

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 914
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 Commerce and Consumer Protection, to which was referred S.B. No. 914 entitled:

"A BILL FOR AN ACT RELATING TO TIME SHARE CONVEYANCES,"

begs leave to report as follows:

The purpose and intent of this measure is 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.

Your Committee received testimony in support of this measure from Disney Vacation Development, Inc.; SVO Pacific, Inc.; Wyndham Vacation Ownership; and American Resort Development Association - Hawaii.

Your Committee finds that deeds of timeshare interests in Hawaii timeshare plans must be notarized in order to be recordable. Although this is not typically a problem for deeds signed in Hawaii or in other states, it can pose a problem in jurisdictions outside of the United States in which notaries public are not common. Furthermore, the existing process for recordation of deeds signed outside the United States is cumbersome and can be expensive.



This measure helps streamline the process for consumers who are located abroad and wish to purchase a time share property in Hawaii by authorizing the Governor to appoint commissioners of deeds. This measure permits a commissioner of deeds to take acknowledgements and proofs of execution of a consumer's signature on all necessary paperwork and enables the document to be properly recorded in accordance with Hawaii law. This will facilitate the sale of timeshare units located in Hawaii and benefit Hawaii properties and businesses.

Your Committee has received language from the time share industry that offers greater consumer protection, including notice requirements, bonding, and liability issues. Your Committee concludes that amendments to this measure are necessary to incorporate these consumer protections.

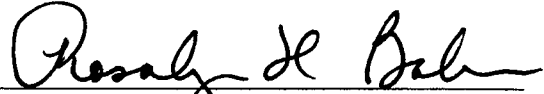
Accordingly, your Committee has amended this measure by:

- (1) Clarifying that the new chapter on time share commissioners of deeds shall not be construed as repealing or amending chapter 502, Hawaii Revised Statutes;
- (2) Requiring a commissioner of deeds to provide consumers a written notice informing consumers they may have rights under Hawaii law, and allowing the Lieutenant Governor to establish penalties by rule for failure of a commissioner to provide written notice;
- (3) Establishing bonding requirements for commissioners of deeds;
- (4) Specifying liabilities and limitations on liabilities for commissioners of deeds; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 914, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 914, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,

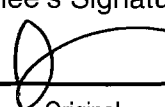


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 914	TIA, CPN	2/21/13		
<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="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
TANIGUCHI, Brian T.				✓
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes