

HB2090 HD2

Measure Title: RELATING TO LAND COURT.

Report Title: Fee Time Share Interests; Land Court; Bureau of Conveyances; Deregistration

Description: Streamlines the operations of the Office of the Assistant Registrar of the Land Court by removing the requirement that the Assistant Registrar certify pending certificates of title for fee time share interests. (HB2090 HD2)

Companion:

Package: None

Current Referral: CPH, JDL

Introducer(s): YAMANE

DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON P.E.
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
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
SUZANNE D. CASE
Chairperson

Before the Senate Committee on
COMMERCE, CONSUMER PROTECTION AND HEALTH

Wednesday, March 16, 2016
9:00 A.M.
State Capitol, Conference Room 229

In consideration of
HOUSE BILL 2090, HOUSE DRAFT 2
RELATING TO LAND COURT

House Bill 2090, House Draft 2 proposes to streamline the operations of the Office of the Assistant Registrar of the Land Court by removing the requirement that the Assistant Registrar certify pending certificates of title for fee time share interests. **The Department of Land and Natural Resources supports this measure with the amendments made in House Draft 2.**



March 16, 2016

TO: COMMERICE, CONSUMER PROTECTION AND HEALTH
COMMITTEE
Senator Rosalyn H. Baker, Chair
Senator Michelle N. Kidani, Vice-Chair

FR: Henry Perez, President – via Blake Oshiro, Executive Director
American Resort Development Association

RE: H.B. 2090, H.D. 2 Relating to Land Court
Position: Support

Dear Chair Baker, Vice-Chair Kidani and members,

The American Resort Development Association (ARDA) Hawaii, the local chapter of the national timeshare trade association, supports House Bill (HB) 2090, House Draft (HD) 2, which streamlines the operations of the office of the assistant registrar of the land court by removing the requirement that the assistant registrar certify pending certificates of title for fee time share interests. This certification is no longer necessary since these pending certificates were removed from the land court system as of July 1, 2012.

The joint legislative investigative committee established pursuant to Senate Concurrent Resolution No. 226, regular session 2007, identified serious shortcomings relating to the Bureau of Conveyances. Act 120, Session Laws of Hawaii 2009, was adopted in response to the findings of the committee. Act 120 was intended to ease the backlog in land court recording and registration by, among other things, transferring fee simple time share interests from the land court system to the regular system.

Act 120 required that, upon presentation of a deed or any other instrument affecting a fee time share interest, the assistant registrar of the land court was to:

- (1) Update the certificate of title for all fee time share interests in the time share plan;
- (2) Record in the regular system the updated certificate of title for each fee time share interest in the time share plan;
- (3) Record in the regular system the deed or other instrument presented for recording; and

- (4) Cancel the certificate of title for each fee time share interest in the time share plan.

Once the certificate of title for a fee time share interest was recorded, that time share interest was no longer subject to the land court. This process is known as deregistration of fee time share interests.

Through Act 121, Session Laws of 2012, the legislature found that the task of updating and recording the certificates of title for all fee time share interests concurrently had exceeded the capacity of the land court, particularly in light of the approximately three-year backlog of land court recordings and registration existing at the time that Act 120 took effect. Accordingly, Act 121 was adopted to amend the deregistration procedure by removing fee time share interests from the land court system as of July 1, 2012.

The assistant registrar was charged with the obligation to certify the certificates of title for all fee time share interests in the ordinary course of business. This was intended to lighten the load of the assistant registrar in the preparation and certification of the certificates of title for fee time share interests without delaying the removal of the fee time share interests from the land court system.

However, the requirement that the assistant registrar certify all of the then-remaining uncertified fee time share certificates of title remained burdensome in light of resource limitations and the demands of new transactions on the office of the assistant registrar.

Therefore, ARDA supports HB 2090 HD2. Thank you for the opportunity to submit testimony.

**Testimony of
Gary M. Slovin / Mihoko E. Ito
on behalf of
Wyndham Vacation Ownership**

DATE: March 15, 2016

TO: Senator Rosalyn Baker
Chair, Committee on Commerce, Consumer Protection, and Health
Submitted Via CPHTestimony@capitol.hawaii.gov

RE: **H.B. 2090, H.D. 2 – Relating to Land Court**
Hearing Date: Wednesday, March 16, 2016 at 9:00 a.m.
Conference Room: 229

Dear Chair Baker and Members of the Committee on Commerce, Consumer Protection, and Health:

We submit this testimony on behalf of Wyndham Vacation Ownership. Wyndham offers individual consumers and business-to-business customers a broad suite of hospitality products and services through its portfolio of world-renowned brands. Wyndham Vacation Ownership has a substantial presence in Hawaii through its Wyndham Vacation Resorts and WorldMark by Wyndham and Shell Vacations brands.

Wyndham **supports** H.B. 2090, H.D. 2, which streamlines the operations of the office of the assistant registrar of the land court by removing the requirement that the assistant registrar certify pending certificates of title for time share fee interests.

In 2009, the Legislature acted to deregister time share interests from land court to the regular system (Act 120, Session Laws of Hawaii 2009). Since that time, there has been a significant backlog in completing the deregistration process, due to the procedural requirement that each certificate of title had to be updated. This measure will serve to accomplish the intent of the original 2009 law and to streamline the deregistration process by eliminating the certification requirement.

For these reasons, we support H.B. 2090, H.D. 2 and respectfully ask the committee to pass the bill.

Thank you for the opportunity to submit testimony on this measure.

Gary M. Slovin
Mihoko E. Ito
C. Mike Kido
Tiffany N. Yajima

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