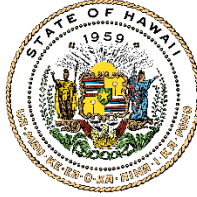


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
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CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN CHANG
Chairperson

Before the House Committee on
WATER & LAND

Tuesday, January 30, 2024
9:00 AM
State Capitol, Conference Room 430

In consideration of
HOUSE BILL 2611
RELATING TO ADMINISTRATIVE FEES

House Bill 2611 proposes to statutorily establish a Department of Land and Natural Resources transaction fee for each recording in the Bureau of Conveyance (Bureau) and Office of the Assistant Registrar and authorizes the Board of Land and Natural Resources (BLNR) to adopt, amend, or repeal administrative fees, including transaction fees, for recording in the Bureau and the Office of the Assistant Registrar separate from the administrative rulemaking process. **The Department of Land and Natural Resources (Department) strongly supports this bill.**

Act 120, Session Law of 2009 (Act 120), intended to provide the necessary funding to correct serious shortcomings at the Bureau identified by the Joint Legislative Investigative Committee established under Senate Concurrent Resolution No. 226 (2007) in part by creating a \$5 transaction fee that was applied to all Regular System recordings. To date, as a result of Act 120, 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. This bill provides for the \$5 fee to apply to the recordings in the Office of the Assistant Registrar (or Land Court) for equitable fee assessment in both recording systems and to fund continued improvements with efficiency, productivity and automation of the Bureau's operations by completing digitization of documents, improving the security and accessibility to the Bureau's records and maps 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 authorized uses for these transaction fee funds to address many of the evolving issues that the Bureau faces, particularly with our ongoing workforce shortage.

Additionally, section 16 of Act 120 called for a \$5 transaction fee for services rendered in the Office of the Assistant Registrar. This bill satisfies section 16 of Act 120; and once established, allows the BLNR to adopt, amend or repeal these fees.

Mahalo for the opportunity to testify in strong support of this measure.



January 30, 2024

Representative Linda Ichiyama, Chair
Representative Mahina Poepoe, Vice Chair
Committee on Water and Land

RE: **HB 2611 - Relating to Administrative Fees**
Hearing date: January 30, 2024 at 9:00 AM

Aloha Chair Ichiyama, Vice Chair Poepoe and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii providing **COMMENTS** on HB 2611. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

HB 2611 establishes a Department of Land and Natural Resources (DLNR) transaction fee for each recording in the Bureau of Conveyances (BOC) and Land Court. Further, the measure authorizes the Board of Land and Natural Resources (BLNR) to adopt, amend, or repeal administrative fees, including transaction fees, for recordings in the BOC and Land Court separate from the administrative rulemaking process.

NAIOP Hawaii is primarily concerned with the provision of the measure which would allow BLNR to change the fees outside of chapter 91, the administrative rule making process. This provision is concerning as a fee increase for \$5 to \$50 or \$500 could occur outside of the administrative process and at the discretion of the BLNR. It is unclear as to why the increasing of fees would need to be conducted outside of the normal administrative rules process. Accordingly, we recommend removal of the language exempting BLNR fee increases from chapter 91 on Page 5 of the measure.

NAIOP Hawaii is concerned with the establishment of additional fees for land court and BOC recording services. These fees may have a slight impact on real estate transactions throughout the state by increasing administrative costs for projects depending on the final pricing for the fees.

Thank you for the opportunity to present NAIOP Hawaii's concerns with HB 2611 including bypassing of Chapter 91 and cost increases for transactions at the BOC and Land Court. NAIOP appreciates the Legislature's commitment to collaborating on this issue and look forward to working together.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Reyn Tanaka". The signature is fluid and cursive, written in a dark ink.

Reyn Tanaka, President
NAIOP Hawaii