

# SB 2233

Measure Title: RELATING TO BUREAU OF CONVEYANCES.

Report Title: Deregistration; Bureau of Conveyances; Fee Non-time Share Interests; Fee Time Share Interests

Description: 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.

Companion: HB2044

Package: None

Current Referral: CPN/JDL

Introducer(s): BAKER

NEIL ABERCROMBIE  
GOVERNOR



Dean H. Seki  
Comptroller

Maria E. Ziellinski  
Deputy Comptroller

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  
SENATE COMMITTEES  
ON  
COMMERCE AND CONSUMER PROTECTION  
AND  
JUDICIARY AND LABOR  
ON  
February 11, 2014

S.B. 2233

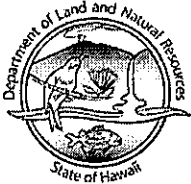
RELATING TO BUREAU OF CONVEYANCES

Chair Baker, Chair Hee, and members of the Committees, 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.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**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  
KAIHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

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

**Before the Senate Committees on  
COMMERCE AND CONSUMER PROTECTION  
and  
JUDICIARY AND LABOR**

**Tuesday, February 11, 2014  
9:30 A.M.  
State Capitol, Conference Room 229**

**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.



*The Judiciary, State of Hawaii*

**Testimony to the Senate Committee on Commerce and Consumer Protection**

Senator Rosalyn H. Baker, Chair  
Senator Brian T. Taniguchi, Vice Chair

and

**Senate Committee on Judiciary and Labor**

Senator Clayton Hee, Chair  
Senator Maile S.L. Shimabukuro, Vice Chair

Tuesday, February 11, 2014, 9:30 a.m.  
State Capitol, Conference Room 229

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 issue that need to be addressed.



Senate Bill No. 2233, Relating to Bureau of Conveyances  
Senate Committee on Commerce and consumer Protection  
Senate Committee on Judiciary and Labor  
Tuesday, February 11, 2014  
Page 2

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 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 Senate Bill No. 2233.

McCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

CHARLES E. PEAR, JR.

DIRECT #S:  
PHONE - (808) 223-1212  
FAX - (808) 535-8029  
E-MAIL - PEAR@M4LAW.COM

February 10, 2014

Sen. Rosalyn H. Baker, Chair  
Sen. Brian T. Taniguchi, Vice Chair  
Members of the Committee on Commerce  
and Consumer Protection  
Twenty-Seventh Legislature  
Regular Session, 2014

Sen. Clayton Hee, Chair  
Sen. Maile S.L. Shimabukuro, Vice Chair  
Members of the Committee on Judiciary and Labor  
Twenty-Seventh Legislature  
Regular Session, 2014

Re: S.B. 2233  
Hearing on February 11, 2014, 9:30 a.m.  
Conference Room 229

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.

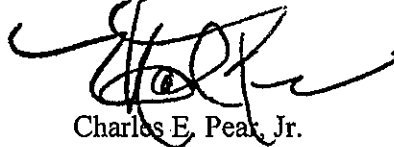
Act 120 of the 2009 Session Laws provided a means for removing or "deregistering" from the Land Court fee simple time share interests as well as other land not comprising a part of a time share plan. Act 121 of the 2012 Session Laws made deregistration of time share interests mandatory. Act 119 of the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

P. O. Box 2800 • Honolulu, Hawai'i 96803-2800  
Five Waterfront Plaza, 4<sup>th</sup> Floor • 500 Ala Moana Boulevard • Honolulu, Hawai'i 96813  
Telephone: (808) 529-7300 • Fax: (808) 524-8293 • E-mail: info@m4law.com