



OFFICE OF THE LIEUTENANT GOVERNOR  
STATE OF HAWAII  
STATE CAPITOL  
HONOLULU, HAWAII 96813

SHAN S. TSUTSUI  
LIEUTENANT GOVERNOR

**TESTIMONY OF  
THE OFFICE OF THE LIEUTENANT GOVERNOR  
TO THE  
SENATE COMMITTEE ON WAYS AND MEANS**

**SENATE BILL NO. 1129, SENATE DRAFT 1  
Relating to Commissioners of Deeds**

Chair Tokuda, Vice-Chair Kouchi and members of the Committee on Ways and Means, the Office of the Lieutenant Governor supports Senate Bill No. 1129, Senate Draft 1, relating to Commissioners of Deeds. This measure adds new sections to chapter 503B, Hawaii Revised Statutes to clarify the Lieutenant Governor's rulemaking authority, authority to assess and collect fees and administrative fines, and to establish a revolving fund into which the fees and administrative fines are to be deposited. It also amends chapter 503B, Hawaii Revised Statutes, to clarify that the Lieutenant Governor is responsible for the program and increases the surety bond requirement from \$1,000 to \$10,000.

Act 277, SLH 2013 (now codified as Chapter 503B, HRS) established the Time Share Commissioners of Deeds Program within the Office of the Lieutenant Governor. Act 277 requires the Office of the Lieutenant Governor to establish a process for the Governor to appoint individuals to serve as Commissioners of Deeds to administer oaths, take acknowledgements, and take proofs of execution outside of the United States in connection with the execution of conveyance documents relating to a time share interest, any property subject to a time share plan, or the operation of a time share plan covering any property located within Hawaii.

Preparing for the implementation of the law and to address concerns with the law, a working group consisting of the Office of the Lieutenant Governor, the Department of the Attorney General, the Department of Commerce and Consumer Affairs, the Bureau of Conveyances, and members of the time share industry was convened and met on multiple occasions over the course of several months to discuss and analyze the law. Although substantial progress has been made to draft proposed administrative rules for the program's implementation, throughout the process it was determined that additional legislation and authorization is necessary prior to implementation. This measure addresses those issues and will provide the Office of the Lieutenant Governor the necessary authority and clarification to properly implement the law effectively.

At the moment, fiscal impact and impact on the state economy is unknown as the program cannot be fully implemented without these amendments. The Office of the Lieutenant Governor supports SB 1129, SD 1 and respectfully urges the passage of this bill. Thank you for the opportunity to testify.

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February 26, 2015

Sen. Jill N. Tokuda, Chair  
Sen. Ronald D. Kouchi, Vice Chair  
Members of the Senate Committee on  
Ways and Means  
Twenty-Eighth Legislature  
Regular Session, 2015

Re: S.B. 1129, SD 1  
Hearing on February 27, 2015, 9:00 a.m.  
Conference Room 211

Dear Chair, Vice Chair and Members of the Committee:

My name is Charles Pear. I am appearing as legislative counsel for ARDA Hawaii.

ARDA Hawaii supports the bill.

Deeds of timeshare interests in Hawai'i timeshare plans must be notarized in order to be recordable. Typically, this is not a problem for deeds signed in Hawai'i or in other states. However it can pose a problem in jurisdictions outside of the U.S. in which notaries are not common.

In 2013, the Legislature adopted Chapter 503B, HRS. It revived former Chapter 503, HRS, which grants the Governor the authority to appoint "Commissioners of Deeds." Commissioners of Deeds would have the authority to acknowledge the execution of timeshare conveyance documents (e.g., deeds, mortgages, etc.) for Hawai'i timeshares outside of the United States (e.g., in foreign countries).

Representatives of the time share industry spent the last year participating in an informal working group that was very ably chaired by Jayson Watts of the Office of the Lt. Governor. Other participants included representatives of the Office of the Attorney General, the Department of Commerce and Consumer Affairs, and the Bureau of Conveyances.

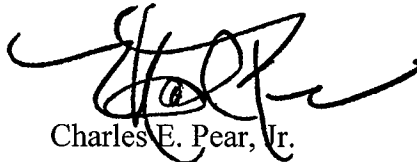
This effort resulted in the preparation of proposed Rules implementing the Commissioner of Deeds program. During its deliberations, the working group identified a number of areas where Chapter 503B could be clarified or otherwise improved. We understand that the bill currently under consideration is intended to address those improvements, and we support the revisions proposed.

Chair, Vice Chair and Members,  
Senate Committee on Ways and Means  
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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 assistance.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP

A handwritten signature in black ink, appearing to read "CEP", with a stylized flourish extending to the right.

Charles E. Pear, Jr.

CEP:kn