

STAND. COM. REP. NO. **816**

Honolulu, Hawaii

March, 2009

RE: H.B. No. 268
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 268, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO LAND COURT,"

begs leave to report as follows:

The purpose of this bill is to improve the accuracy of real property tax assessments by requiring the assistant registrar of the Land Court to provide the administrator of the real property assessment division of the City and County of Honolulu an image and index of all instruments, writs, and other process that have been recorded in the assistant registrar's office relating to registered land in all the counties.

The Real Property Tax Division of the County of Hawaii Department of Finance supported this bill. The Department of Land and Natural Resources opposed this measure. The City and County of Honolulu and Real Property Tax Division of the County of Maui Department of Finance offered comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 268, H.D. 1, and recommends that it pass Third Reading.

HB268 HD1 HSCR FIN HMS 2009-2822



Respectfully submitted on
behalf of the members of the
Committee on Finance,


MARCUS R. OSHIRO, Chair



A BILL FOR AN ACT

RELATING TO LAND COURT.

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

1 SECTION 1. The purpose of the Act is to enable the
2 counties to promptly track property ownership, encumbrances,
3 restrictions, uses, and sales prices of real property to
4 accurately determine real property tax assessments by requiring
5 the assistant registrar of the land court to provide, within ten
6 days after each week and without charge, the administrator of
7 the real property assessment division of the city and county of
8 Honolulu an image and index of all instruments, writs, and other
9 process that have been recorded in the assistant registrar's
10 office relating to registered land in all the counties. The
11 real property assessment division administrator of the city and
12 county of Honolulu shall serve as a central clearinghouse and
13 provide copies of the images to the real property assessment
14 administrators of the other counties.

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

17 "**§501-107 Entry record; duplicates and certified copies.**

18 The assistant registrar shall keep a record in which shall be



1 entered all deeds and other voluntary instruments, and all
2 copies of writs or other process filed or recorded with the
3 assistant registrar relating to registered land. The assistant
4 registrar shall note in the record the date of reception of all
5 instruments. The instruments shall be stamped with the date,
6 hour, and minute of reception and shall be regarded as
7 registered from the date and time so noted, and the memorandum
8 of each instrument when made on the certificate of title to
9 which it refers shall bear the same date.

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

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



1 Within ten days after the end of each week, the assistant
2 registrar shall deliver or forward by mail or electronic
3 transmission, and without charge, to the real property
4 assessment administrator of the city and county of Honolulu an
5 image and index of all deeds and other voluntary instruments,
6 writs, and other process that have been filed or recorded with
7 the assistant registrar during each week relating to registered
8 land in all the counties. The index shall include the following
9 for each instrument:

- 10 (1) Document number;
- 11 (2) Certificate number;
- 12 (3) Date of the filing;
- 13 (4) Type of document;
- 14 (5) Name of grantor and grantee;
- 15 (6) Current tax map key number; and
- 16 (7) Location of the real property by island.

17 The real property assessment administrator of the city and
18 county of Honolulu shall provide copies of the images, without
19 charge, to the real property assessment administrators of the
20 other counties."

21 SECTION 3. New statutory material is underscored.

22 SECTION 4. This Act shall take effect on January 1, 2046.



Report Title:

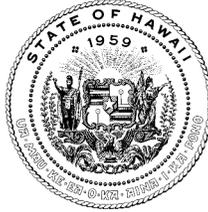
Land Court; Counties; Recorded Instruments

Description:

Requires 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. (HB268 HD1)



LINDA LINGLE
GOVERNOR OF HAWAII



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
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the Senate Committees on
COMMERCE AND CONSUMER PROTECTION
and
JUDICIARY AND GOVERNMENT OPERATIONS**

**Monday, March 23, 2009
11:00 AM
State Capitol, Conference Room 229**

**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.

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 18, 2009

The Honorable Rosalyn H. Baker, Chair
and Members of the Senate Committee on Commerce and Consumer Protection
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

The Honorable Brian T. Taniguchi, Chair
and Members of the Senate Committee on Judiciary and Government Operations
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Testimony in Support of HB268, HD1
Hearing Monday, March 23, 2009, at 11:00 a.m., Conference Room 229

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 administrators of the various county real property assessment divisions.

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 Crawford".

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 20, 2009

Honorable Rosalyn H. Baker
Chair of Commerce and Consumer Protection Committee
State Senator, 5th Senatorial District
Hawaii State Capitol, Room 231
415 South Beretania Street
Honolulu, Hawaii 96813

Honorable Brian T. Taniguchi
Chair of Judiciary and Government Operations Committee
State Senator, 10th Senatorial District
Hawaii State Capitol, Room 219
415 South Beretania Street
Honolulu, Hawaii 96813

RE: H.B. 268 H.D. 1 - Relating to Real Property, Proposed H.D. 2 Amendment

The City and County of Honolulu respectfully submits for your consideration a proposed H.D. 2 amendment to H.B. 268 H.D. 1.

Currently, the language of H.B. 268 H.D. 1 requires the real property assessment administrator of the City and County of Honolulu to provide copies of the images received from the assistant registrar of the Land Court to the other counties without charge. State legislation that requires the counties to take any action is an erosion of the counties' home rule powers. The proposed H.D. 2 amendment will accomplish the dissemination of the images to all the counties guaranteed by H.D. 1, but without undermining the counties' ability to self-govern.

Moreover, the process envisioned by this proposal would also ensure consistent delivery of documents vital to the counties' property assessment programs, and more importantly, provide the counties the means to accurately and timely determine real property tax assessments, and reduce the cost to taxpayers.

We respectfully urge you to approve this proposed amendment.

Thank you for your support and if you have any questions, please call me at 768-7901 or by email at gtkurokawa@honolulu.gov.

Sincerely,

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

Gary T. Kurokawa
Administrator
Real Property Assessment Division

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 the county designated in a memorandum of understanding agreed upon by the counties to act as a central clearinghouse to provide copies of the images and index 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 in a memorandum of understanding agreed upon by the counties with the 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.

Bernard P. Carvalho, Jr.
Mayor



Wallace Rezendes, Jr.
Director

Gary K. Heu
Administrative Assistant

Belma Baris
Deputy Director

DEPARTMENT OF FINANCE

Real Property Assessment Division

County of Kauai, State of Hawaii
4444 Rice Street, Suite A-454, Lihue, Hawaii 96766
TEL (808) 241-6222 FAX (808) 241-6252

March 19, 2009

Honorable Senator Rosalyn H. Baker
Commerce and Consumer Protection Committee, Chair
Hawaii State Capitol, Room 231
415 S. Beretania Street
Honolulu, Hawaii 96813

Honorable Senator Brian T. Taniguchi
Judiciary and Government Operations Committee, Chair
Hawaii State Capitol, Room 219
415 South Beretania Street
Honolulu, Hawaii 96813

Support of H.B.268, Relating to Land Court

The County of Kauai, Real Property Assessment Division fully **supports** the City and County of Honolulu's proposed H.B.268, as amended, relating to Land Court, which would provide the Counties an index and image of all deeds and instruments filed or recorded with the registrar of conveyances within ten days of filing, free of charge.

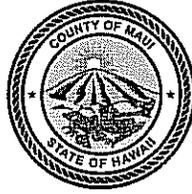
It is of paramount importance that the Counties obtain all transactional recorded documents in a timely manner for the purpose of maintaining accurate ownership and sales records for public notification and real property taxation, without these timely documents free of charge, the Counties operations would be severely attenuated and the operational costs would increase.

We urge you to support this important H.B.268 proposal as amended for the public's best interest. If you have any questions, please feel free to contact me at 808-241-6228 or e-mail at jherring@kauai.gov.

Respectfully Submitted,

John W. Herring
Real Property Administrator
County of Kauai

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 Rosalyn H. Baker
Commerce and Consumer Protection Committee, Chair

Honorable Brian Taniguchi
Judiciary and Government Operations Committee, Chair

County of Maui, Department of Finance, Real Property Tax Division
Monday, March 23, 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 proposed amendment and give the Counties the means to maintain their records in a timely manner for the public's best interest.

If you have any questions, please contact me at 808-270-7730 or by e-mail at scott.teruya@co.maui.hi.us.

Sincerely,

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

Scott K. Teruya
Acting Real Property Tax Administrator