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GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of
WILLIAM J. AILA, JR.
Chairperson

Before the House Committee on
CONSUMER PROTECTION & COMMERCE

Wednesday, February 19, 2014
3:00 PM
State Capitol, Conference Room 325

In consideration of
HOUSE BILL 2044
RELATING TO BUREAU OF CONVEYANCES

House Bill 2044 proposes to extend the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the deregistration of fee non-time share interests and clarifies actions taken to notify the state surveyor after a certificate of title has been canceled. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department notes that since the inception on July 1, 2011 of the ability for landowners to deregister their land from land court, there have been 195 voluntary deregistrations of land from Land Court.

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
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



STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
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WRITTEN TESTIMONY
OF
DEAN H. SEKI, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
CONSUMER PROTECTION & COMMERCE
ON
February 19, 2014

H.B. 2044

RELATING TO BUREAU OF CONVEYANCES

Chair McKelvey and members of the Committee, thank you for the opportunity to submit written testimony on H.B. 2044.

The Department of Accounting and General Services supports H.B. 2044 that proposes to extend the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the deregistration of fee non-time share interests, provide notification to the state surveyor after a certificate of title has been canceled by deregistration, and authorizes the state surveyor to annotate deregistration information on land court maps.

Thank you for the opportunity to submit written testimony on this matter.



The Judiciary, State of Hawaii

Testimony to the House Committee on Consumer Protection and Commerce

Representative Angus L. K. McKelvey, Chair
Representative Derek S. K. Kawakami, Vice Chair

Wednesday, February 19, 2014, 3:00 p.m.
State Capitol, Conference Room 325

by
Calvin Ching
Deputy Chief Court Administrator
First Circuit

Bill No. and Title: House Bill No. 2044, Relating to Bureau of Conveyances.

Purpose: Extends the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the de-registration of fee non-time share interests. Clarifies the actions taken after a certificate of title for a fee time share interest is deregistered and marked canceled by the assistant registrar.

Judiciary's Position:

The Judiciary respectfully takes no position on Bill No. 2044.

To date there has not been a large number of requests for de-registration of real property from the Land Court. However, over the past three years it has become apparent that the voluntary de-registration process set up by Act 120, Session Laws of Hawaii 2009 has certain issues that need to be addressed.

Among the issues that need to be addressed are:

1. Notice to persons or entities who may have an interest in land to be de-registered;
2. The effect of de-registration on condominium property regimes; and
3. Issues relating to coordination of the de-registration process between the Bureau of Conveyances which is under the Department of Land and Natural Resources; the Office of the



House Bill No. 2044, Relating to Bureau of Conveyances
House Committee on Consumer Protection and Commerce
Wednesday, February 19, 2014, 3:00 p.m.
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Registrar of the Land Court which is under the Judiciary and is responsible for the records of the land court applications; and the state land surveyor, which is under the Department of Accounting and General Services and is responsible for annotating and maintaining the land court maps.

The Judiciary does not take a position on the policy decision of whether registered property should be allowed to be de-registered, however, we feel that by extending the sunset date for the current de-registration process, additional properties may be de-registered under a process that has identified concerns that may affect clear title to properties that are de-registered.

If Act 120 is allowed to sunset, the process for de-registration will return to pre-Act 120 and require a court order. The Judiciary is committed to working with the various interested parties to address our concerns in developing new legislation that can be addressed in the next session.

Thank you for the opportunity to testify on House Bill No. 2044.

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February 18, 2014

Rep. Angus L.K. McKelvey, Chair
Rep. Derek S.K. Kawakami, Vice Chair
Members of the Committee on Consumer
Protection & Commerce
Twenty-Seventh Legislature
Regular Session, 2014

Re: H.B. 2044
Hearing on Feb. 19, 2014, 3:00 p.m.
Conference Room 325

Dear Chair, Vice-Chair and Members of the Committee:

My name is Charles Pear. I am a partner at McCorrison Miller Mukai MacKinnon. Intermittently over the past 15 years or so I have been working with the Bureau of Conveyances to streamline recordings of Land Court property. Some of this work has been done on behalf of my clients and other work (as with today) on a pro bono basis.

I support the bill.

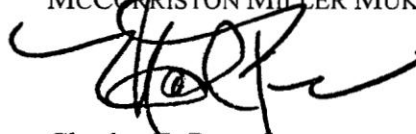
Act 120 of the 2009 Session Laws provided a means for removing or "deregistering" from the Land Court fee simple time share interests as well as other land not comprising a part of a time share plan. Act 121 of the 2012 Session Laws made deregistration of time share interests mandatory. Act 119 of the 2013 Session Laws simplified the mandatory deregistration of fee time share interests.

For the past year or so an informal working group has been discussing various issues pertaining to voluntary deregistration of land. This bill would permit voluntary deregistrations to take place while the working group continues its discussions.

Thank you for your kind consideration of this legislation. I would be happy to take any questions if you think that I may be of some small assistance.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP



Charles E. Pear, Jr.

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