

HB
289

A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 231-65, Hawaii Revised Statutes, is
2 amended to read as follows:
3 " [†] §231-65 [†] **Tax liens; notice, form of.** The notice of
4 sale shall contain the names of the persons assessed, the names
5 of the present owners (so far as shown by the records of the tax
6 office and the records, if any, in the office of the assistant
7 registrar of the land court), the character and amount of the
8 tax, and the tax year or years, with interest, penalties, costs,
9 expenses, and charges accrued or to accrue to the date appointed
10 for the sale, a brief description of the property to be sold,
11 the prospect of obtaining a title insurance policy from a title
12 insurance company, and the time and place of sale, and shall
13 warn the persons assessed, and all persons having or claiming to
14 have any mortgage or other lien thereon or any legal or
15 equitable right, title, or other interest in the property, that
16 unless the tax, with all interest, penalties, costs, expenses,
17 and charges accrued to the date of payment, is paid before the



1 time of sale appointed, the property advertised for sale will be
2 sold as advertised. The state tax collector may include in one
3 advertisement of notice of sale notice of foreclosure upon more
4 than one parcel of real property, whether or not owned by the
5 same person and whether or not the liens are for the same tax
6 year or years."

7 SECTION 2. Section 667-27, Hawaii Revised Statutes, is
8 amended by amending subsection (a) to read as follows:

9 "(a) The foreclosing mortgagee shall prepare the public
10 notice of the public sale. The public notice shall state:

- 11 (1) The date, time, and place of the public sale;
- 12 (2) The unpaid balance of the moneys owed to the mortgagee
13 under the mortgage agreement;
- 14 (3) A description of the mortgaged property, including the
15 address and the tax map key number of the mortgaged
16 property;
- 17 (4) The name of the mortgagor and the borrower;
- 18 (5) The name of the foreclosing mortgagee;
- 19 (6) The name of any prior or junior creditors having a
20 recorded lien on the mortgaged property before the



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1 recordation of the notice of default and intention to
2 foreclose under section 667-23;

3 (7) The name, the address in the State, and the telephone
4 number in the State of the person in the State
5 conducting the public sale; [~~and~~]

6 (8) The terms and conditions of the public sale~~[-]~~; and

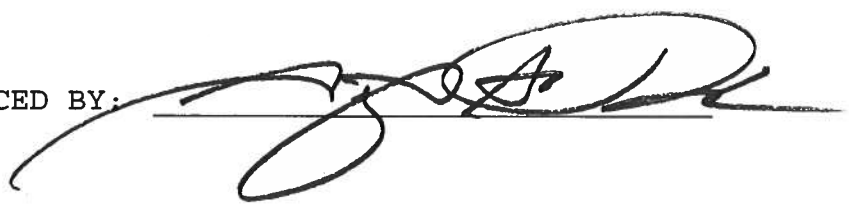
7 (9) The prospect of obtaining a title insurance policy
8 from a title insurance company."

9 SECTION 3. Statutory material to be repealed is bracketed
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

12

INTRODUCED BY: _____

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Report Title:

Public Notice; Foreclosure; Power of Sale; Tax Lien

Description:

Requires that public notice for power of sale and tax lien foreclosures contain a provision regarding the prospect of obtaining a title insurance policy from a title insurance company.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



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To: The Honorable Roy M. Takumi, Chair
and Members of the House Committee on Consumer Protection & Commerce

Date: Tuesday, February 5, 2019
Time: 2:00 P.M.
Place: Conference Room 329, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: H.B. 289, Relating to Real Property

The Department of Taxation (Department) offers the following comments on H.B. 289 for the Committee's consideration.

H.B. 289 amends section 231-65, Hawaii Revised Statutes (HRS), by adding a requirement that a notice of sale shall contain "the prospect of obtaining a title insurance policy from a title insurance company." It also amends section 667-27, HRS, to add the same requirement to public notices of sale prepared by a foreclosing mortgagee. The measure is effective upon approval.

The Department is unable to implement H.B. 289 as written because the purpose of the measure and the actions that must be taken by the Department are unclear. The Department is unsure what the measure means by "the prospect of obtaining a title insurance policy from a title insurance company," what such a statement might look like on a notice of sale, or how such a statement would benefit Hawaii's consumers and taxpayers. The Department respectfully requests clarification so that it can testify on any proposed amendments.

Thank you for the opportunity to provide comments.