



## *The Judiciary, State of Hawaii*

### **Testimony to the Thirty-Third Legislature, 2025 Regular Session**

**House Committee on Water & Land**  
Representative Mark J. Hashem, Chair  
Representative Rachele F. Lamosao, Vice Chair

Thursday, January 30, 2025, 9:00 AM  
State Capitol, Conference Room 411

By  
Michelle D. Acosta  
Deputy Chief Court Administrator  
First Circuit

### **WRITTEN TESTIMONY ONLY**

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**Bill No. and Title:** House Bill No. 660, Relating to Land Court.

**Purpose:** Repeals the Land Court. Requires registered owners of an interest in property registered in land court to deregister their interest. Requires the land court to inform registered owners of the requirement to deregister. Appropriates moneys.

#### **Judiciary's Position:**

House Bill No. 660 seeks to repeal the Land Court. It further requires registered owners of interests in property registered in the Land Court to deregister their interests, requires the Land Court to inform registered owners of the requirement to deregister, and transfers all rights, powers, functions, and duties of the Land Court to the Bureau of Conveyances.

The Judiciary does not take a position on the intent of the measure. However, the Judiciary offers the following comments.

The Judiciary requests clarification as to the application of section 6 of this measure, which would transfer employees who have land court functions and who occupy civil service positions to the bureau of conveyances. Currently, there are four (4) tenured employees in the Land and Tax Appeal Court who are responsible for administering both the Land Court registration system and hearing tax appeal court cases involving disputes arising from property,



House Bill No. 660, Relating to Land Court  
House Committee on Water and Land  
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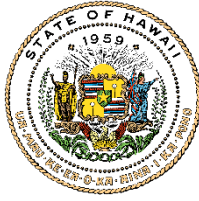
excise, liquor, income, and insurance taxes. These positions and functions would be needed to continue within the Judiciary to support court operations.

The Judiciary would also like to point out that another measure, introduced during this session under SB949, requests the establishment of a working group to reform or eliminate the Land Court in Hawai'i. The establishment of a working group, where multiple stakeholders are identified to produce a comprehensive study and recommendations, might be an important initial step toward information sharing and the development of ideas and action steps to achieve the Legislature's intent of this important reform.

Thank you for the opportunity to provide comments on House Bill No. 660.

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

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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STATE PARKS

Testimony of  
DAWN N. S. CHANG  
Chairperson

Before the House Committee on  
WATER & LAND

Thursday, January 30, 2025  
9:00 AM

State Capitol, Conference Room 411, and Via Videoconference

In consideration of  
HOUSE BILL 660  
RELATING TO LAND COURT

House Bill 660 proposes to repeal the Land Court, require the deregistration of all properties currently registered in the Land Court system, and transfer the functions of the Land Court to the Bureau of Conveyances (Bureau). The measure also appropriates funding to facilitate the transition and inform registered owners of the new requirements. **The Department of Land and Natural Resources (Department) supports this measure.**

Hawai'i's Land Court system, established under Chapter 501, Hawai'i Revised Statutes (HRS), was originally designed to provide certainty in land ownership and title records through a Torrens title registration system. However, over time, Land Court procedures have become outdated, administratively burdensome, and inefficient when compared to the Regular System of the Bureau of Conveyances.

The dual recording systems in Hawai'i—Land Court and the Regular System—have created inconsistencies, inefficiencies, and additional administrative costs for landowners and government agencies. The consolidation of land records into a single system under the Bureau of Conveyances will modernize and improve Hawai'i's property title system, reducing redundancies and increasing efficiency.

Mahalo for the opportunity to provide testimony in support of this measure.



January 30, 2025

**The Honorable Mark J. Hashem, Chair**

House Committee on Water & Land

State Capitol, Conference Room 411 & Videoconference

**RE: House Bill 660, Relating to Land Court**

**HEARING: Thursday, January 30, 2025, at 9:00 a.m.**

Aloha Chair Hashem, Vice Chair Lamosao, and Members of Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports the intent** of House Bill 660, which repeals the Land Court. Requires registered owners of an interest in property registered in land court to deregister their interest. Requires the land court to inform registered owners of the requirement to deregister. Appropriates moneys.

The Land Court provides a high level of certainty through a rigorous verification process in establishing clear and undisputed land title. On the other hand, it can be an expensive and time-consuming process. As such, we support a Working Group to look at the pros and cons of the process and make recommendations to either reform or eliminate the Land Court.

Mahalo for the opportunity to provide testimony on this measure.

**HB-660**

Submitted on: 1/29/2025 11:46:32 AM

Testimony for WAL on 1/30/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaiulani Lambert	Individual	Oppose	Written Testimony Only

Comments:

HB 660 Relating to Land Court

Aloha Representatives,

My name Is Kaiulani J. Lambert, I am the Assistant Registrar of the Bureau of Conveyances.

I'm providing a summarization and bullet points of the impacts of HB 660 affecting Land Court homeowners across the State.

Effective July 2011, the Legislators passed the Timeshare Deregistration which CREATED the backlog. This process prioritized the deregistration of each apartment, which consisted of 51 weeks in the timeshare program, over the normal certifications of homeowners in the State of Hawaii. This was about saving money for the Hotel and Tourist Industry at the expense of our Hawaii Taxpayers. This was the result of a working group resolution to address the backlog.

Effective July 1, 2021, the Voluntary Deregistration of Land Court Land, updated by Act 187, allowed the Voluntary action of the Landowner to Deregister their lands. Submittals of Subdivision begins in Land Court Judiciary, not at the Bureau of Conveyances. Deregistration can be time consuming to process titles, encumbrances, easements etc. State Surveyors must verify the Subdivision. As you know, all State Agencies face significant staff shortages. In the end, the involuntary deregistration benefitted Developers, who own large tracts of land, in the subdivision process, not the average homeowner. Again, this was the solution of a working group decision to address the backlog.

This Bill attempts to ease the backlog at the Bureau of Conveyances and transfer the interest to Regular System is a farce. It doesn't simplify the land registration process but shifts the burden onto the landowner and the Regular System staff. The Bureau has 22 vacancies and there is no plan of action in place to shift the volume of Land Court recordings to the Regular system without additional staff. You're asking for a reorganization which involves HGEA.

Section 4 states the Land Court shall inform all registered owners of property registered in Land Court of the requirement under section 3. State employees are not authorized by law to advise anyone on how to record or prepare their legal documents. Regular System employees do not know the statutes in HRS 501, nor can they accept Land Court documents for filing. There will

be no Land Court personnel per Section 5 of this bill. However, your bill still requires the Staff to know what is required in HRS 501. How does that work?

The Bureau does not rely on General Funds. In fact, we contribute to the General fund because we are special funded.

Impacts of this Bill:

Land Court property owners will not be able to sell, buy, mortgage or lease anything until the property deregistered. How would this impact our local homeowners, especially our Seniors, who cannot afford out of pocket expenses of hiring an attorney and paying for a surveyor? They will have to take out a loan to pay for this Deregistration.

Deregistration requires title insurance. Title companies will not be able to handle issuing the volume of title policies. An average title policy depends on the amount of the sale or mortgage plus cost of a title search which runs about \$350 - \$4000 in addition to escrow fees.

You must redescribe the legal description from Land Court to Regular System. No title company will issue a policy until the Land Court property is deregistered. This requires hiring a private Surveyor. The only Surveyor on Kauai passed last year. The State Surveyor's must verify the Land Court descriptions to create the File Plan, and they have two Land Court Surveyors to handle this involuntary requirement which is being proposed. The average cost of a private surveyor is \$1672 for private Surveyors. I know that the Hawaii Land Surveyors Association is in opposition of this bill as well. You cannot just sunset Land Court by repealing it.

You must hire an attorney to do your deregistration document. The average cost is \$300 per hour.

Section 5 repeals Land Court personnel. The Certificate of Title is required to be recorded as part of your Deregistration package. How are the certificates for deregistration going to be typed, updated and certified? There are currently two Assistant Registrars left out of six positions. There are currently four Certificate Writers left out of the total six positions.

If an Owner has a mortgage on the property, their lender must get involved; and if owner is forced to refinance to comply with the forced Deregistration, why would an owner want to refinance if they have a 2, 3 or 4% interest rate mortgage when interest rates now are 6 or 7%? Not to mention the State plans to add the (SB1044) stabilization of property insurance cost onto the Mortgage. This is insane. Who can afford to stay here in Hawaii? You're creating another Mahele for the rich. Ikaika Hussey has been on social media about protecting the interest of the people of Hawaii from the rich. However, his support to repeal HRS 501 will push out our people because only the rich will be able to afford to go through the Deregistration process.

How does this involve condominiums with 2000+ units? We haven't talked about these landowners who will be affected as well.

Deed Fraud, otherwise known as "...home title theft, the scheme involves forging documents to record a phony transfer of property ownership. Criminals can then sell the home, take out a mortgage on it, or even rent it out to tenants to turn a profit." According to SB 949 only two States have Land Court, Hawaii and Utah. Deed Fraud occurrence is happening in every state that doesn't have land court.

According to Realtor. Com an individual stole more than 30 homes in the and around the city of Detroit, MI by "transferring Titles by forgoing the quitclaim deeds and transferring them to 3rd party victims" (see linked article):

<https://www.realtor.com/news/trends/deed-fraud-quitclaim-home-title-theft/?msockid=0bfd4e3a8d796ef51bc75f9b8c166f93>

I am currently working with Senator Fevella on a fraud case here in Hawaii.

Should you need further documentation, I can provide all the documents needed such as contracts, consultations, and public notices from our website.

Mahalo nunui for your consideration. Me Ke Aloha a ke Akua pu,

Kaiulani J. Lambert  
Assistant Registrar of the Bureau of Conveyances