



The Judiciary, State of Hawai'i

**Testimony to the
Senate Committee on Judiciary and Labor**
Senator Clayton Hee, Chair
Senator Maile S. L. Shimabukuro, Vice Chair

Friday, March 22, 2013, 10:30 a.m.
State Capitol, Conference Room 016

by
Calvin C. Ching
Deputy Chief Court Administrator

Bill No. and Title: House Bill No. 423, Repealing a Sunset Provision in Section 21 of Act 120, Session Laws of Hawaii 2009.

Purpose: The bill makes part II of chapter 501, HRS, relating to land recordings and deregistration of fee simple timeshare interests, permanent by repealing the applicable sunset provision in section 21 of Act 120, Session Laws of Hawaii 2009.

Judiciary's Position:

House Bill No. 423 proposes to repeal the sunset provision of Section 2 of Act 120, Session Laws of Hawaii 2009, relating to de-registering land from Land Court.

The Judiciary notes that Section 2 of Act 120, Session Laws of Hawaii 2009 provides for the sunset of (1) the de-registration of fee time share interests and (2) the voluntary de-registration of non time share fee interests.

The Judiciary supports the repeal of the sunset provision of Act 120, Session Laws of Hawaii 2009 relating to the de-registration from Land Court of fee simple time share interests, however the Judiciary has concerns about the sunset of the voluntary de-registration of non time share fee simple interests and current voluntary de-registration provisions. It is not the Judiciary's intent to oppose the passage of House Bill No. 423, but the Judiciary would like to continue to seek improvements to the process to ensure consistency.



House Bill No.4235, Repealing a Sunset Provision in Section 21 of Act 120,
Session Laws of Hawaii 2009.

Senate Committee on Judiciary and Labor

Friday, March 22, 2013

Page 2

The Judiciary is proposing that the sunset date of December 31, 2014 be retained for voluntary de-registration of fee simple interests. The Judiciary will continue working with an *ad hoc* group of stakeholders to resolve issues that have arisen in the voluntary de-registration of non time share fee interests with the intent to propose legislation for the 2014 session.

Thank you for the opportunity to testify on this measure.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



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

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WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
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WILLIAM M. TAM
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

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
JUDICIARY AND LABOR**

**Friday, March 22, 2013
10:30 A.M.
State Capitol, Conference Room 016**

**In consideration of
HOUSE BILL 423
RELATING TO BUREAU OF CONVEYANCES**

House Bill 423 proposes to repeal the sunset provision of Section 2 of Act 120, Session Laws of Hawaii 2009, relating to deregistering land from Land Court. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department notes that since the inception on July 1, 2011 of the ability for landowners to deregister their land from land court, there have been 108 voluntary deregistrations of land from Land Court.



March 21, 2013

TO: SENATE COMMITTEE ON JUDICIARY AND LABOR
Senator Clayton Hee, Chair
Senator Maile Shimabukuro, Vice Chair

FROM: Daniel Dinell ARDA–Hawaii, Chair

RE: HB 423, Relating to the Bureau of Conveyances
Position: Support

Dear Chair Hee, Vice Chair Shimabukuro, and members of the Committee:

The American Resort Development Association (ARDA) Hawaii, the local chapter of a national timeshare trade association, supports H.B. 423, which makes permanent the transfer of timeshare fee purchase documents from the land court to the Bureau of Conveyances regular system. There are 87 timeshare properties located across the four largest islands with more than 10,000 timeshare units and more planned for the future.

In 2012, a bill was passed to automatically transfer all existing timeshare recordations from the land court to the regular system. This 2012 bill was intended to ease the continuing backlog and streamline the process to deregister the remaining timeshare interests. The current bill would complement that effort by removing the sunset date of December 31, 2014 of section 2 of Act 120 Session Laws 2009. This 2009 law addressed the backlog in the land court system and transferred fee timeshare interest recording from the land court system to the regular system, encouraged the setting of fees, and allowed for electronic submission of documents.

In short, the 2009 and 2012 laws are doing what the Legislature intended and thus ARDA supports removal of the sunset provision in order to make permanent the changes that are working.

Thank you for the opportunity to submit written testimony in support of H.B. 423.

"Timeshare With Aloha"

CHARLES E. PEAR, JR.

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March 20, 2013

Senator Clayton Hee, Chair
Senator Maile S. L. Shimabukuro, Vice Chair
Members of the Senate Committee on
Judiciary and Labor
Twenty-Seventh Legislature
Regular Session, 2013

Re: H.B. 423
Hearing on March 22, 2013, 10:30 a.m.
Conference Room 016

Dear Chair, Vice-Chair and Members of the Committee:

My name is Charles Pear. I represent SVO Pacific, Inc., a Florida corporation. It is a wholly owned subsidiary of Starwood Vacation Ownership, the time share arm of Starwood Hotels and Resorts Worldwide, Inc. It is the developer of various Westin and Sheraton time share plans, including the Westin Ka'anapali Ocean Resort Villas (on Maui), the Westin Ka'anapali Ocean Resort Villas North (also on Maui) and the Westin Princeville Ocean Resort Villas (on Kauai).

SVO Pacific, Inc. supports the bill.

Last year we worked with an *ad hoc* Land Court Working Group formed for the purpose of reviewing and revising a bill refining a 2009 law providing that time share interests would be recorded in the Bureau of Conveyances instead of the Land Court. The group consisted of representatives of the Bureau, the Judiciary, the Hawaii Land Title Association, and the undersigned on behalf of SVO Pacific, Inc., a constituent member of ARDA. After many drafts, the members of the group settled on a draft and it was passed last year.

At this point, all time share interest deeds and mortgages are recorded in the regular system of the Bureau of Conveyances. SVO Pacific, Inc. finds that this is helping to clear the backlog of recordings at the Land Court side of the Bureau of Conveyances. SVO Pacific, Inc requests that this bill be passed so that timeshare recordings will continue to take place in the regular system of the Bureau of Conveyances, instead of the Office of the Assistant Registrar, which is also located in the Bureau of Conveyances.

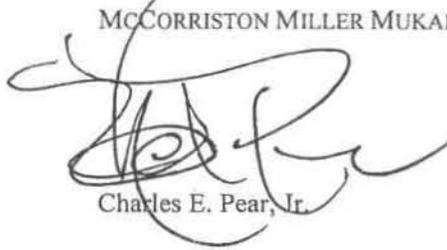
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Chair, Vice-Chair and Members,
Senate Committee on Judiciary and Labor
March 11, 2013
Page 2

Thank you for your kind consideration of this legislation. I would be happy to take any questions if you think that I may be of some small assistance.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP

A handwritten signature in black ink, appearing to read "Charles E. Pear, Jr.", is written over the typed name. The signature is stylized and cursive.

Charles E. Pear, Jr.

**Testimony of
Gary M. Slovin / Mihoko E. Ito
on behalf of
Wyndham Vacation Ownership**

DATE: March 21, 2013

TO: Senator Clayton Hee
Chair, Committee on Judiciary and Labor
Submitted Via JDLEvidence@capitol.hawaii.gov

RE: **H.B. 423 – Relating to Bureau of Conveyances**
Hearing Date: Friday, March 22, 2013 at 10:30am
Conference Room 016

Dear Chair Hee and Members of the Committee on Judiciary and Labor:

We submit this testimony on behalf of Wyndham Vacation Ownership. Wyndham Vacation Ownership offers individual consumers and business-to-business customers a broad suite of hospitality products and services through its portfolio of world-renowned brands. Wyndham has a substantial presence in Hawaii through its Wyndham Vacation Resorts and WorldMark by Wyndham brands.

Wyndham **supports** H.B. 423, which eliminates the sunset date for Act 120, Session Laws of Hawaii 2009. Act 120 deregistered fee simple time share transactions from the Land Court system, and provided a procedure to move these transactions to the regular system in the Bureau of Conveyances.

The number of owners for a fee simple time share ranges from hundreds to thousands, and each owner has a percentage interest in the time share property. The removal of fee simple time share transactions from Land Court has eliminated the need to issue a certificate of title for each fee simple time share unit for each owner, and has significantly streamlined the registration process for fee simple timeshare interests.

For these reasons, we support this measure and ask for your favorable support.

Thank you very much for the opportunity to submit testimony

Gary M. Slovin
Mihoko E. Ito
Tiffany N. Yajima
Nicole A. Velasco

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