

STAND. COM. REP. NO. 1307-16

Honolulu, Hawaii

March 24, 2016

RE: S.B. No. 2660

H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2660, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to make permanent section 501-261.5, Hawaii Revised Statutes, which authorizes owners of registered non-time share interests to deregister those interests from the Land Court system.

Specifically, this measure removes the sunset date of December 31, 2016, set forth in section 13 of Act 119, Session Laws of Hawaii 2013, as amended by Act 47, Session Laws of Hawaii 2014.

The Department of Land and Natural Resources and the American Resort Development Association Hawaii submitted testimony in support of this measure.

Your Committee finds that, during the Regular Session of 2013, the Legislature required that all time share interests be deregistered from recordation in the Land Court system and, instead, be recorded in the Bureau of Conveyances' system. The Legislature also authorized the voluntary deregistration of non-time share interests from recordation in the Land Court system, which is codified as section 501-261.5, Hawaii Revised Statutes.



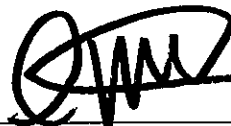
However, the Legislature established a sunset date for section 501-261.5, Hawaii Revised Statutes, which is currently set as December 31, 2016.

Your Committee believes that allowing section 501-261.5, Hawaii Revised Statutes, to sunset will cause the recordation of fee interests to become unnecessarily complex. For example, a single development project that contains both time share and non-time share units would be required to record some parts of the project in the Land Court system and other parts of the project in the Bureau of Conveyances' system. Repealing the sunset date of section 501-261.5, Hawaii Revised Statutes, will permanently allow developers to withdraw entire projects from the Land Court system and record the ownership of each unit in the Bureau of Conveyances' system, which will help to avoid needless complexity in legal documentation.

Your Committee has amended this measure by changing the effective date from July 1, 2051, to upon approval.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2660, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2660, H.D. 2.

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



ANGUS L.K. MCKELVEY, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2660 HD1	Committee Referral: WAL, CPC, FIN	Date: 3-23-16.		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. WOODSON, Justin H. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CREAGAN, Richard P.	/			
6. HAR, Sharon E.	/			
7. HASHEM, Mark J.	/			
8. KAWAKAMI, Derek S.K.				/
9. LEE, Chris	/			
10. NAKASHIMA, Mark M.	/			
11. OSHIRO, Marcus R.				/
12. SAN BUENAVENTURA, Joy A.	/			
13. TAKAYAMA, Gregg	/			
14. YAMANE, Ryan I.	/			
15. FUKUMOTO CHANG, Beth	/			
16. McDERMOTT, Bob	/			
TOTAL (16)	14.	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				