

NEIL ABERCROMBIE  
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 Committees on  
CONSUMER PROTECTION & COMMERCE  
and  
JUDICIARY**

**Monday, March 24, 2014  
2:50 P.M.  
State Capitol, Conference Room 325**

**In consideration of  
SENATE BILL 2477, SENATE DRAFT 1  
RELATING TO LAND COURT**

Senate Bill 2477, Senate Draft 1 proposes to authorize the Office of the Assistant Registrar of the Land Court to create a master certificate of title for condominium or planned communities that are developed on land registered in Land Court. **The Department of Land and Natural Resources supports the intent of this measure.**

The creation of a master certificate for condominium or planned communities would simplify the operation of the Office of the Assistant Registrar by allowing a reference to the master certificate to be placed on each unit's certificate of title rather than noting all amendments, encumbrances or other actions on each certificate. The master certificate of title would indicate all notations affecting the condominium or planned community.

In 2013, there were over 200 condominiums or planned communities with greater than 100 units registered with the Office of the Assistant Registrar or registering amendments or other changes to their project. Within the current process, all the information from the master certificate would be noted on each unit's certificate of title. Additionally, all future amendments, encumbrances or other actions would need to be noted on each unit's certificate. If this legislation is enacted, the notation would be on the master certificate of title rather than on each individual unit's certificate of title. In 2013, the individual unit's certificates are estimated to be greater than 20,000.

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

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KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS



*The Judiciary, State of Hawai'i*

**Testimony to**  
**The House Committee on Consumer Protection and Commerce**  
Representative Angus L. K. McKelvey, Chair  
Representative Derek S. K. Kawakami, Vice Chair

**The House Committee on Judiciary**  
Representative Karl Rhoads, Chair  
Representative Sharon E. Har, Vice Chair

Monday, March 24, 2014, 2:50 p.m.  
State Capitol, Conference Room 325

By

Calvin Ching  
Deputy Chief Court Administrator  
First Circuit

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**Bill No. and Title:** Senate Bill No. 2477, S.D. 1, Relating to Land Court.

**Purpose:** Authorizes the use of a master certificate of title for common interest communities to simplify and streamline the operation of the land court.

**Judiciary's Position:**

The Judiciary respectfully takes no position on Senate Bill No. 2477, S.D. 1, however would like to provide comments. Under the current land court system, any amendments to documents governing a condominium or planned community must be noted on the certificate of title for each unit. This is to ensure that there is continuous chain of title.

The Judiciary would like point to a number of issues which are of concern:

1. Senate Bill No. 2477, S.D. 1 creates confusion in the undivided interest for condominium units should the undivided interest change for units; and



Senate Bill No. 2477, S.D. 1, Relating to Land Court  
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2. Section 2, subsection (c) states that the association of a common interest community, or any owner of a unit in a common interest community, may petition the court for issuance of a master certificate of title for that common interest community. However, it is not clear what court would approve a petition and what that process would be.

Although the Judiciary does not take a position on the policy decision, in lieu of adding a new section, HRS§ 501-75 should be amended to add a (a) New Transfer Certificate of Title to identify the project name Homeowners.

Thank you for the opportunity to testify on Senate Bill No. 2477, S.D. 1.

**LATE**

**kawakami3-Benigno**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 23, 2014 4:48 PM  
**To:** CPCtestimony  
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**SB2477**

Submitted on: 3/23/2014

Testimony for CPC/JUD on Mar 24, 2014 14:50PM in Conference Room 325

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eric M. Matsumoto	Individual	Comments Only	No

Comments: In trying to streamline the registration system, there are a few concerns, as follows: 1) How are individual certificates going to be handled to assure each is in the name of the rightful owner when property is transferred and tied in to the correct Master Certificate? 2) Mililani Town Assn has within its cognizance, other PCAs as defined under 421J. How are these going to be handled since not governed by 514A/B, yet still under MTA as the Master Assn, should it be decided by Bureau staff to include MTA in the Master Certificate Registration Program?

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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