

# SB2910

Measure Title:	RELATING TO TIME SHARE COMMISSIONERS OF DEEDS.
Report Title:	Commissioners of Deeds; Rules; Fees; Administrative Fines; Office of the Lieutenant Governor; Appropriation (\$)
Description:	Clarifies the Lieutenant Governor's rulemaking authority; authorizes the Lieutenant Governor to assess and collect fees and administrative fines; clarifies that the Lieutenant Governor is responsible for the commissioners of deeds program; increases the surety bond requirement from \$1,000 to \$10,000; and makes appropriations. Effective July 1, 2016.
Companion:	<a href="#">HB2381</a>
Package:	Governor
Current Referral:	CPH, WAM
Introducer(s):	KOUCHI (Introduced by request of another party)



February 5, 2016

TO: COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND  
HEALTH

Senator Rosalyn Baker, Chair

Senator Michelle Kidani, Vice-Chair

FR: Henry Perez, President – via Blake Oshiro, Executive Director  
American Resort Development Association

RE: S.B. 2910 Relating to Time Share Commission of Deeds

**Position: Support**

Dear Chair Baker, Vice Chair Kidani and members,

The American Resort Development Association (ARDA) Hawaii, the local chapter of the national timeshare trade association, supports SB 2910. This is an Administration bill that provides fees and fines associated with oversight of the commissioners, with the responsibilities housed within the Lieutenant Governor (LG)'s Office. The bill also clarifies and authorizes the LG's rule-making authority to administer and implement this chapter.

We note that this measure is substantially similar to last session's HB 1219, HD1, SD1 that did not pass conference committee. The main difference in this version is that there is no longer the creating of a revolving fund to provide the resources for the position and expenses associated with this function. Instead, fees and fines go into the general fund, and funding for the office comes from the general fund.

Session Laws 2013 Act 277 was codified as Haw. Rev. Statutes Chapter 503B and established the Time Share Commissioner of Deeds. The funding for that position was placed in the supplemental budget for one position to administer the program, but was not re-appropriated since that time. However, as this is a function that is and will be ongoing, ARDA supports this bill since it appropriates funds for the position.

Thank you for the opportunity to submit testimony in support of SB2910.

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

DATE: February 3, 2016

TO: Senator Rosalyn Baker  
Chair, Committee on Commerce, Consumer Protection, and Health  
*Submitted Via [CPHTestimony@capitol.hawaii.gov](mailto:CPHTestimony@capitol.hawaii.gov)*

RE: **S.B. 2910 – Relating to Time Share Commissioners of Deeds**  
**Hearing Date: Friday, February 5, 2016 at 9:00 a.m.**  
**Conference Room: 229**

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Dear Chair Baker and Members of the Committee:

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

Wyndham **supports** S.B. 2910 which adds new sections to chapter 503B, Hawaii Revised Statutes to clarify that the Lieutenant Governor is responsible for the program. The bill further increases the surety bond requirement from \$1,000 to \$10,000 and provides funds to administer the Commissioners of Deeds program.

Wyndham supports the bill because the proposed amendments to the Commissioners of Deeds program will streamline the process for consumers located outside the United States who wish to purchase timeshare properties in Hawaii.

Thank you for the opportunity to submit testimony on this measure.

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Gary M. Slovin  
Mihoko E. Ito  
C. Mike Kido  
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February 3, 2016

Sen. Rosalyn H. Baker, Chair  
Sen. Michelle N. Kidani, Vice Chair  
Members of the Senate Committee on  
Commerce, Consumer Protection & Health  
Twenty-Eighth Legislature  
Regular Session, 2016

Re: S.B. 2910  
Hearing on February 5, 2016, 9:00 a.m.  
Conference Room 016

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 with technical revisions.

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. It can also pose a problem on cruise ships where there are no notaries.

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) and on cruise ships.

In 2014, the Office of the Lt. Governor established 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 time share industry (Disney, Marriott and Wyndham) as well as 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. By October 6, 2014, the proposed Rules had received approvals by all necessary departments and agencies, and the Governor approved the publication of the Rules for

Chair, Vice Chair and Members,  
Senate Committee on Commerce,  
Consumer Protection & Health  
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final adoption. The time share industry is, of course, eager to complete this process and implement the program.

During its deliberations, the working group identified a number of areas where Chapter 503B could be clarified or otherwise enhanced. We understand that the bill currently under consideration is intended to include those enhancements, and we support the revisions proposed.

We would like to suggest some technical revisions to the bill. For example, we would propose that Section 503B-B(b)(6)(B) be revised to read as follows:

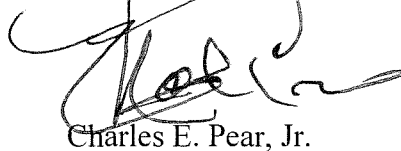
(B) Use reasonable efforts to obtain a copy of a report of the theft from the appropriate local law enforcement agency or, if the theft occurs on a vessel, ~~[obtain a copy of the report of the theft]~~ from the vessel's captain or other officer; and

This revision is intended to avoid imposing on the commissioner an absolute duty to obtain a copy of any report from the captain of a ship, rather than a duty to use reasonable efforts to obtain any such report.

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 printed name.

Charles E. Pear, Jr.

CEP:kn