# A BILL FOR AN ACT

RELATING TO TIMESHARE CONVEYANCES.

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

1	SECTION 1. The Hawaii Revised Statutes is amended by
2	adding a new chapter to be appropriately designated and to read
3	as follows:
4	"CHAPTER
5	TIME SHARE COMMISSIONERS OF DEEDS
6	§ -1 Commissioners; appointment. The governor may
7	appoint commissioners who shall serve for four years from the
8	date of the individual commissioner's respective appointment,
9	unless removed by the governor.
10	§ -2 Oath and seal. (a) Within three months of
11	appointment, a commissioner shall:
12	(1) Cause an official seal to be prepared upon which shall
13	appear the commissioner's name and the words
14	"commissioner of deeds for Hawaii"; and
15	(2) Take and subscribe an oath to faithfully perform the
16	duties of the commissioner's office; provided that the
17	oath shall be taken before:
18	(A) A notary public in the State or any other state;
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1	(B)	Any officer of the United States diplomatic or
2	•	consular service resident in any foreign country
3		or port, when certified by the officer under the
4		officer's seal of office; or
5	(C)	Any person authorized by the law of any foreign
6		country to take an acknowledgement or proof;
7		provided that the acknowledgement or proof shall
8		be accompanied by a certificate to the effect
9		that the person taking the acknowledgement or
10		proof is duly authorized to do so and that the
11		acknowledgement or proof is in a manner
12		prescribed by the laws of the foreign country or
13		a treaty or international agreement of the United
14		States; provided further that a certificate under
15		this subparagraph may be issued by:
16		(i) A diplomatic or consular officer of the
17		United States under the seal of the
18		officer's office;
19		(ii) A diplomatic or consular officer of the
20		foreign country under the seal of the
21		officer's office with the signature or

1	facsimile of the signature of the diplomation
2	or consular officer of the United States; or
3	(iii) An apostille in the case of a foreign
4	country that is party to the Hague
5	Convention of 5 October 1961 Abolishing the
6	Requirement of Legalisation for Foreign
7	Public Documents.
8	(b) A commissioner's oath of office, signature, and an
9	impression of the commissioner's seal shall be transmitted to
10	and filed with the office of the lieutenant governor.
11	(c) For purposes of this section, a diplomatic or consular
12	officer includes any minister, consul, vice-consul, charge
13	d'affaires, consular or commercial agent, or a vice-consular or
14	vice-commercial agent.
15	§ -3 Powers; charges. A commissioner shall have the
16	authority in any foreign country, in international waters, and
17	in any possession, territory, or commonwealth of the United
18	States, to administer oaths and to take acknowledgements and
19	proofs of execution of any deed, assignment of lease, apartment
20	deed and ground lease, condominium conveyance document,
21	mortgage, deed of trust, contract, power of attorney, or any

- 1 other instrument or writing to be used or recorded in the State
- 2 in connection with:
- 3 (1) A time share interest;
- 4 (2) Any property subject to a time share plan; or
- 5 (3) The operation of a time share plan that includes any
- 6 property located within the State;
- 7 provided that the instrument or writing is executed outside of
- 8 the fifty states and the District of Columbia. Such oaths,
- 9 acknowledgements, and proofs of execution shall be taken or made
- 10 in the manner provided by the laws of the State including but
- 11 not limited to sections 502-42, 502-43, 502-48, 502-61, 502-62,
- 12 and 502-63, and shall be certified by the commissioner under the
- 13 commissioner's official seal. The certification shall be
- 14 endorsed on or attached to the instrument or writing and shall
- 15 have the same effect as if made or taken in the State by a
- 16 notary public commissioned in the State. Charges made by
- 17 commissioners for services rendered shall be no higher than the
- 18 rates authorized by any law governing similar services rendered
- 19 by notaries within the jurisdictions in which the services are
- 20 performed.
- 21 § -4 Records. Each commissioner shall keep a record of
- 22 every acknowledgement, oath, and proof of execution in a book of

- 1 records. Each record shall set forth, at a minimum, the date of
- 2 the acknowledgement, the parties to the instrument, the persons
- 3 making the acknowledgements, and a memorandum as to the nature
- 4 of the instrument acknowledged. For oaths and affidavits, the
- 5 record shall set forth, at a minimum, the names of the parties
- 6 making the oath or affidavit, the date of the oath or affidavit,
- 7 the nature of the instrument, and the date the oath was
- 8 administered.
- 9 § -5 Instructions. The lieutenant governor shall
- 10 prepare and forward to each commissioner instructions and forms
- 11 in conformity with law and a copy of this chapter.
- 12 § -6 Construction of statutes. This chapter shall not
- 13 be construed as repealing or amending chapter 502.
- 14 § -7 Notice of legal effect. (a) A commissioner shall
- 15 provide to each person whose signature is witnessed or
- 16 acknowledged by the commissioner a written notice in
- 17 substantially the following form:
- 18 "LEGAL EFFECT OF CERTIFICATION BY A COMMISSIONER OF DEEDS
- 19 A certification by a Hawaii commissioner of deeds is intended
- 20 only to confirm that a document was signed by a person whose
- 21 signature appears on it. It does not validate the substance,
- 22 contents, and/or legal effect of the document, nor indicate that

- 1 the document has been approved and/or endorsed by any
- 2 governmental authority, including the State of Hawaii. The
- 3 documents that you are signing may have legal consequences and
- 4 you may have rights under Hawaii law. By signing below, you
- 5 acknowledge that you have read and understand this."
- 6 (b) In the event that the person whose signature is
- 7 witnessed or acknowledged by the commissioner does not speak
- 8 English, then a translation of the notice required by subsection
- 9 (a) shall be provided to the person in the predominant language
- 10 spoken in the country in which the execution or acknowledgement
- 11 takes place; provided that:
- 12 (1) The content of the notice may be varied as necessary
- to convey the intended concepts in the other language;
- 14 and
- 15 (2) Neither the commissioner nor any other person shall be
- 16 liable for errors in translation of the notice
- required by subsection (a) so long as a good faith
- 18 effort to accurately translate the notice was made.
- 19 (c) A commissioner of deeds shall retain, for three
- 20 calendar years from the date upon which the notice was executed,
- 21 the original executed notice or a copy made by any means capable
- 22 of providing an accurate reproduction of the executed notice.

- 1 (d) Failure to provide the notice required by subsection
- 2 (a) shall subject the commissioner of deeds to a penalty in an
- 3 amount to be established by the lieutenant governor by rule
- 4 adopted pursuant to chapter 91 but shall not render any
- 5 agreement void or voidable, nor shall it constitute a defense to
- 6 any action to enforce the agreement or any action for breach of
- 7 the agreement by any party to the agreement.
- 9 entering upon the duties of the commissioner's office shall
- 10 execute at the commissioner's own expense an official surety
- 11 bond or deposit with the lieutenant governor a cash bond which
- 12 in either case shall be in the sum of \$1,000. Each bond shall
- 13 be approved by the office of the lieutenant governor.
- (b) The obligee of each bond shall be the State and the
- 15 condition contained therein shall be that the commissioner will
- 16 well, truly, and faithfully perform all the duties of the
- 17 commissioner's office which are then or may thereafter be
- 18 required, prescribed, or defined by law or by any rule made
- 19 under the express or implied authority of any statute, and all
- 20 duties and acts undertaken, assumed, or performed by the
- 21 commissioner by virtue or color of the commissioner's office.
- 22 The surety on any such surety bond shall be a surety company

- 1 authorized to do business in the State. After approval the bond
- 2 shall be deposited and kept on file in the office of the
- 3 lieutenant governor. The lieutenant governor shall keep a book
- 4 to be called the "bond record", in which the lieutenant governor
- 5 shall record the data in respect to each of the bonds deposited
- 6 and filed in the lieutenant governor's office.
- 7 (c) A commissioner who files a cash bond may cancel the
- 8 bond by giving thirty days' notice in writing to the lieutenant
- 9 governor; provided that the security for the bond shall not be
- 10 returned for a period of six years after the effective date of
- 11 cancellation of the bond or upon posting a surety bond meeting
- 12 the requirements set forth above, whichever shall occur first.
- 13 § -9 Liabilities; limitations on; official bond. (a)
- 14 In the performance of a commissioned act, a commissioner's
- 15 liability shall be limited to a failure by the commissioner to
- 16 perform properly the actions required for oaths,
- 17 acknowledgements, and proofs of execution. The commissioner's
- 18 liability shall not be based on statements in a document apart
- 19 from the commissioner's certificate.
- 20 (b) For the official misconduct or neglect of a
- 21 commissioner or breach of any of the conditions of the
- 22 commissioner's official bond, the commissioner and the surety on

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- 1 the commissioner's official bond shall be liable to the party
- 2 injured thereby for all the damages sustained. The party shall
- 3 have a right of action in the party's own name upon the bond and
- 4 may prosecute the action to final judgment and execution. The
- 5 liability of the surety shall not exceed the amount of the bond
- 6 issued to the commissioner of deeds for whom the bond was
- 7 issued."
- 8 SECTION 2. This Act shall take effect upon its approval.

9

#### Report Title:

Timeshares; Conveyances; Commissioner of Deeds

### Description:

Creates a new chapter to authorize the governor to appoint commissioners of deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to a timeshare interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within the State. Requires written notice to be provided to consumers. Establishes bonding requirements, penalties, and liabilities for commissioners of deeds. (SD1)

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