

STAND. COM. REP. NO.

1334

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 423
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Judiciary and Labor, to which was referred
H.B. No. 423 entitled:

"A BILL FOR AN ACT RELATING TO BUREAU OF CONVEYANCES,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal the sunset date of Act 120, Session Laws of Hawaii 2009, which requires transactions regarding fee simple interests in time shares to be recorded in the Bureau of Conveyances and provides a mechanism for transferring the registration from the Land Court System to the Bureau of Conveyances.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources; American Resort Development Association Hawaii; SVO Pacific, Inc.; and Wyndham Vacation Ownership. The Judiciary and one individual submitted comments on this measure.

Your Committee finds that Act 120, Session Laws of Hawaii 2009, deregistered fee simple time share transactions from the Land Court system and established a procedure to move these transactions to the regular system in the Bureau of Conveyances. Your Committee further finds that the number of owners of a fee simple time share range from hundreds to thousands, with each owner holding a percentage interest in the time share property. The removal of fee simple time share transactions from the Land Court has eliminated the need to issue a certificate of title for each fee simple time share unit for each owner, has significantly



streamlined the registration process for fee simple time share interests, and has eased the backlog of recordings at the Land Court. Repealing the applicable sunset provision of Act 120, Session Laws of Hawaii 2009, as provided by this measure, will therefore permanently establish the streamlined process and ease the backlog of registering fee simple time share interests in the Land Court system.

Your Committee notes that Act 121, Session Laws of Hawaii 2012, established that deregistered land included deregistered fee time share interests, other fee time share interests, and voluntarily deregistered fee non-time share interests. Your Committee further notes the concerns raised by the Judiciary in written testimony regarding the sunset of the voluntary deregistration of non-time share fee simple interests and the current voluntary deregistration provisions. The Judiciary testified that while it supports making permanent the provisions of Act 120, Session Laws of Hawaii 2009, relating to the deregistration of fee time share interests, it would like to continue to seek improvements to the deregistration process for non-time share interests to ensure consistency.

Accordingly, your Committee has amended this measure by adopting the language suggested by the representative of SVO Pacific, Inc., that separates the voluntary deregistration of fee non-time share interests from the deregistration provisions under part II of chapter 501, Hawaii Revised Statutes, by:

- (1) Adding a purpose section to clarify the intent of this measure;
- (2) Establishing a separate process for the deregistration of registered land other than fee time share interests;
- (3) Making conforming amendments under chapter 501 and sections 634-51 and 636-3, Hawaii Revised Statutes, to appropriately reflect the separation of the deregistration of fee time share interests from the voluntary deregistration of registered land other than fee time share interests; and
- (4) Repealing the process for the deregistration of registered land other than fee time share interests on December 31, 2014.



As affirmed by the record of votes of the members of your Committee on Judiciary and Labor that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 423, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 423, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary and
Labor,



CLAYTON HEE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* HB 423	Committee Referral: CPN, JDL	Date: 3/28/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="checked" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
GABBARD, Mike	✓			
IHARA, Jr., Les				✓
SLOM, Sam				✓
TOTAL	3			2
Recommendation: <input checked="checked" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: _____				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes