

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
KAHOOLAWE 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 269 HD 1 RELATING TO REAL PROPERTY

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

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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
11:30AM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 269, HOUSE DRAFT 1
RELATING TO REAL PROPERTY**

House Bill 269, House Draft 1 proposes that the Registrar of the Bureau of Conveyances (Bureau) 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 regular system land recorded in the Bureau. 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 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 Bureau 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 Bureau has begun inputting the tax map key numbers.

The Department believes this is unnecessary legislation. The Registrar of the Bureau of Conveyances 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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STATE PARKS

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
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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. 269 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. 269 HD1, relating to real property, requiring the Registrar of the Bureau of Conveyances 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 Bureau of Conveyances is critical to the counties' real property assessment programs.

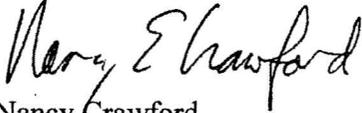
This transfer of data has, to date, been dependent on private agreements and these agreements are currently in jeopardy. The real property divisions face the prospect of either adding greatly to the costs of running the real property assessment process or worse being cut off from data needed to function.

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 Land Court System (H.B. 268 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 dark 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
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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. 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

Proposed H.D. 2

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

H.B. NO. 269
H.D. 1

A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

SECTION 1. The purpose of this Act is to enable the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices for purposes to accurately determine real property tax assessments by requiring the registrar of conveyances in the bureau of conveyances to provide, within ten days after each week and without charge, an image and index of all instruments and documents that have been recorded in the registrar's office that week relating to regular system 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 502-26 Hawaii Revised Statutes, is amended to read as follows:

“§502-26 Copies of instruments, certificates. (a) The registrar, when applied to, shall furnish an attested copy of any instrument or document recorded in the registrar's office, or of any fact appearing upon the registrar's records. The registrar may also issue nonattested portions of ay instrument or document recorded in the registrar's

office. The registrar may issue certificates of search or incumbrance when personnel is available for the making of the certificate.

(b) Within ten days after the end of each week, the registrar shall deliver or forward by mail or electronic transmission, and without charge, an image and index of all instruments or documents that have been recorded in the registrar's office during each week relating to 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) Names 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 approval.