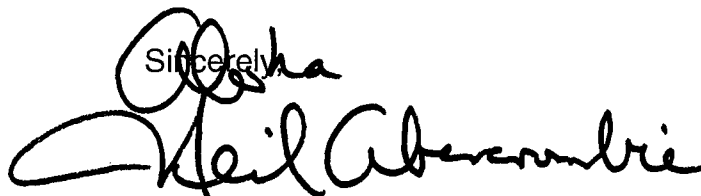
The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 14, 2013, the following bill was signed into law:

HB423 SD1 CD1

RELATING TO BUREAU OF CONVEYANCES
ACT 119 (13)

Sincerely,


NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor

on JUN 14 2013

ORIGINAL

ACT 119

HOUSE OF REPRESENTATIVES
TWENTY-SEVENTH LEGISLATURE, 2013
STATE OF HAWAII

H.B. NO. 423
S.D. 1
C.D. 1

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 purpose of this Act is to separate
2 voluntary deregistration of fee non-time share interests from
3 the deregistration provisions under part II of chapter 501,
4 Hawaii Revised Statutes, and to repeal the sunset provision
5 under Act 120, Session Laws of Hawaii 2009, as it applies to
6 deregistration fee time share interests, but preserve the sunset
7 provision for the deregistration of fee non-time share
8 interests.

9 SECTION 2. Chapter 501, Hawaii Revised Statutes, is
10 amended by adding a new section to part II to be appropriately
11 designated and to read as follows:

12 "§501- Deregistration of registered land other than fee
13 time share interests. The registered owner of the fee interest
14 in registered land may submit a written request to the assistant
15 registrar to deregister the land under this chapter.

16 (1) Any written request for deregistration shall include
17 proof of title insurance in the amount of the value of
18 the land to be deregistered and a written waiver of



1 all claims against the State relating to the title to
2 the land arising after the date of deregistration.

3 (2) Upon presentation to the assistant registrar of a
4 written request for deregistration by the registered
5 owner of the fee interest in registered land, the
6 assistant registrar shall not register the same, but
7 shall:

8 (A) Record in the bureau of conveyances, pursuant to
9 chapter 502, the current certificate of title for
10 the fee interest in the registered land; provided
11 that prior thereto, the assistant registrar shall
12 note on the certificate of title all documents
13 and instruments that have been accepted for
14 registration and that have not yet been noted on
15 the certificate of title for the registered land;

16 (B) Record in the bureau of conveyances, pursuant to
17 chapter 502, the written request for
18 deregistration presented to the assistant
19 registrar for filing or recording. The request
20 shall be recorded immediately after the
21 certificate or certificates of title; and

22 (C) Cancel the certificate of title.



1 (3) The registrar or assistant registrar shall note the
2 recordation and cancellation of the certificate of
3 title in the registration book and in the records of
4 the application for registration of the land that is
5 the subject of the certificate of title. The notation
6 shall state the bureau of conveyances document number
7 for the certificate of title so recorded, the
8 certificate of title number, and the land court
9 application number, map number, and lot number for the
10 land that is the subject of the certificate of title
11 so recorded.

12 (4) No order of court shall be required prior to or in
13 connection with the performance of any of the
14 foregoing actions."

15 SECTION 3. Section 501-20, Hawaii Revised Statutes, is
16 amended by amending the definitions of "date and time of
17 deregistration" and "deregistered land" to read as follows:

18 "Date and time of deregistration" means:

19 (1) The date and time that a certificate of title for
20 land, other than a fee time share interest, is
21 recorded in the bureau of conveyances pursuant to



- 1 ~~[section 501-261,]~~ chapter 502 and part II of this
2 chapter;
- 3 (2) The date and time, if prior to July 1, 2012, when a
4 certificate of title for a fee time share interest was
5 recorded in the bureau of conveyances pursuant to
6 chapter 502 and part II of this chapter, whether such
7 certificate of title was or is certified by the
8 assistant registrar prior to, subsequent to, or on
9 July 1, 2012;
- 10 (3) July 1, 2012, at 12:01 a.m. for all other fee time
11 share interests then in existence and for which a
12 certificate of title was not recorded in the bureau of
13 conveyances pursuant to chapter 502 and part II of
14 this chapter prior to July 1, 2012; and
- 15 (4) For all fee time share interests not yet in existence
16 as of July 1, 2012, at 12:01 a.m., the date and time
17 of recordation of the declaration, declaration of
18 annexation, or other document or instrument
19 establishing such fee time share interest.
- 20 "Deregistered land" means:
- 21 (1) Land, other than a fee time share interest, that is
22 the subject of a certificate of title recorded in the



1 bureau of conveyances pursuant to [~~section 501-261~~]
2 chapter 502 and part II of this chapter;

3 (2) A fee time share interest that is the subject of a
4 certificate of title recorded in the bureau of
5 conveyances pursuant to chapter 502 and part II of
6 this chapter prior to July 1, 2012, whether the
7 certificate of title is certified by the assistant
8 registrar on, before, or after July 1, 2012; and

9 (3) All other fee time share interests."

10 SECTION 4. Section 501-71, Hawaii Revised Statutes, is
11 amended by amending subsection (e) to read as follows:

12 "(e) Deregistration pursuant to [~~sections 501-261 to~~
13 ~~501-269~~] part II of this chapter shall not alter or revoke the
14 conclusive nature or effect of a decree of registration, which
15 shall continue to quiet the title to the deregistered land as to
16 all claims arising prior to the date and time of deregistration
17 of the land, except claims as would not otherwise be barred
18 under this chapter if the lands were not registered."

19 SECTION 5. Section 501-108, Hawaii Revised Statutes, is
20 amended by amending subsection (a) to read as follows:

21 "(a) An owner desiring to convey in fee registered land or
22 any portion thereof shall execute a deed of conveyance, which



1 the grantor or the grantee may present to the assistant
2 registrar in the bureau of conveyances; provided that no deed,
3 mortgage, lease, or other voluntary instrument shall be accepted
4 by the assistant registrar for registration unless a reference
5 to the number of the certificate of title of the land affected
6 by such instrument is incorporated in the body of the instrument
7 tendered for registration. If the certificate reference in the
8 instrument is not current, an endorsement of the current
9 certificate of title shall be required.

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

15 Except as otherwise provided in [~~section 501-261+~~] part II
16 of this chapter:

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



- 1 (2) The assistant registrar shall note upon the original
2 certificate the date of transfer, and a reference by
3 number to the last prior certificate;
- 4 (3) The original certificate shall be stamped "canceled";
5 and
- 6 (4) The deed of conveyance shall be filed or recorded and
7 endorsed with the number and place of registration of
8 the certificate of title of the land conveyed."

9 SECTION 6. Section 501-261, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§501-261 Deregistration of fee time share interests.**

12 [~~(a) The registered owner of the fee interest in registered~~
13 ~~land may submit a written request to the assistant registrar to~~
14 ~~deregister the land under this chapter.~~

15 ~~(1) Any written request for deregistration shall include~~
16 ~~proof of title insurance in the amount of the value of~~
17 ~~the land to be deregistered and a written waiver of~~
18 ~~all claims against the State relating to the title to~~
19 ~~the land arising after the date of deregistration.~~

20 ~~(2) Upon presentation to the assistant registrar of a~~
21 ~~written request for deregistration by the registered~~
22 ~~owner of the fee interest in registered land, the~~



1 ~~assistant registrar shall not register the same, but~~
2 ~~shall:~~

3 ~~(A) Record in the bureau of conveyances, pursuant to~~
4 ~~chapter 502, the current certificate of title for~~
5 ~~the fee interest in the registered land; provided~~
6 ~~that prior thereto, the assistant registrar shall~~
7 ~~note on the certificate of title all documents~~
8 ~~and instruments that have been accepted for~~
9 ~~registration and that have not yet been noted on~~
10 ~~the certificate of title for the registered land;~~

11 ~~(B) Record in the bureau of conveyances, pursuant to~~
12 ~~chapter 502, the written request for~~
13 ~~deregistration presented to the assistant~~
14 ~~registrar for filing or recording. The request~~
15 ~~shall be recorded immediately after the~~
16 ~~certificate or certificates of title; and~~

17 ~~(C) Cancel the certificate of title.~~

18 ~~(3) The registrar or assistant registrar shall note the~~
19 ~~recordation and cancellation of the certificate of~~
20 ~~title in the registration book and in the records of~~
21 ~~the application for registration of the land that is~~
22 ~~the subject of the certificate of title. The notation~~



1 ~~shall state the bureau of conveyances document number~~
2 ~~for the certificate of title so recorded, the~~
3 ~~certificate of title number, and the land court~~
4 ~~application number, map number, and lot number for the~~
5 ~~land that is the subject of the certificate of title~~
6 ~~so recorded.~~

7 ~~(4) No order of court shall be required prior to or in~~
8 ~~connection with the performance of any of the~~
9 ~~foregoing actions.~~

10 ~~(b)]~~ The certificate of title for each fee time share
11 interest shall be canceled effective as of the date and time of
12 deregistration of such fee time share interest. Notwithstanding
13 the provisions of section 501-261 in existence prior to July 1,
14 2012, a fee time share interest for which a certificate of title
15 was not recorded in the bureau of conveyances pursuant to
16 chapter 502 and part II of this chapter prior to July 1, 2012,
17 shall be deregistered on July 1, 2012, at 12:01 a.m.

18 (1) Beginning on July 1, 2012, and continuing for so long
19 as shall be reasonably necessary in the ordinary
20 course of business, the assistant registrar shall:



1 (A) Note on the certificate of title for each fee
2 time share interest all documents and instruments
3 affecting the fee time interest:
4 (i) That were or are registered as of a date and
5 time prior to the date and time of
6 deregistration of the fee time share
7 interest; and
8 (ii) That were not yet noted on the certificate
9 of title of the fee time share interest as
10 of the date and time of deregistration
11 thereof; and
12 (B) Certify each certificate of title.
13 (2) Section 501-196 shall apply to a certificate of title
14 updated pursuant to paragraph (1) upon approval of the
15 same by the assistant registrar, which approval shall
16 be evidenced by a certification of the assistant
17 registrar endorsed upon the certificate of title. A
18 certificate of title for a fee time share interest,
19 including but not limited to a certificate of title
20 recorded prior to July 1, 2012, pursuant to part II of
21 this chapter 501, shall not be considered completed or
22 approved, and shall be subject to modification by the



1 assistant registrar, at any time prior to
2 certification thereof by the assistant registrar.
3 Subsequent to the certification, the certificate of
4 title for a fee time share interest may only be
5 modified pursuant to section 501-196 or as otherwise
6 provided in this chapter.

7 (3) Upon certification of the certificate of title for a
8 fee time share interest by the assistant registrar,
9 the assistant registrar shall mark the certificate of
10 title "canceled", note the cancellation of the
11 certificate of title in the registration book, and
12 notify the court of the cancellation. Regardless of
13 the date upon which such administrative acts are
14 performed, the cancellation of the certificate of
15 title for a fee time share interest shall be effective
16 as of the date and time of deregistration of that fee
17 time share interest.

18 (4) If only part of the land described in the certificate
19 of title consists of a fee time share interest, then
20 upon the petition of the registered owner of that
21 portion of the registered land not constituting a fee
22 time share interest, a new certificate of title shall



1 be issued to such owner for that portion of the
2 registered land not constituting a fee time share
3 interest. If registered land is held in the
4 condominium form of ownership, then for purposes of
5 this subsection each unit for which a separate
6 certificate of title has been issued shall be treated
7 as if it were a separate parcel of registered land.

8 (5) Except as provided in paragraph (4), no order of court
9 shall be required prior to or in connection with the
10 performance of any of the foregoing actions."

11 SECTION 7. Section 501-262, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) Neither voluntary deregistration of land other than a
14 fee time share interest [~~pursuant to section 501-261~~] nor the
15 mandatory deregistration of any fee time share interest pursuant
16 to part II of this chapter, whether by recordation of a
17 certificate of title in the bureau of conveyances prior to
18 July 1, 2012, or by operation of law thereafter, shall disturb
19 the effect of any proceedings in the land court where the
20 question of title has been determined. All proceedings had in
21 connection with the registration of title that relate to the
22 settlement or determination of title before a certificate of



1 title for land other than a fee time share interest is recorded
2 in the bureau of conveyances pursuant to [~~section 501-261~~]
3 chapter 502 and part II of this chapter or a certificate of
4 title for a fee time share interest is certified and all
5 provisions of this chapter that relate to the status of the
6 title, shall have continuing force and effect with respect to
7 the period of time that title remained under the land court
8 system. Those provisions giving rise to a right of action for
9 compensation from the State, including any limits on and
10 conditions to the recovery of compensation and the State's
11 rights of subrogation with respect thereto, shall also continue
12 in force and effect with respect to the period of time that
13 title remained under the land court system."

14 SECTION 8. Section 501-264, Hawaii Revised Statutes, is
15 amended as follows:

16 1. By amending subsection (a) to read:

17 "(a) A certificate of title for land other than a fee time
18 share interest recorded in the bureau of conveyances pursuant to
19 [~~section 501-261,~~] chapter 502 and part II of this chapter, or
20 certified by the assistant registrar in the case of a fee time
21 share interest, shall constitute a new chain of record title in
22 the registered owner of any estate or interest as shown on the



1 certificate of title so recorded or certified, subject only to
2 the following:

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

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 or certified, with interest, penalties,
18 and other additions to the tax, which, unless a notice
19 is filed and registered as provided by county real
20 property tax ordinance, shall be for the period of
21 three years from and after the date on which the lien
22 attached, and if proceedings for the enforcement or



1 foreclosure of the tax lien are brought within the
2 period, until the termination of the proceedings or
3 the completion of 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 required to be registered as
19 provided in sections 501-241 to 501-248 and relating
20 to a leasehold time share interest or leasehold
21 interest in deregistered land; and



1 (10) Child support liens that are created pursuant to order
2 or judgment filed through judicial or administrative
3 proceeding in this State or in any other state, the
4 recording of which shall be as provided by chapter
5 576D."

6 2. By amending subsections (c) and (d) to read:

7 "(c) All instruments, documents, and papers noted on a
8 certificate of title recorded in the bureau of conveyances
9 pursuant to [~~section 501-261~~] chapter 502 and part II of this
10 chapter shall have the same force and effect as if they had been
11 recorded in the bureau of conveyances pursuant to chapter 502 as
12 of the date, hour, and minute of reception noted on the
13 certificate of title pursuant to section 501-107; provided that:

14 (1) No instrument, document, or paper shall have any
15 greater or other effect after the certificate of title
16 is recorded in the bureau of conveyances pursuant to
17 [~~section 501-261,~~] chapter 502 and part II of this
18 chapter, as constructive notice or otherwise, than it
19 had or acquired at the time it was registered pursuant
20 to this chapter or made; and

21 (2) Nothing in this part shall be construed as giving any
22 greater or other effect, as constructive notice or



1 otherwise, to any instrument, document, or paper
 2 recorded in the bureau of conveyances pursuant to
 3 chapter 502 prior to the recordation of the
 4 certificate of title in the bureau of conveyances
 5 pursuant to [~~section 501-261~~] chapter 502 and part II
 6 of this chapter as to any land, than was provided by
 7 the laws of this State (including this chapter and
 8 other laws regarding registered land) in effect at the
 9 time the instrument, document, or paper was recorded.

10 (d) If a certificate of title recorded in the bureau of
 11 conveyances pursuant to [~~section 501-261~~] chapter 502 and part
 12 II of this chapter relates to more than one fee time share
 13 interest or more than one interest in other deregistered land,
 14 then subsection (a) shall apply to each interest separately and
 15 only those items described in subsection (a) that encumbered a
 16 particular interest prior to recordation of the certificate of
 17 title will continue to encumber that interest after the
 18 recordation."

19 SECTION 9. Section 634-51, Hawaii Revised Statutes, is
 20 amended to read as follows:

21 "**§634-51 Recording of notice of pendency of action.** In
 22 any action concerning real property or affecting the title or



1 the right of possession of real property, the plaintiff, at the
2 time of filing the complaint, and any other party at the time of
3 filing a pleading in which affirmative relief is claimed, or at
4 any time afterwards, may record in the bureau of conveyances a
5 notice of the pendency of the action, containing the names or
6 designations of the parties, as set out in the summons or
7 pleading, the object of the action or claim for affirmative
8 relief, and a description of the property affected thereby.
9 From and after the time of recording the notice, a person who
10 becomes a purchaser or incumbrancer of the property affected
11 shall be deemed to have constructive notice of the pendency of
12 the action and be bound by any judgment entered therein if the
13 person claims through a party to the action; provided that in
14 the case of registered land, section 501-151, sections 501-241
15 to 501-248, and [~~sections 501-261 to 501-269~~] part II of chapter
16 501 shall govern.

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

20 SECTION 10. Section 636-3, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§636-3 Judgment, orders, decrees; lien when. Any money
2 judgment, order, or decree of a state court or the United States
3 District Court for the District of Hawaii shall be a lien upon
4 real property when a copy thereof, certified as correct by a
5 clerk of the court where it is entered, is recorded in the
6 bureau of conveyances. No such lien shall continue beyond the
7 length of time the underlying judgment, order, or decree is in
8 force. Except as otherwise provided, every judgment shall
9 contain or have endorsed on it the Hawaii tax identification
10 number, the federal employer identification number, or the last
11 four digits only of the social security number for persons,
12 corporations, partnerships, or other entities against whom the
13 judgment, order, or decree is rendered. If the debtor has no
14 social security number, Hawaii tax identification number, or
15 federal employer identification number, or if that information
16 is not in the possession of the party seeking registration of
17 the judgment, order, or decree, the judgment, order, or decree
18 shall be accompanied by a certificate that provides that the
19 information does not exist or is not in the possession of the
20 party seeking recordation of the judgment. Failure to disclose
21 or disclosure of an incorrect social security number, Hawaii tax
22 identification number, or federal employer identification number



1 shall not in any way adversely affect or impair the lien created
2 upon recordation of the judgment, order, or decree. When any
3 judgment, order, or decree is fully paid, the creditor or the
4 creditor's attorney of record in the action, at the expense of
5 the debtor, shall execute, acknowledge, and deliver to the
6 debtor a satisfaction thereof, which may be recorded in the
7 bureau. Every satisfaction or assignment of judgment, order, or
8 decree shall contain a reference to the book and page or
9 document number of the registration of the original judgment.
10 The recording fees for a judgment, order, or decree and for each
11 assignment or satisfaction of judgment, order, or decree shall
12 be as provided by section 502-25.

13 In the case of registered land, section 501-102, sections
14 501-241 to 501-248, and [~~sections 501-261 to 501-269~~] part II of
15 chapter 501 shall govern.

16 The party seeking to record or register a judgment, order,
17 or decree shall redact the first five digits of any social
18 security number by blocking the numbers out on the copy of the
19 judgment, order, or decree to be recorded or registered."

20 SECTION 11. Act 120, Session Laws of Hawaii 2009, is
21 amended by amending section 21 to read as follows:



1 "SECTION 21. This Act shall take effect on July 1, 2009;
2 provided that section 2 of this Act shall take effect on July 1,
3 2011 [~~and shall be repealed on December 31, 2014~~]; provided
4 further that section 16 of this Act shall take effect on July 1,
5 2009, and shall be repealed on the effective date of
6 administrative rules adopted by the department of land and
7 natural resources that address the establishment of transaction
8 fees for each recording in the bureau of conveyances and in the
9 office of the assistant registrar of the land court; provided
10 further that section 17 of this Act shall take effect on
11 January 1, 2012; and provided further that section 18 of this
12 Act shall take effect upon its approval and shall be repealed on
13 January 31, 2010."

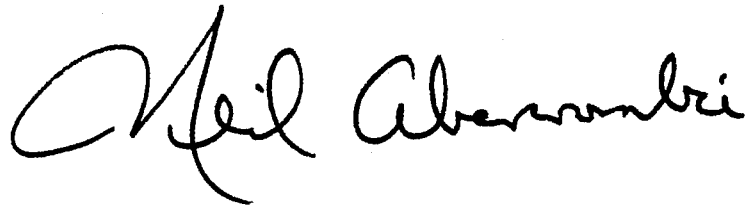
14 SECTION 12. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 13. This Act shall take effect upon its approval;
17 provided that section 2 of this Act shall be repealed on
18 December 31, 2014.



H.B. NO. 423
S.D. 1
C.D. 1

APPROVED this 14 day of JUN, 2013

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII