

STAND. COM. REP. NO. 817

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 269  
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. 269, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO REAL PROPERTY,"

begs leave to report as follows:

The purpose of this bill is to enable the counties to promptly track property ownership, encumbrances, restrictions, uses, and sales prices of real property to more accurately determine real property tax assessments. Specifically, this bill requires the registrar of the Bureau of Conveyances to provide, within ten days after the end of each week and free of charge, the administrator of the Real Property Assessment Division of the City and County of Honolulu an image and index of all instruments and documents that have been recorded in the registrar's office that week relating to land in all the counties. This bill also requires the real property assessment administrator of the City and County of Honolulu to provide copies of the images, without charge, to the real property assessment administrators of the other counties.

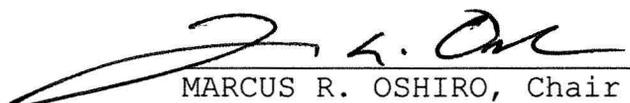
The Real Property Tax Division of the County of Hawaii Department of Finance supported this bill. The Department of Land and Natural Resources opposed this measure. The City and County of Honolulu and Real Property Tax Division of the County of Maui Department of Finance offered comments.

HB269 HD1 HSCR FIN HMS 2009-2823



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. 269, H.D. 1, and recommends that it pass Third Reading.

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

  
MARCUS R. OSHIRO, Chair





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# A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

1           SECTION 1. The purpose of this 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 registrar of the bureau of conveyances to provide, within  
6 ten days after each week and free of charge, the administrator  
7 of the real property assessment division of the city and county  
8 of Honolulu an image and index of all instruments and documents  
9 that have been recorded in the registrar's office that week  
10 relating to regular system land in all the counties. The real  
11 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 502-26, Hawaii Revised Statutes, is  
16 amended to read as follows:

17           "**§502-26 Copies of instruments, certificates.** (a) The  
18 registrar, when applied to, shall furnish an attested copy of



1 any instrument or document recorded in the registrar's office,  
2 or of any fact appearing upon the registrar's records. The  
3 registrar may also issue nonattested portions of any instrument  
4 or document recorded in the registrar's office. The registrar  
5 may issue certificates of search or incumbrance when personnel  
6 is available for the making of the certificate.

7 (b) Within ten days after the end of each week, the  
8 registrar shall deliver or forward by mail, and without charge,  
9 to the real property assessment administrator of the city and  
10 county of Honolulu an image and index of all instruments or  
11 documents that have been recorded in the registrar's office  
12 during each week relating to land in all the counties. The  
13 index shall include the following for each instrument:

- 14 (1) Document number;  
15 (2) Certificate number;  
16 (3) Date of the filing;  
17 (4) Type of document;  
18 (5) Names of the grantor and grantee;  
19 (6) Current tax map key number; and  
20 (7) Location of the real property by island.

21 The real property assessment administrator of the city and  
22 county of Honolulu shall provide copies of the images, without



1 charge, to the real property assessment administrators of the  
2 other counties."

3 SECTION 3. New statutory material is underscored.

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



**Report Title:**

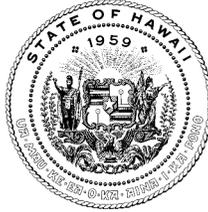
Bureau of Conveyances; Counties; Recorded Instruments

**Description:**

Requires the registrar of the bureau of conveyances to provide, within 10 days after the end of each week and free of charge, the administrator of the real property assessment division of the City and County of Honolulu an image and index of all instruments and documents that have been recorded in the registrar's office that week relating to land in all the counties. Requires the real property assessment administrator of the City and County of Honolulu to provide copies of the images, without charge, to the real property assessment administrators of the other counties. (HB269 HD1)



LINDA LINGLE  
GOVERNOR OF HAWAII



**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  
TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS**

**Monday, March 23, 2009  
1:15 PM  
State Capitol, Conference Room 224**

**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 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.

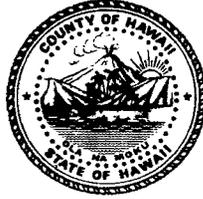
**LAURA H. THIELEN**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**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

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 J. Kalani English, Chair  
and Members of the Senate Committee on Transportation, International  
and Intergovernmental Affairs  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

RE: Testimony in Support of HB269, HD1  
Hearing Monday, March 23, 2009, at 1:15 p.m., Conference Room 224

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 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 Bureau of Conveyances is critical to the counties' real property assessment programs.

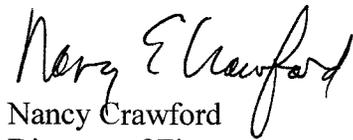
This transfer of data has, to date, been dependent on private agreements and these agreements are currently in jeopardy. The real property divisions face the prospect of either adding greatly to the costs of running the real property assessment process or worse being cut off from data needed to function.

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 black ink that reads "Nancy E Crawford". The signature is written in a cursive style with a large, looped "C" at the end.

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, 5<sup>th</sup> Senatorial District  
Hawaii State Capitol, Room 231  
415 South Beretania Street  
Honolulu, Hawaii 96813

Honorable J. Kalani English  
Chair of Transportation, International and Intergovernmental Affairs Committee  
State Senator, 6<sup>th</sup> Senatorial District  
Hawaii State Capitol, Room 205  
415 South Beretania Street  
Honolulu, Hawaii 96813

**RE: H.B. 269 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. 269 H.D. 1.

Currently, the language of H.B. 269 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 registrar of conveyances in the Bureau of Conveyances 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 [gkurokawa@honolulu.gov](mailto:gkurokawa@honolulu.gov).

Sincerely,

  
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.** 269  
H.D. 1

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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 free of 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 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 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 any 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 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 filing;
- (4) Type of document;
- (5) Names of the 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.

**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 Kaua'i, State of Hawai'i  
4444 Rice Street, Suite A-454, Līhu'e, Hawai'i 96766  
TEL (808) 241-6222 FAX (808) 241-6252

March 19, 2009

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

Honorable Senator J. Kalani English  
Transportation, International and Intergovernmental Affairs Committee, Chair  
Hawai'i State Capitol, Room 205  
415 S. Beretania Street  
Honolulu, Hawai'i 96813

**Support of H.B.269, Relating to Real Property**

The County of Kaua'i, Real Property Assessment Division fully **supports** the City and County of Honolulu's proposed H.B.269, as amended, relating to real property, 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.

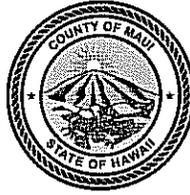
The Counties real property assessment / tax offices are the legal repositories for all real property information. H.B.269 as amended would insure the timely receipt of all recorded documents at no cost, providing accuracy of information and ultimately benefiting both the county and public's best interest.

We urge you to support this important H.B.269 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](mailto: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](http://www.mauipropertytax.com)

Honorable Rosalyn H. Baker  
Commerce and Consumer Protection Committee, Chair

Honorable J. Kalani English  
Transportation, International and Intergovernmental Affairs Committee, Chair

County of Maui, Department of Finance, Real Property Tax Division  
Monday, March 23, 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 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](mailto:scott.teruya@co.maui.hi.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. Teruya", is written over a faint, larger version of the same signature.

Scott K. Teruya  
Acting Real Property Tax Administrator