

OFFICE OF THE LIEUTENANT GOVERNOR
STATE OF HAWAII
STATE CAPITOL
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR

**TESTIMONY OF THE
OFFICE OF THE LIEUTENANT GOVERNOR
TO THE
HOUSE COMMITTEE ON FINANCE**

**SENATE BILL 2910, SENATE DRAFT 2, HOUSE DRAFT 1
Relating to Time Share Commissioners of Deeds**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

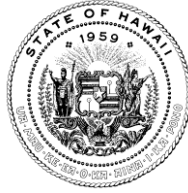
The Office of the Lieutenant Governor supports Senate Bill 2910, Senate Draft 2, House Draft 1, Relating to Time Share Commissioners of Deeds. This measure adds new sections to chapter 503B, Hawaii Revised Statutes to clarify the Lieutenant Governor's rulemaking authority; authorizes the Lieutenant Governor to assess and collect fees and administrative fines; clarifies that the Lieutenant Governor is responsible for the commissioners of deeds program; increases the surety bond requirement from \$1,000 to \$10,000; and appropriates funds.

Act 277, SLH 2013 (now codified as Chapter 503B, HRS) established the Time Share Commissioners of Deeds Program within the Office of the Lieutenant Governor. Act 277 requires the Office of the Lieutenant Governor to establish a process for the Governor to appoint individuals to serve as 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 time share interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within Hawaii.

Preparing for the implementation of the law and to address concerns with the law, a working group consisting of the Office of the Lieutenant Governor, the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Bureau of Conveyances, and members of the time share industry was convened and met on multiple occasions over the course of several months to discuss and analyze the law and draft proposed administrative rules. Although substantial progress has been made to draft administrative rules for the program's implementation, it was determined that additional legislation and authorization is necessary prior to implementation. This measure addresses those issues and will provide the Office of the Lieutenant Governor with the necessary authority and clarification to properly and effectively implement the law.

At the moment, fiscal impact and impact on the state economy are unknown as the program cannot be fully implemented without these amendments. The Office of the Lieutenant Governor supports SB 2910, SD2, HD1 and respectfully urges the passage of this bill.

Thank you for the opportunity to testify.



DAVID Y. IGE
GOVERNOR
SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET, ROOM 310
P.O. Box 541
HONOLULU, HAWAII 96809
Phone Number: 586-2850
Fax Number: 586-2856
cca.hawaii.gov

CATHERINE P. AWAKUNI COLÓN
DIRECTOR
JO ANN M. UCHIDA TAKEUCHI
DEPUTY DIRECTOR

**PRESENTATION OF THE
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS**

TO THE HOUSE COMMITTEE ON FINANCE

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016
Friday, April 1, 2016
1:00 p.m.

WRITTEN COMMENTS ONLY

**TESTIMONY ON SENATE BILL NO. 2910, S.D. 2, H.D. 1, RELATING TO TIME
SHARE COMMISSIONERS OF DEEDS.**

TO THE HONORABLE SYLVIA LUKE, CHAIR,
AND MEMBERS OF THE COMMITTEE:

The Department of Commerce and Consumer Affairs ("Department") appreciates the opportunity to testify in support of Senate Bill No. 2910, S.D. 2, H.D. 1, Relating to Time Share Commissioners of Deeds. My name is Catherine Awakuni Colón, Director of Commerce and Consumer Affairs.

This bill adds a number of provisions aimed at clarifying the role and authority of the Lieutenant Governor ("Lt. Gov.") in administering the time share commissioners of deeds program under Chapter 503B, Hawaii Revised Statutes.

The Department supports the Legislature's efforts to provide the Lt. Gov. clear authority to perform functions that will support the administration of this program.

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

DAVID Y. IGE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
FINANCE

Friday, April 1, 2016
1:00 P.M.
State Capitol, Conference Room 308

In consideration of
SENATE BILL 2910, SENATE DRAFT 2, HOUSE DRAFT 1
RELATING TO TIME SHARE COMMISSIONERS OF DEEDS

Senate Bill 2910, Senate Draft 2, House Draft 1 proposes to: 1) clarify the Lieutenant Governor's rulemaking authority relating to Commissioners of Deeds; 2) authorize the Lieutenant Governor to assess and collect fees and administrative fines; 3) clarify that the Lieutenant Governor is responsible for the Commissioners of Deeds Program; and 4) increase the surety bond requirement for commissioners of deeds and appropriate funds. **The Department of Land and Natural Resources (Department) supports this Administration measure.**

As a result of Act 277, Session Laws of Hawaii 2013, which authorized the establishment of the Commissioners of Deeds Program within the Office of the Lieutenant Governor, in 2014 representatives from the Department's Bureau of Conveyances participated in an informal working group to prepare rules implementing the Commissioner of Deeds Program.

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

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
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-EIGHTH LEGISLATURE, 2016**

ON THE FOLLOWING MEASURE:

S.B. NO. 2910, S.D. 2, H.D. 1 RELATING TO TIME SHARE COMMISSIONERS OF DEEDS.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Friday, April 1, 2016

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Diane Erickson, Deputy Attorney General

Chair Luke and Members of the Committee:

The Department of the Attorney General supports this bill, which is intended to make changes to chapter 503B, Hawaii Revised Statutes, to streamline its implementation, including clarifying the Lieutenant Governor's responsibility for the commissioners of deeds program. The commissioners of deeds program was established to make it easier for, but at the same time protect, consumers outside the United States to purchase time share properties located in the State of Hawaii.

As noted in section 1 of the bill, the Department of the Attorney General worked with the Office of the Lieutenant Governor and other agencies to streamline and add protections to chapter 503B.

Thank you for the opportunity to testify on this bill.



April 1, 2016

TO: COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice-Chair

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

RE: SB 2910 SD2, HD1 Relating to Time Share Commissioners of Deeds
Position: Support

Dear Chair Luke, Vice Chair Nishimoto, and members,

The American Resort Development Association (ARDA) Hawaii, the local chapter of the national timeshare trade association, supports SB 2910 SD2, HD1. This is an Administration bill that provides fees and fines associated with oversight of the commissioners, with the responsibilities housed within the Lieutenant Governor (LG)'s Office. The bill also clarifies and authorizes the LG's rule-making authority to administer and implement this chapter.

We note that this measure is substantially similar to last session's HB 1219, HD1, SD1 that did not pass last session's conference committee. The main difference in this version is that there is no longer the creation of a revolving fund to provide the resources for the position and expenses associated with this function. Instead, fees and fines go into the general fund, and funding for the office comes from the general fund.

Session Laws 2013 Act 277 was codified as Haw. Rev. Statutes Chapter 503B and established the Time Share Commissioner of Deeds. The funding for that position was placed in the supplemental budget for one position to administer the program, but was not re-appropriated since that time. However, as this is a function that is and will be ongoing, ARDA supports this bill since it appropriates funds for the position.

Thank you for the opportunity to submit testimony in support of SB 2910 SD2, HD1.

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

DATE: March 30, 2016

TO: Representative Sylvia Luke
Chair, Committee on Finance

Submitted Via FINtestimony@capitol.hawaii.gov

RE: **S.B. 2910, S.D.2, H.D.1 – Relating to Time Share Commissioners of Deeds
Hearing Date: Friday, April 1, 2016 at 1:00 p.m.
Conference Room: 308**

Dear Chair Luke and Members of the Committee on Finance:

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** S.B. 2910, S.D.2, H.D.1, which adds new sections to chapter 503B, Hawaii Revised Statutes to clarify that the Lieutenant Governor is responsible for the program. The bill further increases the surety bond requirement from \$1,000 to \$10,000 and provides funds to administer the Commissioners of Deeds program.

Wyndham supports the bill because the proposed amendments to the Commissioners of Deeds program will streamline the process for consumers located outside the United States who wish to purchase timeshare properties in Hawaii and includes protections for the consumers as well.

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

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

999 Bishop Street, Suite 1400
Honolulu, HI 96813
(808) 539-0840

McCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

CHARLES E. PEAR, JR.
ATTORNEY AT LAW

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

March 31, 2016

Rep. Sylvia Luke, Chair
Rep. Scott Y. Nishimoto, Vice Chair
Members of the House Committee on
Finance
Twenty-Eighth Legislature
Regular Session, 2016

Re: S.B. 2910, S.D. 2, H.D. 1
Hearing on April 1, 2016, 1:00 p.m.
Conference Room 308

Dear Chair, Vice Chair and Members of the Committee:

My name is Charles Pear. I am appearing as legislative counsel for ARDA Hawaii.

ARDA Hawaii supports the bill.

Deeds of timeshare interests in Hawai'i timeshare plans must be notarized in order to be recordable. Typically, this is not a problem for deeds signed in Hawai'i or in other states. However it can pose a problem in jurisdictions outside of the U.S. in which notaries are not common. It can also pose a problem on cruise ships where there are no notaries.

In 2013, the Legislature adopted Chapter 503B, HRS. It revived former Chapter 503, HRS, which grants the Governor the authority to appoint "Commissioners of Deeds." Commissioners of Deeds would have the authority to acknowledge the execution of timeshare conveyance documents (e.g., deeds, mortgages, etc.) for Hawai'i timeshares outside of the United States (e.g., in foreign countries) and on cruise ships.

In 2014, the Office of the Lt. Governor established an informal working group that was very ably chaired by Jayson Watts of the Office of the Lt. Governor. Other participants included representatives of the time share industry (Disney, Marriott and Wyndham) as well as representatives of the Office of the Attorney General, the Department of Commerce and Consumer Affairs, and the Bureau of Conveyances.

This effort resulted in the preparation of proposed Rules implementing the Commissioner of Deeds program. By October 6, 2014, the proposed Rules had received approvals by all necessary departments and agencies, and the Governor approved the publication of the Rules for

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

Chair, Vice Chair and Members,
House Committee on Finance
March 31, 2016
Page 2

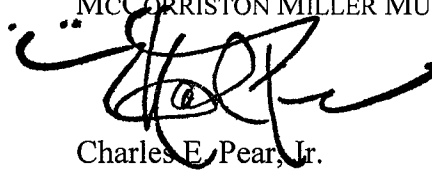
final adoption. The time share industry is, of course, eager to complete this process and implement the program.

During its deliberations, the working group identified a number of areas where Chapter 503B could be clarified or otherwise enhanced. We understand that the bill currently under consideration is intended to include those enhancements, and we support the revisions proposed.

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

A handwritten signature in black ink, appearing to read 'Charles E. Pear, Jr.', is written over the printed name below.

Charles E. Pear, Jr.

CEP:kn



9002 San Marco Court
Orlando, Florida 32819
(407) 418-7271



April 1, 2016

To: Honorable Sylvia Luke, Chair
Honorable Scott Nishimoto, Vice Chair
House Committee on Finance

RE: **SB 2910 SD2 HD1 – Relating to Time Share Commissioners of Deeds – In Support**
Conference Room 308; 1:00 PM; **Agenda #2**

Chair Luke, Vice Chair Nishimoto and members of the committee:

Starwood Vacation Ownership (“Starwood”) appreciates the opportunity to offer testimony in support of SB 2910 SD2 HD1. This measure clarifies the Lieutenant Governor’s rulemaking authority relating to commissioner of deeds and authorizes the Lieutenant Governor to assess and collect fees and administrative fines while overseeing the program. Furthermore, this measure increases the surety bond requirement for commissioners of deeds.

SB 2910 SD2 HD1 will ensure a more efficient process for consumers purchasing timeshare property in Hawaii by implementing and funding the commissioner of deeds program that has already been established. Starwood Vacation Ownership is in support of this measure.

Thank you for the opportunity to testify on SB 2910 SD2 HD1.

Robin Suarez
Vice President/General Counsel
Starwood Vacation Ownership