

Honolulu, Hawaii

MAY 01 2009 , 2009

RE: S.B. No. 1352
S.D. 2
H.D. 2
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

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

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 1352, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BUREAU OF CONVEYANCES,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to reduce the backlog in land court recording and registration by:

- (1) Transferring fee simple time share interest registration from the Land Court System to the Regular System, and authorizing the Registrar of the Bureau of Conveyances to accept, in the Regular System, electronic instruments in lieu of original instruments with original signatures;
- (2) Authorizing the Department of Land and Natural Resources to establish a \$5 transaction fee for services rendered relating to automation; and



- (3) Requiring the Bureau of Conveyances to implement a pilot program for an integrated electronic filing system for electronic recordation of fee time share interests.

Your Committee finds that, due to the nature of time share ownership, it is appropriate to exclude time shares from the Land Court system. The Land Court system was designed to process single, consecutive ownership interests and not multiple, simultaneous interests in a single parcel of land. Inclusion of time shares in the Land Court burdens the system and is one cause of the current backlog. Your Committee is sympathetic to concerns that removal of time share transaction will lead to a loss of revenue for the Land Court; however, it is not in the best interest of the Land Court or the State to preserve an inefficient process merely for the sake of a minor revenue stream that can be recovered in the form of transaction fees or otherwise. It is the intent of your Committee that the Department of Land and Natural Resources (DLNR) collect a transaction fee for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court as a short term solution and review its fee structure as a long term solution to ensure that there is no loss of revenue to the DLNR.

Your Committee is also sympathetic to the concerns raised by employees of the Bureau of Conveyances over the change to registration procedures. Your Committee is persuaded that modernization of the registration and recording process is essential to solve the problem of the current backlog and to prevent a similar reoccurrence in the future. Your Committee is confident that the employer-employee working group established by this measure to find solutions to implementation and revenue issues will address the concerns raised by employees of the Bureau of Conveyances.

Your Committee has amended this measure by:

- (1) Adding a provision to specify that deregistration of time share interests shall not be construed to relieve deregistered land or the owners of deregistered land from any rights or liabilities applicable to deregistered land that are not expressly provided;
- (2) Deleting the proposal that would increase the ceiling on the Bureau of Conveyances Special Fund to \$1,150,000, thereby leaving the special fund ceiling at \$500,000; provided that funds collected for transaction fees as



authorized in this measure shall not lapse to the credit of the state general fund;

- (3) Directing rather than authorizing, the Department of Land and Natural Resources to assess the \$5 transaction fee to be charged for each recording in the Bureau of Conveyances and in the Office of the Assistant Registrar of the Land Court for services rendered by the Bureau of Conveyances pursuant to part II of chapter 501 and chapter 502, Hawaii Revised Statutes as of July 1, 2009;
- (4) Adding the Land Court Registrar or the Registrar's designee to the membership of the working group created by this measure;
- (5) Changing the effective date of this measure to July 1, 2009; provided that section 2 of shall take effect on July 1, 2011, and shall be repealed on December 31, 2014; provided further that section 16 shall take effect on July 1, 2009, and shall be repealed on the effective date of administrative rules adopted by the department of land and natural resources that address the establishment of transaction fees for each recording in the bureau of conveyances and in the office of the assistant registrar of the land court; provided further that section 17 shall take effect on January 1, 2012; and provided further that section 18 shall take effect upon its approval and shall be repealed on January 31, 2010; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1352, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1352, S.D. 2, H.D. 2, C.D. 1.

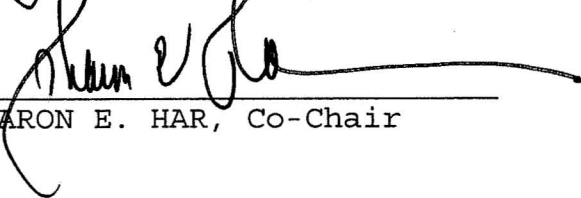


Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

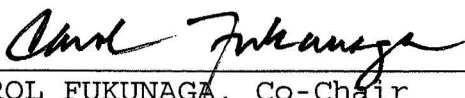

KEN ITO, Co-Chair



JON RIKI KARAMITSU, Co-Chair


SHARON E. HAR, Co-Chair

ON THE PART OF THE SENATE

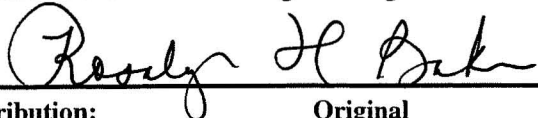
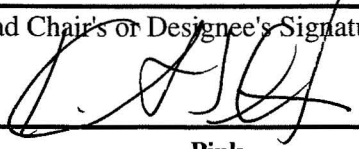

ROSALYN H. BAKER, Chair


CAROL FUKUNAGA, Co-Chair


BRIAN T. TANIGUCHI, Co-Chair



Record of Votes of a Conference Committee

Bill / Concurrent Resolution No.: SB 1352, SD 2, HD 2					Date/Time: 3:40 pm 4-30-09				
<input checked="" type="checkbox"/> The recommendation of the House and Senate managers is to pass with amendments (CD).									
<input type="checkbox"/> The Committee is reconsidering its previous decision.									
<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure					<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.				
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				ITO, Ken, Co-Chr.	✓			
FUKUNAGA, Carol, Co-Chr.	✓				KARAMATSU, Jon Riki, Co-Chr.				✓
TANIGUCHI, Brian T., Co-Chr.				✓	HAR, Sharon E., Co-Chr.	✓			
IGE, David Y.	✓				CHONG, Pono				✓
TOKUDA, Jill N.	✓				CHING, Corinne W.L.	✓			
SLOM, Sam				✓					
TOTAL	4	-	-	2	TOTAL	3	-	-	2
A = Aye		WR = Aye with Reservations			N = Nay		E = Excused		
Senate Recommendation is:					House Recommendation is:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted					<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Senate Lead Chair's or Designee's Signature:					House Lead Chair's or Designee's Signature:				
									
Distribution: Original					Yellow Pink Goldenrod				
File with Conference Committee Report					House Clerk's Office Senate Clerk's Office Drafting Agency				