
A BILL FOR AN ACT

RELATING TO LAND COURT.

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

1 SECTION 1. The joint legislative investigative committee
2 established pursuant to Senate Concurrent Resolution No. 226,
3 regular session of 2007, identified serious shortcomings
4 relating to the bureau of conveyances. Act 120, Session Laws of
5 Hawaii 2009 (Act 120), was adopted in response to the findings
6 of the committee. Act 120 was intended to ease the backlog in
7 land court recording and registration by, among other things,
8 transferring fee simple time share interests from the land court
9 system to the regular system.

10 Act 120 requires that, upon presentation of a deed or any
11 other instrument affecting a fee time share interest, the
12 assistant registrar of the land court shall not file the same in
13 the land court. Rather, the assistant registrar shall:

- 14 (1) Update the certificate of title for all fee time share
15 interests in the time share plan;
- 16 (2) Record in the regular system the updated certificate
17 of title for each fee time share interest in the time
18 share plan;



(3) Record in the regular system the deed or other instrument presented for recording; and

(4) Cancel the certificate of title for each fee time share interest in the time share plan.

Once the certificate of title for a fee time share interest is recorded, that time share interest is no longer subject to the land court pursuant to chapter 501, Hawaii Revised Statutes. From then on, all deeds and other instruments affecting the fee time share interest shall be recorded in the regular system.

This process is known as deregistration of fee time share interests.

Through Act 121, Session Laws of 2012 (Act 121), the legislature found that the task of updating and recording the certificates of title for all fee time share interests concurrently had exceeded the capacity of the land court, particularly in light of the approximately three-year backlog of land court recordings and registration existing at the time that Act 120 took effect.

Accordingly, Act 121 was adopted to amend the deregistration procedure by removing fee time share interests from the land court system as of July 1, 2012. The assistant



1 registrar was charged with the obligation to certify the
2 certificates of title for all fee time share interests in the
3 ordinary course of business. This was intended to lighten the
4 load of the assistant registrar in the preparation and
5 certification of the certificates of title for fee time share
6 interests without delaying the removal of the fee time share
7 interests from the land court system.

8 However, the requirement that the assistant registrar
9 certify all of the remaining uncertified fee time share
10 certificates of title remains burdensome in light of resource
11 limitations and the demands of new transactions on the office of
12 the assistant registrar.

13 The purpose of this Act is to streamline the operations of
14 the office of the assistant registrar of the land court by
15 removing the requirement that the assistant registrar certify
16 all pending or otherwise uncertified certificates of title for
17 fee time share interests, all of which were removed from the
18 land court system as of July 1, 2012. This Act is also intended
19 to preserve the ability of the assistant registrar to complete
20 and certify an uncertified certificate of title to clarify and
21 preserve the rights and interests of interested parties under



1 the State's land court law, up to the date and time of
2 deregistration of the property.

3 SECTION 2. Section 501-20, Hawaii Revised Statutes, is
4 amended by adding two new definitions to be appropriately
5 inserted and to read as follows:

6 "Certified fee time share interest certificate of title"
7 means a certificate of title for a fee time share interest that
8 has been updated and approved by the assistant registrar in
9 accordance with section 501-261(1).

10 "Uncertified fee time share interest certificate of title"
11 means a certificate of title issued for a fee time share
12 interest that has not been updated and approved by the assistant
13 registrar in accordance with section 501-261(1)."

14 SECTION 3. Section 501-261, Hawaii Revised Statutes, is
15 amended to read as follows:

16 "§501-261 Deregistration of fee time share interests. The
17 certificate of title for each fee time share interest shall be
18 canceled effective as of the date and time of deregistration of
19 ~~[such]~~ the fee time share interest. Notwithstanding the
20 provisions of section 501-261 in existence prior to July 1,
21 2012, a fee time share interest for which a certificate of title



1 was not recorded in the bureau of conveyances pursuant to
2 chapter 502 and part II of this chapter prior to July 1, 2012,
3 shall be deregistered on July 1, 2012, at 12:01 a.m.

4 (1) ~~[Beginning on]~~ From and after July 1, 2012, ~~[and~~
5 ~~continuing for so long as shall be reasonably~~
6 ~~necessary in the ordinary course of business,]~~ the
7 assistant registrar ~~[shall:]~~ may, and upon a written
8 request to the assistant registrar by a party in
9 interest with respect to a certificate of title, the
10 assistant registrar shall:

11 (A) Note on the certificate of title for each fee
12 time share interest all documents and instruments
13 affecting the fee time share interest:

14 (i) That were or are registered as of a date and
15 time prior to the date and time of
16 deregistration of the fee time share
17 interest; and

18 (ii) That were not yet noted on the certificate
19 of title of the fee time share interest as
20 of the earlier to occur of: the date and
21 time of deregistration thereof; or the date



1 and time of cancellation of the certificate
2 of title; and

3 (B) Certify [~~each~~] the certificate of title.

4 (2) Section 501-196 shall apply to a certificate of title
5 updated pursuant to paragraph (1) upon approval of the
6 same by the assistant registrar, which approval shall
7 be evidenced by a certification of the assistant
8 registrar endorsed upon the certificate of title. A
9 certificate of title for a fee time share interest,
10 including but not limited to a certificate of title
11 recorded prior to July 1, 2012, pursuant to part II of
12 this chapter [~~501~~], shall not be considered completed
13 or approved, and shall be subject to modification by
14 the assistant registrar, at any time prior to
15 certification thereof by the assistant registrar.
16 Subsequent to the certification, the certificate of
17 title for a fee time share interest may only be
18 modified pursuant to section 501-196 or as otherwise
19 provided in this chapter.

20 (3) Upon certification of the certificate of title for a
21 fee time share interest by the assistant registrar,



1 the assistant registrar shall mark the certificate of
2 title "canceled", note the cancellation of the
3 certificate of title in the registration book, and
4 notify the court and the state surveyor of the
5 cancellation. The registrar shall thereupon be
6 authorized to file a record of the cancellation in the
7 application or consolidation file, and the state
8 surveyor shall then be authorized to annotate the land
9 court map or maps by identifying thereon the
10 deregistered land and noting thereon the bureau of
11 conveyances document number of the canceled
12 certificate. The assistant registrar may adopt
13 procedures, if any, as it may deem appropriate to
14 reflect the cancellation of the uncertified fee time
15 share interest certificates of title and the state
16 surveyor may annotate the land court map or maps by
17 identifying thereon the deregistration of land covered
18 by uncertified fee time share certificates of title.
19 Regardless of the date upon which any such
20 administrative acts are performed, the cancellation of
21 the certificate of title for a fee time share interest



1 shall be effective as of the date and time of
2 deregistration of that fee time share interest.

3 (4) If only part of the land described in the certificate
4 of title consists of a fee time share interest, then
5 upon the petition of the registered owner of that
6 portion of the registered land not constituting a fee
7 time share interest, a new certificate of title shall
8 be issued to [~~such~~] the owner for that portion of the
9 registered land not constituting a fee time share
10 interest. If registered land is held in the
11 condominium form of ownership, then for purposes of
12 this subsection each condominium apartment or
13 condominium unit for which a separate certificate of
14 title has been issued shall be treated as if it were a
15 separate parcel of registered land.

16 (5) Except as provided in paragraph (4), no order of court
17 shall be required prior to or in connection with the
18 performance of any of the foregoing actions[~~-~~] or to
19 reflect or effect the cancellation of the certificate
20 of title for a fee time share interest or otherwise to



1 reflect or effect the withdrawal of the fee time share
2 interest from the operation of this chapter."

3 SECTION 4. Section 501-262, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) Neither voluntary deregistration of land other than a
6 fee time share interest nor the mandatory deregistration of any
7 fee time share interest pursuant to part II of this chapter,
8 whether by recordation of a certificate of title in the bureau
9 of conveyances prior to July 1, 2012, or by operation of law
10 thereafter, shall disturb the effect of any proceedings in the
11 land court where the question of title has been determined. All
12 proceedings had in connection with the registration of title
13 that relate to the settlement or determination of title to
14 deregistered land before ~~[a certificate of title for land other~~
15 ~~than a fee time share interest is recorded in the bureau of~~
16 ~~conveyances pursuant to chapter 502 and part II of this chapter~~
17 ~~or a certificate of title for a fee time share interest is~~
18 ~~certified]~~ the date and time of deregistration, and all
19 provisions of this chapter that relate to the status of the
20 title, shall have continuing force and effect with respect to
21 the period of time that title remained under the land court



1 system. An uncertified fee time share interest certificate of
2 title shall have the same force and effect as a certified fee
3 time share interest certificate of title; provided that the
4 assistant registrar shall have the right to correct and complete
5 the uncertified fee time share interest certificate of title
6 prior to certification thereof; provided further that upon
7 certification thereof, section 501-261(2) shall apply. Those
8 provisions giving rise to a right of action for compensation
9 from the State, including any limits on and conditions to the
10 recovery of compensation and the State's rights of subrogation
11 with respect thereto, shall also continue in force and effect
12 with respect to the period of time that title remained under the
13 land court system."

14 SECTION 5. Section 501-263, Hawaii Revised Statutes, is
15 amended to read as follows:

16 **"§501-263 Effect of deregistration in specific cases.**
17 Notwithstanding section 501-262(a)(3), the following documents,
18 instruments, and papers need not be registered pursuant to this
19 chapter to be effective and shall be recorded in the bureau of
20 conveyances pursuant to chapter 502:



1 (1) Any document, instrument, or paper assigning,
2 extending, continuing, dissolving, discharging,
3 releasing in whole or in part, reducing, canceling,
4 extinguishing, or otherwise modifying or amending any
5 of the following documents, instruments, or papers
6 that have been registered pursuant to this chapter and
7 that pertain to deregistered land:

8 (A) A mortgage;

9 (B) An agreement of sale for the sale of a fee time
10 share interest or interest in other deregistered
11 land. After the ~~[recording of the certificate~~
12 ~~of title, any]~~ date and time of deregistration of
13 a fee time share interest or interest in other
14 deregistered land, the interest in any
15 deregistered land covered by the agreement of
16 sale shall be subject to section 502-85 and shall
17 not be subject to section 501-101.5;

18 (C) A correction deed, correction mortgage, or other
19 document, instrument, or paper correcting a
20 document, instrument, or paper registered
21 pursuant to this chapter;



- 1 (D) A lien or claim of lien on a fee time share
2 interest held or claimed by a time share owners
3 association, an association of apartment owners,
4 or other homeowners' association or a lien or
5 claim on an interest in other deregistered land
6 held by a lienor or person claiming a lien;
- 7 (E) A lease that demises a fee time share interest or
8 interest in other deregistered land;
- 9 (F) An order of court, attachment, writ, or other
10 process against a fee time share interest or
11 interest in other deregistered land;
- 12 (G) A mechanic's or materialman's lien or other lien
13 upon a fee time share interest or interest in
14 other deregistered land;
- 15 (H) A lis pendens or notice of pendency of action,
16 notice, affidavit, demand, certificate,
17 execution, copy of execution, officer's return,
18 or other instrument relating to a fee time share
19 interest or interest in other deregistered land
20 and otherwise required or permitted to be
21 recorded or registered in connection with the



1 enforcement or foreclosure of any lien, whether
2 by way of power of sale pursuant to chapter 667
3 or otherwise; or

4 (I) A power of attorney given by the owner of a fee
5 time share interest or interest in other
6 deregistered land or the vendor or vendee under
7 an agreement of sale for the sale of a fee time
8 share interest or interest in other deregistered
9 land, a mortgagee or other lienor having a
10 mortgage or lien upon a fee time share interest
11 or interest in other deregistered land, or
12 another party holding a claim or encumbrance
13 against or an interest in a fee time share
14 interest or interest in other deregistered land;

15 (2) A lis pendens or notice of pendency of action, notice,
16 affidavit, demand, certificate, execution, copy of
17 execution, officer's return, or other instrument
18 relating to a fee time share interest or interest in
19 other deregistered land and otherwise required or
20 permitted to be recorded or registered in connection
21 with the enforcement or foreclosure of any lien,



1 whether by way of power of sale pursuant to chapter
2 667 or otherwise; and

3 (3) Any declaration annexing property to, any declaration
4 deannexing property from, any amendment or supplement
5 to, correction of, or release or termination of, any
6 of the following documents, instruments, or papers
7 that have been registered pursuant to this chapter and
8 that pertain to deregistered land:

9 (A) A declaration of covenants, conditions,
10 restrictions, or similar instrument, by whatever
11 name denominated, establishing or governing a
12 time share plan, or the bylaws of a time share
13 owners association, notice of time share plan, or
14 other time share instrument;

15 (B) A declaration of condominium property regime or
16 similar declaration by whatever name denominated,
17 the bylaws of the association of apartment
18 owners, the condominium map, any declaration of
19 merger and any instrument effecting a merger;
20 provided that if only some of the condominium
21 apartments are included in the time share plan,



1 then it shall be necessary to register, and to
2 note on the certificate of title for any
3 apartment not included in the time share plan:

4 (i) Any declaration annexing property to the
5 condominium property regime;

6 (ii) Any declaration deannexing property from the
7 condominium property regime;

8 (iii) Any instrument effecting a merger of two or
9 more condominium projects or two or more
10 phases of a condominium project; and

11 (iv) Any document, instrument, or paper amending,
12 supplementing, correcting, releasing, or
13 terminating any of the documents listed in
14 ~~[subparagraph (B) (i) through]~~ clauses (i) to
15 (iii), the declaration of condominium
16 property regime, the bylaws of the
17 association of apartment owners, the
18 condominium map, or any declaration of
19 merger; and

20 (C) A declaration of covenants, conditions,
21 restrictions, or similar instrument, by whatever



1 name denominated, the bylaws of any homeowners
2 association, any declaration of annexation or
3 deannexation, any amendments and supplements
4 thereto, and any cancellation or extinguishment
5 thereof, any declaration of merger and any
6 instrument effecting a merger; provided that if
7 only some of the parcels of land covered by the
8 declaration constitutes deregistered land, and if
9 one or more of the remaining parcels constitute
10 registered land, then it shall be necessary to
11 register, and to note on the certificate of title
12 for any registered land:

- 13 (i) Any declaration annexing property to the
14 declaration;
15 (ii) Any declaration deannexing property from the
16 operation of the declaration; and
17 (iii) Any document, instrument, or paper amending,
18 supplementing, correcting, releasing, or
19 terminating any of the documents listed in
20 ~~[subparagraph (C)(i)]~~ clause (i) or (ii),
21 the declaration of covenants, conditions,



1 restrictions, or the bylaws of the
2 homeowners association."

3 SECTION 6. Section 501-264, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "~~§501-264 Chain of title of deregistered land. [~~(a)~~—A~~
6 ~~certificate of title for land other than a fee time share~~
7 ~~interest recorded in the bureau of conveyances pursuant to~~
8 ~~chapter 502 and part II of this chapter, or certified by the~~
9 ~~assistant registrar in the case of a fee time share interest,~~
10 ~~shall constitute a new chain of record title in the registered~~
11 ~~owner of any estate or interest as shown on the certificate of~~
12 ~~title so recorded or certified, subject only to the following:]~~
13 (a) The chain of record title in the registered owner of any
14 estate or interest in deregistered land shall, as of the date
15 and time of deregistration, be subject only to the following and
16 to the items described in subsection (d):

17 (1) In the case of land other than a fee time share
18 interest, the estates, mortgages, liens, charges,
19 instruments, documents, and papers noted on the
20 certificate of title recorded in the bureau of



1 conveyances pursuant to chapter 502 and part II of
2 this chapter;

3 (2) In the case of a fee time share interest covered by a
4 certified fee time share interest certificate of
5 title, the estates, mortgages, liens, charges,
6 instruments, documents, and papers noted on the
7 certified fee time share interest certificate of
8 title; and

9 (3) In the case of a fee time share interest covered by an
10 uncertified fee time share interest certificate of
11 title, the estates, mortgages, liens, charges,
12 instruments, documents, and papers noted or deemed to
13 be noted on the uncertified fee time share interest
14 certificate of title, as set forth in subsection (b).

15 (b) The following shall, for purposes of part II of this
16 chapter, be deemed to be noted on the uncertified fee time share
17 interest certificate of title for a given fee time share
18 interest:

19 (1) The estates, mortgages, liens, charges, instruments,
20 documents, and papers noted in the last certificate of



title certified by the assistant registrar for the
registered land of that fee time share interest; and

(2) The estates, mortgages, liens, charges, instruments,
documents, and papers registered with respect to the
registered land of that fee time share interest, which
registration occurred:

(A) After the date of certification of the last
certified certificate of title for the registered
land of the fee time share interest; and

(B) Prior to the earlier to occur of: the date and
time of cancellation of the fee time share
interest certificate of title; or July 1, 2012,
including but not limited to any estates, liens,
charges, covenants, conditions, easements,
restrictions, agreements, reservations,
limitations, interests, or other continuing
provisions contained or reserved in the deed
conveying the fee time share interest to the
registered owner, whether or not identified in
the uncertified fee time share interest
certificate of title.



1 (c) Nothing in subsection (b) is intended to alter the
2 effect of any instruments, documents, or papers identified in
3 subsection (b)(2) on the items noted in the certificate of title
4 described in subsection (b)(1).

5 (d) As of the date and time of deregistration, the chain
6 of title for deregistered land shall be subject only to the
7 items described in subsection (a) and, in the case of a fee time
8 share interest covered by an uncertified fee time share interest
9 certificate of title, in subsection (b), and to the following:

10 (1) The estates, mortgages, liens, charges, instruments,
11 documents, and papers ~~[noted on the certificate of~~
12 ~~title so recorded or certified,]~~ :

13 (A) Noted on the certificate of title recorded in the
14 bureau of conveyances pursuant to chapter 502 and
15 part II of this chapter, in the case of land
16 other than a fee time share interest;

17 (B) Noted on the certified fee time share interest
18 certificate of title, in the case of a fee time
19 share interest for which the assistant registrar
20 issued a certified fee time share interest
21 certificate of title; or



1 (C) Noted or deemed to be noted on the uncertified
2 fee time share interest certificate of title, in
3 the case of all other fee time share interests;

4 (2) Liens, claims, or rights arising or existing under the
5 laws or Constitution of the United States, which the
6 statutes of this State cannot require to appear of
7 record in the registry; provided that notices of liens
8 for internal revenue taxes payable to the United
9 States, and certificates affecting the liens, shall be
10 deemed to fall within this paragraph only if the same
11 are recorded in the bureau of conveyances as provided
12 by chapter 505;

13 (3) Unpaid real property taxes assessed against the land
14 and improvements covered by the certificate of title
15 ~~[as recorded or certified,]~~ for the deregistered land,
16 with interest, penalties, and other additions to the
17 tax, which, unless a notice is filed and registered as
18 provided by county real property tax ordinance, shall
19 be for the period of three years from and after the
20 date on which the lien attached, and if proceedings
21 for the enforcement or foreclosure of the tax lien are



1 brought within the period, until the termination of
2 the proceedings or the completion of the tax sale;

3 (4) State tax liens, if the same are recorded in the
4 bureau of conveyances as provided by section 231-33;

5 (5) Any public highway, or any private way laid out under
6 the provisions of law, when the certificate of title
7 does not state that the boundary of the way has been
8 determined;

9 (6) Any lease, coupled with occupancy, for a term not
10 exceeding one year; provided that the priority of the
11 unrecorded lease shall attach only at the date of the
12 commencement of the unrecorded lease and expire one
13 year from the date or sooner if so expressed;

14 (7) Any liability to assessments for betterments, or
15 statutory liability that may attach to land as a lien
16 prior to or independent of, the recording or
17 registering of any paper of the possibility of a lien
18 for labor or material furnished in the improvement of
19 the land; provided that the priority of any liability
20 and the lien therefor (other than for labor and
21 material furnished in the improvement of the land,



1 which shall be governed by section 507-43) shall cease
2 and terminate three years after the liability first
3 accrues unless notice thereof, signed by the officer
4 charged with collection of the assessments or
5 liability, setting forth the amount claimed, the date
6 of accrual, and the land affected, is recorded in the
7 bureau of conveyances pursuant to chapter 502 within
8 the three-year period; and provided further that if
9 there are easements or other rights, appurtenant to a
10 parcel of deregistered land, which for any reason have
11 failed to be deregistered, the easements or rights
12 shall remain so appurtenant notwithstanding the
13 failure, and shall be held to pass with the
14 deregistered land until cut off or extinguished in any
15 lawful manner;

16 (8) The possibility of reversal or vacation of the decree
17 of registration upon appeal;

18 (9) Any encumbrance not required to be registered as
19 provided in sections 501-241 to 501-248 and relating
20 to a leasehold time share interest or leasehold
21 interest in deregistered land; and



1 (10) Child support liens that are created pursuant to order
2 or judgment filed through judicial or administrative
3 proceeding in this State or in any other state, the
4 recording of which shall be as provided by chapter
5 576D.

6 ~~[(b)]~~ (e) For purposes of this section, an encumbrance
7 shall be deemed sufficiently noted on a certificate of title if
8 the notation:

9 (1) References a document by name or number that contains
10 an encumbrance; and

11 (2) Indicates that the referenced document contains an
12 encumbrance to which the deregistered land is subject.

13 ~~[(e)]~~ (f) All instruments, documents, and papers: noted on
14 a certificate of title recorded in the bureau of conveyances
15 pursuant to chapter 502 and part II of this chapter (in the case
16 of land other than a fee time share interest); noted on a
17 certified fee time share interest certificate of title; or noted
18 or deemed to be noted on an uncertified fee time share interest
19 certificate title, shall have the same force and effect as if
20 they had been recorded in the bureau of conveyances pursuant to
21 chapter 502 as of the date, hour, and minute of reception noted



1 on the certificate of title pursuant to section 501-107[+] or
2 otherwise entered or required to be entered in the record of the
3 assistant registrar pursuant to section 501-107; provided that:

4 (1) No instrument, document, or paper shall have any
5 greater or other effect after the certificate of title
6 is recorded in the bureau of conveyances pursuant to
7 chapter 502 and part II of this chapter, as
8 constructive notice or otherwise, than it had or
9 acquired at the time it was registered pursuant to
10 this chapter or made; and

11 (2) Nothing in this part shall be construed as giving any
12 greater or other effect, as constructive notice or
13 otherwise, to any instrument, document, or paper
14 recorded in the bureau of conveyances pursuant to
15 chapter 502 prior to the [~~recording of the~~
16 ~~certificate of title in the bureau of conveyances~~
17 ~~pursuant to chapter 502 and part II of this chapter as~~
18 ~~to~~] date and time of deregistration of any registered
19 land, than was provided by the laws of this State
20 (including this chapter and other laws regarding



1 registered land) in effect at the time the instrument,
2 document, or paper was recorded.

3 ~~[(d)]~~ (g) If a certificate of title for:

4 (1) Land other than a fee time share interest recorded in
5 the bureau of conveyances pursuant to chapter 502 and
6 part II of this chapter;

7 (2) A fee time share interest certified by the assistant
8 registrar; or

9 (3) A fee time share interest that has not been certified
10 by the assistant registrar,

11 relates to more than one fee time share interest or more than
12 one interest in other deregistered land, then ~~[subsection]~~
13 subsections (a) to (d) shall apply to each interest separately
14 and only those items described in ~~[subsection]~~ subsections (a)
15 to (d) that encumbered a particular interest ~~[prior to~~
16 ~~recordation of the certificate of title]~~ as of the date and time
17 of deregistration of that interest will continue to encumber
18 that interest after the ~~[recordation-]~~ date and time of
19 deregistration."

20 SECTION 7. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



H.B. NO. 2090
H.D. 2
S.D. 2

1 SECTION 8. This Act shall take effect on July 1, 2030.



Report Title:

Fee Time Share Interests; Land Court; Bureau of Conveyances;
Deregistration

Description:

Streamlines the operations of the Office of the Assistant Registrar of the Land Court by removing the requirement that the Assistant Registrar certify uncertified certificates of title for fee time share interests. Effective 7/1/2030. (SD2)

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