

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
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
KAIHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Transmittal Cover Sheet for
Department of Land and Natural Resources Testimony**

Date Submitted: March 2, 2009

Testifier's Name/Position/Title: Nicki Thompson, Bureau of Conveyances Division
Administrator

Committee the comments are directed to: HOUSE COMMITTEE ON FINANCE (FIN)

The Date & Time of Hearing: Wednesday, March 4, 2009
11:30 AM, Conference, Room 308

Measure Number: HB 268 HD 1 RELATING TO LAND COURT

Number of Copies the Committee is Requesting: In paper, 2 copies (including original) to
Room 306 in the State Capitol

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Wednesday, March 4, 2009
11:30 AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 268, HOUSE DRAFT 1
RELATING TO LAND COURT**

House Bill 268, House Draft 1 proposes that the Assistant Registrar of the Land Court be required to provide to the Administrator of the Real Property Assessment Division of the City and County of Honolulu, an image and index of all documents relating to registered land recorded in the Office of the Assistant Registrar. Further, this information is to be provided within ten days of the week of recording and without charge. The Department of Land and Natural Resources (Department) is opposed to this bill.

Currently, the Assistant Registrar has been meeting with the Administrator of the Real Property Assessment Division of the City and County of Honolulu to develop a process of transmitting the images and index information. Even though the Office of the Assistant Registrar does not require the tax map key numbers to be captured, the City and County of Honolulu requests the tax map key number to be included with the index information. In an effort to work toward a common goal of providing information to the City and County of Honolulu, the staff of the Assistant Registrar has begun inputting the tax map key numbers.

The Department believes this is unnecessary legislation. The Office of the Assistant Registrar and the Administrator of the Real Property Assessment Division of the City and County of Honolulu should be able to accomplish this transfer of information through a continued effort of working together to achieve this goal.

LAURA H. THIELEN
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LAND
STATE PARKS

CHARMAINE TAVARES
Mayor



KALBERT K. YOUNG
Director of Finance

AGNES M. HAYASHI
Deputy Director of Finance

SCOTT K. TERUYA
Acting Administrator

COUNTY OF MAUI
DEPARTMENT OF FINANCE

REAL PROPERTY TAX DIVISION

70 E. KAAHUMANU AVENUE, SUITE A-16, KAHULUI, MAUI, HAWAII 96732

Assessment: (808) 270-7297 | Billing and Collection: (808) 270-7697 | Fax: (808) 270-7884
www.mauipropertytax.com

Honorable Marcus R. Oshiro, Chair
Honorable Marilyn B. Lee, Vice Chair
Committee on Finance

County of Maui, Department of Finance, Real Property Tax Division
Wednesday, March 4, 2009

Support of HB 268, Relating to Land Court

The County of Maui, Real Property Tax Division supports the City's proposed HB 268, as amended, Relating to Land Court, which would provide the Counties an image and index of all deeds and instruments filed or recorded with the assistant registrar within ten days and free of charge.

Obtaining documents in a timely manner enables the Counties to promptly maintain ownership records necessary for public notification and real property taxation purposes. Property owners are also affected and will benefit as applicants seeking zoning change, conditional use permits, bed and breakfast permits, and transient vacation rental permits are required to mail notifications to property owners within a specified radius notifying owners of the proposed use.

Under existing law, all instruments and records relating to registered land are numbered and indexed; however, they are obtainable only upon payment of a fee. Waiving the fee to the counties will help minimize additional fees being passed on to taxpayers.

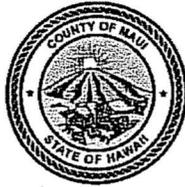
We urge you to pass this important bill and give the Counties the means to maintain their records in a timely manner for the public's best interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. Teruya".

Scott K. Teruya
Acting Real Property Tax Administrator

CHARMAINE TAVARES
Mayor



KALBERT K. YOUNG
Director of Finance

AGNES M. HAYASHI
Deputy Director of Finance

SCOTT K. TERUYA
Acting Administrator

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Honorable Marilyn B. Lee, Vice Chair
Committee on Finance

County of Maui, Department of Finance, Real Property Tax Division
Wednesday, March 4, 2009

Support of HB 269, Relating to Real Property

The County of Maui, Real Property Tax Division supports the City's proposed HB 269, as amended, Relating to Real Property, which would provide the Counties an image and index of all instruments and documents recorded with the registrar's office within ten days and free of charge.

Obtaining documents in a timely manner enables the Counties to promptly maintain ownership records necessary for public notification and real property taxation purposes. Property owners are also affected and will benefit as applicants seeking zoning change, conditional use permits, bed and breakfast permits, and transient vacation rental permits are required to mail notifications to property owners within a specified radius notifying owners of the proposed use.

Under existing law, the registrar of the Bureau of Conveyances must furnish an attested copy of any instrument or document recorded in the registrar's office when requested. This amendment will simply add a timetable to help assure the timely receipt of the documents and by not charging the Counties; no added fees are passed on to the taxpayers.

We urge you to pass this important bill and give the Counties the means to maintain their records in a timely manner for the public's best interest.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. Teruya", is written over a horizontal line.

Scott K. Teruya
Acting Real Property Tax Administrator

William P. Kenoi
Mayor



Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawaii

Finance Department

25 Aupuni Street, Room 118 • Hilo, Hawaii 96720
(808) 961-8234 • Fax (808) 961-8248

March 2, 2009

The Honorable Marcus R. Oshiro, Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Oshiro and Members of the Committee:

RE: Testimony in Support of House Bill No. 268 HD1
Hearing Wednesday, March 4, 2009, at 11:30 a.m., Conference Room 308

The Department of Finance, County of Hawai'i, Real Property Tax Division is tasked with assessing real property and maintaining current ownership records for Ad Valorem tax purposes. We strongly support H.B. 268 HD1, relating to the Land Court, requiring the assistant registrar of the land court to provide, within 10 days and free of charge, an image and index of all instruments that contain real property transactions each week to the administrator of the City and County of Honolulu's real property assessment division.

The City and County of Honolulu's real property assessment division will then make that data available to the other counties. This amendment enables the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices for real property tax assessment and billing purposes. Access to the documents filed at the Land Court is critical to the counties' real property assessment programs.

This transfer of data has, to date, been dependent on private agreements and these agreements are currently in jeopardy. The real property divisions face the prospect of either adding greatly to the costs of running the real property assessment process or worse being cut off from data needed to function.

Other jurisdictions assessing a real property tax have similar mechanisms in place requiring the rapid and accurate transfer of all conveyances on a regular basis from their regular registrars to the various assessment offices recognizing the vital nature of this link.

We urge the committee to pass this extremely important bill which along with a complementary bill addressing the Regular System (H.B. 269 HD1) as this would give the counties the means to equitably administer their real property tax programs in a timely and cost effective manner.

Thank you for your attention to our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Nancy E Crawford". The signature is written in black ink and is positioned above the printed name.

Nancy Crawford
Director of Finance

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

REAL PROPERTY ASSESSMENT DIVISION
33 SOUTH KING STREET, #101 * HONOLULU, HAWAII 96813
PHONE: (808) 768-7901 * FAX (808) 768-7782
WWW.HONOLULU.GOV

MUFI HANNEMANN
MAYOR



RIX MAURER III
DIRECTOR

MARK K. OTO
DEPUTY DIRECTOR

GARY T. KUROKAWA
ADMINISTRATOR

March 3, 2009

Honorable Marcus R. Oshiro
Chair, Committee on Finance
State House Representative, 39th District
Hawaii State Capitol, Room 306
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Proposed H.D. 2 to H.B. 268 H.D. 1 – Relating to Land Court

The City and County of Honolulu proposes a H.D. 2 amendment to H.B. 268 H.D. 1. H.B. 268 H.D. 1, would require the assistant registrar of the Land Court within ten days after the end of each week to provide without charge, to the administrator of the Real Property Assessment Division, images and an index of all documents filed or recorded in the registrar's office during each week relating to regular system land in all the counties.

The proposed H.D. 2 makes some technical changes that address the counties' concerns regarding home rule and is attached for your convenience.

Prior to the Constitutional Convention of 1978, when all functions, powers and duties relating to the taxation of real property were transferred to the counties, conveyance information at the Bureau of Conveyances was readily available to the property tax office of each county, as the property tax function was under the authority of the State. This bill would establish an essential link between the Bureau of Conveyances and counties' real property assessment agencies.

The process envisioned by this proposal would also ensure continuity in the transmittal to the counties of documents vital to the operations of the counties' property assessment program, provide the counties the means to accurately determine real property tax assessments in a timely manner, and thereby reduce the cost to taxpayers.

We respectfully urge your approval of this proposed amendment.

If you have any questions, please call me at 768-7901 or by email at gkurokawa@honolulu.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary T. Kurokawa", is written over a circular stamp.

Gary T. Kurokawa
Administrator
Real Property Assessment Division

GTK:dw
Attachment

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

REAL PROPERTY ASSESSMENT DIVISION
33 SOUTH KING STREET, #101 * HONOLULU, HAWAII 96813
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March 3, 2009

Honorable Marcus R. Oshiro
Chair, Committee on Finance
State House Representative, 39th District
Hawaii State Capitol, Room 306
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Proposed H.D. 2 to H.B. 269 H.D. 1 - Relating to Real Property

The City and County of Honolulu proposes a H.D. 2 amendment to H.B. 269 H.D. 1. H.B. 269 H.D. 1 would require the registrar of conveyances in the Bureau of Conveyances within ten days after the end of each week to provide without charge, pursuant to HRS Section 502-27(b), to the administrator of the Real Property Assessment Division, images and an index of all documents filed or recorded in the registrar's office during each week.

The proposed H.D. 2 makes some technical changes that address the counties' concerns regarding home rule and also provides for the use of current technology as a cost savings measure, and is attached for your convenience.

Prior to the Constitutional Convention of 1978, when all functions, powers and duties relating to the taxation of real property were transferred to the counties, conveyance information at the Bureau of Conveyances as readily available to the property tax office of each county, as the property tax function was under the authority of the State. This bill would establish an essential link between the Bureau of Conveyances and counties' real property assessment agencies.

The process envisioned by this proposal would also ensure continuity in the transmittal to the counties of documents vital to the operations of the counties' property assessment program, provide the counties the means to accurately determine real property tax assessments in a timely manner, and thereby reduce the cost to taxpayers.

We respectfully urge your approval of this proposed amendment.

If you have any questions, please call me at 768-7901 or by email at gkurokawa@honolulu.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary T. Kurokawa".

Gary T. Kurokawa
Administrator
Real Property Assessment Division

GTK:dw
Attachment

PROPOSED H.D. 2

HOUSE OF REPRESENTATIVES
TWENTY-FIFTH LEGISLATURE, 2009
STATE OF HAWAII

H.B. NO. 268
H.D. 1

A BILL FOR AN ACT

RELATING TO LAND COURT.

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

SECTION 1. The purpose of the Act is to enable the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices of real property to accurately determine real property tax assessments by requiring the assistant registrar of the land court to provide, within ten days after each week and without charge, an image and index of all instruments, writs or other process that have been recorded in the assistant registrar office that week relating to registered land in all the counties, to one county designated as a central clearinghouse by agreement among the counties to provide copies of the images to the other counties without charge.

SECTION 2. Section 501-107, Hawaii Revised Statutes, is amended to read as follows:

“§501-107 Entry record; duplicate and certified copies.

The assistant registrar shall keep a record in which shall be entered all deeds and other voluntary instruments, and all copies of writs or other process filed or recorded with

the assistant registrar relating to registered land. The assistant registrar shall note in the record the date of reception of all instruments. The instruments shall be stamped with the date, hour, and minute of reception and shall be regarded as registered from the date and time so noted, and the memorandum of each instrument when made on the certificate of title to which it refers shall bear the same date.

Every deed or other instrument, whether voluntary or involuntary, so filed or recorded with the registrar or assistant registrar shall be numbered and indexed, and indorsed with a reference to the proper certificate of title. All records relating to registered land in the office of the registrar or of the assistant registrar shall be open to the public in the same manner as probate records are open, subject to such reasonable regulations as the registrar, under the direction of the court, may make.

Certified copies of all instruments filed or recorded and registered may also be obtained at any time on payment of the assistant registrar's fees.

Within ten days after the end of each week the assistant registrar shall deliver or forward by mail or electronic transmission, and without charge, an image and index of all deeds and other voluntary instruments, writs and other process that have been filed or recorded with the assistant registrar during each week relating to registered land in all the counties, to the county designated to act as a central clearinghouse by agreement among the counties that includes a proviso that the delivery of the images and index by the central clearinghouse to the other counties shall be without charge. The index shall include the following for each instrument:

- (1) Document number;
- (2) Certificate number;

- (3) Date of the filing.
- (4) Type of document;
- (5) Name of grantor and grantee;
- (6) Current tax map key number, and
- (7) Location of the real property by island.”

SECTION 3. New statutory material is underscored.

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