

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committee on
CONSUMER PROTECTION & COMMERCE**

**Monday, March 24, 2014
2:10 P.M.
State Capitol, Conference Room 325**

**In consideration of
SENATE BILL 2233
RELATING TO BUREAU OF CONVEYANCES**

Senate Bill 2233 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

JESSE K. SOUKI
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
HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
DEAN H. SEKI, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
CONSUMER PROTECTION & COMMERCE
ON
March 24, 2014

S.B. 2233

RELATING TO BUREAU OF CONVEYANCES

Chair McKelvey and members of the Committee, thank you for the opportunity to submit written testimony on S.B. 2233.

The Department of Accounting and General Services supports S.B. 2233 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 & Commerce

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

Monday, March 24, 2014, 2:10 p.m.
State Capitol, Conference Room 325

by

Calvin Ching
Deputy Chief Court Administrator
First Circuit

Bill No. and Title: Senate Bill No. 2233, Relating to Bureau of Conveyances.

Purpose: Extends the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the deregistration 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 Senate Bill No. 2233.

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. These issues include:

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



Senate Bill No. 2233, Relating to Bureau of Conveyances
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of the 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 to opt out of Land Court. It should be noted that a court order is required for a property to be registered in Land Court.

The Judiciary is committed to continue 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 Senate Bill No. 2233.