

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
WATER & LAND

Wednesday, March 15, 2017
10:30 A.M.
State Capitol, Conference Room 325

In consideration of
SENATE BILL 987, SENATE DRAFT 1
RELATING TO RECORDATION TRANSACTION FEES

Senate Bill 987, Senate Draft 1 proposes to amend Act 120, Session Law of 2009 (Act 120), to: 1) apply the \$5 transaction fee now being collected on each recording in the Bureau of Conveyances (Bureau) to include collection on each filing in the Land Court; 2) expanding the uses of this transaction fee for records management improvements; and 3) clarifying the repeal date. **The Department of Land and Natural Resources (Department) strongly supports this Administration measure.**

Act 120 intended to provide the necessary funding to correct serious shortcomings at the Bureau identified by the Joint Legislative Investigative committee under Senate Concurrent Resolution No. 226 (2007). To date, as a result of the Act, the Bureau has significantly improved the automation and integrity of the recording process, establishing web and digital access to parts of the Bureau's database and records, and created the portal and process for the electronic recording of documents. Future key improvement projects include completing digitizing, protecting and accessibility to the Bureau's records and maps, enhancing the Land Records Management System that processes an estimated 325,000 documents recorded annually, and establishing a critical disaster recovery plan that can continue the Bureau's operation in times of an emergency.

This bill proposes to expand the source and authorized use of these transaction funds to address many of the evolving issues that the Bureau now faces: improving digitization; resolving critical operational shortfalls with the current Land Records Management System; improving workflow processes for both daily and historical records certification; and preserving physical records.

Additionally, this bill proposes to clarify repeal on the earlier to occur of a designated sunset date or the date a transaction fee is established in the Bureau's administrative rules.

Thank you for the opportunity to comment 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
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March 15, 2017

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ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

ELLEN E. KITAMURA, P.E.
Deputy Manager and Chief Engineer *EL*

The Honorable Ryan I. Yamane, Chair
and Members
Committee on Water & Land
House of Representatives
Hawaii State Capitol, Room 420
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Yamane and Members:

Subject: Senate Bill 987, Senate Draft 1 Relating to Recordation Transaction Fees

We support Senate Bill 987, Senate Draft 1(SD1). This measure will allow the Bureau of Conveyances (BOC) and the Office of the Assistant Registrar (OAR) of the Land Court to continue the improvements started under Act 120, Session Laws of Hawaii 2009; further BOC's digitization, preservation and automation efforts for recorded documents and maps regarding property ownership in the State of Hawaii; support the modernization of BOC and OAR systems and operations and increase accessibility to public records.

As BOC is the State's only office that is responsible for all property ownership documents and maps, it is imperative that proper funding be provided so that BOC can continue to fulfill its mission of providing timely, accurate, permanent and accessible recordings of documents and maps.

Thank you for your consideration of our testimony on Senate Bill 987, SD1.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

The Honorable Representative Ryan Yamane, Chair
The Honorable Representative Sam Kong, Vice Chair
Members of the House of Representatives Committee on Water & Land

Conference Room 325, State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: S.B. 987, SD1, Relating to Recordation Transaction Fees

HEARING: Wednesday, March 15, 2017, at 10:30 a.m.

Dear Chair Yamane, Vice Chair Kong and members of the House of Representatives
Committee on Water & Land,

My name is Diana Allen, Counsel at First American Title Company, Inc.

I am testifying in support of S.B. 987, SD1.

This bill will allow the Bureau of Conveyances (Bureau) to continue the intended technological, operational and physical improvements started under Act 120. We support the further modernization of Hawaii's recording system and both systems (Land Court and Regular system) having the ability to handle all recordings electronically. This bill would provide funding which would allow for a streamlined the recording system, the preservation of vital records and increased efficiencies for the Bureau and the general public. Additionally, the general public would benefit from simplified, consistent fee structures between the two systems.

Thank you very much for the opportunity to provide testimony in support of this measure.

Diana Allen, First American Title Company, Inc.

Diallen@firstam.com

808-206-8469



The Honorable Representative Ryan Yamane, Chair
The Honorable Representative Sam Kong, Vice Chair
Members of the House of Representatives Committee on Water & Land

Conference Room 325, State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Re: S.B. 987, SD1, Relating to Recordation Transaction Fees

HEARING: Wednesday, March 15, 2017, at 10:30 a.m.

Dear Chair Yamane, Vice Chair Kong and Members of the House of Representatives Committee on Water & Land:

On behalf of the (HLTA) Hawaii Land Title Association, we support this measure in order to have a consistent recording fee for both recording systems since the intent of the Bureau's modernization improvements is to ensure accurate and updated reporting results.

Thank you very much for this opportunity to provide testimony in support of this measure.

Sincerely and respectfully,

Harry Kanehailua – HLTA President

The Honorable Representative Ryan Yamane, Chair
The Honorable Representative Sam Kong, Vice Chair
Members of the House of Representatives Committee on Water & Land

Conference Room 325, State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: S.B. 987, SD1, Relating to Recordation Transaction Fees

HEARING: Wednesday, March 15, 2017, at 10:30 a.m.

Dear Chair Yamane, Vice Chair Kong and members of the House of Representatives
Committee on Water & Land,

My name is William Turner. As someone who works in the Hawaii title industry, I am
testifying in support of S.B. 987, SD1.

This bill will allow the Bureau of Conveyances (Bureau) to continue the improvements
started under Act 120 and to further their digitization, preservation and automation
efforts for recorded documents as well as to support the modernization of the Bureau's
systems, operations and increased accessibility to the public records. Being the State's
only recording office which is responsible for all documents regarding property
ownership in the State of Hawaii, it is imperative that proper funding that this bill can
provide is continued to ensure the Bureau's mission of timely, accurate, permanent and
accessible recordings of documents and maps for the entire State.

Thank you very much for the opportunity to provide testimony in support of this
measure.

William Turner
Data Trace
Data Quality Analyst
Data Trace
733 Bishop Street, Suite 1565
Honolulu, HI 96813

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kong2 - Crystal

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 11, 2017 12:59 PM
To: waltestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB987 on Mar 15, 2017 10:30AM*

SB987

Submitted on: 3/11/2017

Testimony for WAL on Mar 15, 2017 10:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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kong2 - Crystal

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 8:56 AM
To: waltestimony
Cc: mhoverson@hawaii.rr.com
Subject: Submitted testimony for SB987 on Mar 15, 2017 10:30AM

SB987

Submitted on: 3/13/2017

Testimony for WAL on Mar 15, 2017 10:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
martha hoverson	Individual	Support	No

Comments: I support this bill in order to improve access to the Bureau's records.

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kong2 - Crystal

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 10:56 AM
To: waltestimony
Cc: marybetsybithkaulana@gmail.com
Subject: Submitted testimony for SB987 on Mar 15, 2017 10:30AM

SB987

Submitted on: 3/13/2017

Testimony for WAL on Mar 15, 2017 10:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Delos Santos	Individual	Support	No

Comments: While I am not qualified to give an opinion as to the amount of revenue that must be generated in order to fully implement the digitization of the Bureau of Conveyances' and Assistant Registrar's records, secured maintenance of the digital archive, and restoration and maintenance of the original sources, I am in full support of those aims, which passage of this bill will help accomplish. The deterioration of many of the original books (containing documents and indexes) has reached an appalling level. I was very heartened when I first learned that steps were being taken to digitize their contents, and restore and preserve the books themselves. As a government (City) employed abstractor, most of the research I and my colleagues (both City and State abstractors) do involves reviewing the indexes and documents that are housed at the Bureau of Conveyances (private title companies, as you probably know, have long since digitized these resources). Ironically, the compromise of these resources considerably impacts the government's own ability to conduct research of land titles. The ready availability of these resources to the general public must be safeguarded; those with limited resources, who are not able afford the costly services of title companies or attorneys, would be most seriously impacted. Thank you.

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The Honorable Representative Ryan Yamane, Chair
The Honorable Representative Sam Kong, Vice Chair
Members of the House of Representatives Committee on Water & Land

Conference Room 325, State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: S.B. 987, SD1, Relating to Recordation Transaction Fees

HEARING: Wednesday, March 15, 2017, at 10:30 a.m.

Dear Chair Yamane, Vice Chair Kong and members of the House of Representatives
Committee on Water & Land,

I work in the library and archives field (at Bishop Museum) and attended an excellent session this last year given by Les Kobata for the Association of Hawaii Archivists about the work of the Bureau of Conveyances. As someone working in a field where preservation, digitization, and modernization are vital endeavors (and for which there is often a lack of funds), I am testifying in support of S.B. 987, SD1.

This bill will allow the Bureau of Conveyances (Bureau) to continue the improvements started under Act 120 and to further their digitization, preservation, and automation efforts for recorded documents as well as to support the modernization of the Bureau's systems, operations, and increased accessibility to the public records. Being the state's only recording office which is responsible for all documents regarding property ownership in the state of Hawaii, it is imperative that proper funding that this bill can provide is continued to ensure the Bureau's mission of timely, accurate, permanent, and accessible recordings of documents and maps for the entire state.

Thank you very much for the opportunity to provide testimony in support of this measure.

Mahalo and aloha,
Tia Reber
tia.reber@gmail.com

The Honorable Senator Karl Rhoads, Chair
The Honorable Senator Mike Gabbard, Vice Chair
Members of the Senate Committee on Water and Land

Conference Room 414, State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: S.B. 987, Relating to Recordation Transaction Fees

HEARING: Wednesday, February 15, 2017, at 3:00 p.m.

Dear Chair Rhoads, Vice Chair Gabbard, members of the Senate Committee on Water and Land,

I am Linda Sasaki and have been title searching for about 40 years.

I am testifying in support to S.B. No. 987

Whenever something is wonderfully great, everyone wants a “piece of the action.” That “wonderfully great” is the State of Hawaii or more specifically Hawaii lands. In my 40 years of title searching I have witness many events involving getting that “piece of the action.” Whether they are large corporations, private individuals/investors or obscure descendants of Hawaiian title, the Bureau of Conveyances is the only record source available to resolve this.

The duty of the State of Hawaii Bureau of Conveyances to the public is paramount to maintain and preserve that accuracy and accessibility. I have experienced the pages of the old Grantor/Grantee books falling out and wondered and feared the possibility of missing pages. I’ve also witnessed a distraught and offended person, searching her family title, try to tear out a page for a perceived “misinformation” but was thankfully prevented by a watchful State worker.

When the current Bureau of Conveyance first opened there was enough space for work tables and easy access to the books. The heavy large books are mounted on roller shelves, for easy pull out, has now fallen into disrepair. Coupled with the loss of space, due to the storing of more information, some of these shelves are located, at most, a 2 feet distance from people sitting at the computer stations or standing work tables - a safety hazard and an accident waiting to happen. I’ve fumbled and dropped these books, locate on the top shelves, on my head a few times trying to leverage out the higher placed books without accidentally dropping it on the seated person.

These books and their pages have gotten a bit warped and ragged due to wear and tear and the many decades that the public would generously lick their fingers to turn the pages – a sanitary problem at most? They become even more damaged because they’ve gotten thicker, the covers torn and misshapen due to the pubic forcefully stuffing them back into the shelves.

Digitization and automation and the continual update and improvement of the Bureau of Conveyances would resolve the permanent preservation, accuracy and **safe and easy** accessibility of the land title records and the maps for the State of Hawaii

Thank you very much for the opportunity to provide testimony in support of this measure.

Linda Sasaki
Lsasaki2@hbws.org

kong2 - Crystal

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 9:35 PM
To: waltestimony
Cc: jasfcartw@gmail.com
Subject: Submitted testimony for SB987 on Mar 15, 2017 10:30AM

SB987

Submitted on: 3/13/2017

Testimony for WAL on Mar 15, 2017 10:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
James F. Cartwright	Individual	Support	No

Comments: The Honorable Representative Ryan Yamane, Chair The Honorable Representative Sam Kong, Vice Chair Members of the House of Representatives Committee on Water & Land Conference Room 325, State Capitol 415 South Beretania Street Honolulu, Hawaii 96813 RE: S.B. 987, SD1, Relating to Recordation Transaction Fees HEARING: Wednesday, March 15, 2017, at 10:30 a.m. Dear Chair Yamane, Vice Chair Kong and members of the House of Representatives Committee on Water & Land, I am the former University Archivist at the University of Hawaii at Manoa. I retired in 2013, but still have a sense of the importance of archival materials and of the need for their preservation and care. As a result of my concerns for official records, I am testifying in support of S.B. 987, SD1. This bill will allow the Bureau of Conveyances (Bureau) to continue the improvements started under Act 120 and to further their digitization, preservation and automation efforts for recorded documents as well as to support the modernization of the Bureau's systems, operations and increased accessibility to the public records. Being the State's only recording office which is responsible for all documents regarding property ownership in the State of Hawaii, it is imperative that proper funding that this bill can provide is continued to ensure the Bureau's mission of timely, accurate, permanent and accessible recordings of documents and maps for the entire State. Thank you very much for the opportunity to provide testimony in support of this measure. James F. Cartwright 2525 Date St. #4105 Honolulu, HI 96826

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The Honorable Representative Ryan Yamane, Chair
The Honorable Representative Sam Kong, Vice Chair
Members of the House of Representatives Committee on Water & Land

Conference Room 325, State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: S.B. 987, SD1, Relating to Recordation Transaction Fees

HEARING: Wednesday, March 15, 2017, at 10:30 a.m.

Dear Chair Yamane, Vice Chair Kong and members of the House of Representatives
Committee on Water & Land,

I'm Joan White and I've worked in Real Estate for both private companies and
government for 32 years.

I am testifying in support of S.B. 987, SD1

This bill will allow the Bureau of Conveyances (Bureau) to continue the improvements
started under Act 120 and to further their digitization, preservation and automation
efforts for recorded documents as well as to support the modernization of the Bureau's
systems, operations and increased accessibility to the public records. Being the State's
only recording office which is responsible for all documents regarding property
ownership in the State of Hawaii, it is imperative that proper funding that this bill can
provide is continued to ensure the Bureau's mission of timely, accurate, permanent and
accessible recordings of documents and maps for the entire State.

Thank you very much for the opportunity to provide testimony in support of this
measure.

Joan White
P. O. Box 161228
Honolulu, HI 96816
koko.bean@live.com

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 14, 2017 5:21 PM
To: waltestimony
Cc: 2kahaualea@gmail.com
Subject: Submitted testimony for SB987 on Mar 15, 2017 10:30AM

LATE

LATE

SB987

Submitted on: 3/14/2017

Testimony for WAL on Mar 15, 2017 10:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Kylee Mar	Individual	Support	No

Comments: The Honorable Representative Ryan Yamane, Chair The Honorable Representative Sam Kong, Vice Chair Members of the House of Representatives Committee on Water & Land Conference Room 325, State Capitol 415 South Beretania Street Honolulu, Hawaii 96813 RE: S.B. 987, SD1, Relating to Recordation Transaction Fees HEARING: Wednesday, March 15, 2017, at 10:30 a.m. Dear Chair Yamane, Vice Chair Kong and members of the House of Representatives Committee on Water & Land, My name is Kylee Mar and I am an Archivist at Punahou School. I testify as a private citizen in support of S.B. 987, SD1 This bill will allow the Bureau of Conveyances (Bureau) to continue the improvements started under Act 120 and to further their digitization, preservation and automation efforts for recorded documents as well as to support the modernization of the Bureau's systems, operations and increased accessibility to the public records. Being the State's only recording office which is responsible for all documents regarding property ownership in the State of Hawaii, it is imperative that proper funding that this bill can provide is continued to ensure the Bureau's mission of timely, accurate, permanent and accessible recordings of documents and maps for the entire State. Thank you very much for the opportunity to provide testimony in support of this measure. Kylee P. Mar

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