

JAN 25 2017

A BILL FOR AN ACT

RELATING TO RECORDATION TRANSACTION FEES.

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

1 SECTION 1. Act 120, Session Laws of Hawaii 2009, stemmed
2 from the result of findings by the joint legislative
3 investigative committee established pursuant to Senate
4 Concurrent Resolution No. 226, adopted during the regular
5 session of 2007, which identified serious shortcomings relating
6 to the bureau of conveyances.

7 Section 16 of Act 120, Session Laws of Hawaii 2009,
8 directed the department of land and natural resources to assess
9 a \$5 transaction fee to be charged for each recording in the
10 bureau of conveyances and the office of assistant registrar of
11 the land court to support purchases of hardware, system design,
12 and staff training related to automation of the bureau of
13 conveyances.

14 Section 21 of Act 120, Session Laws of Hawaii 2009,
15 stipulated that Section 16 of Act 120, Session Laws of Hawaii
16 2009, will be repealed on the effective date of administrative
17 rules adopted by the department of land and natural resources
18 that address the establishment of a transaction fee for each

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1 recording in the bureau of conveyances and the office of
2 assistant registrar of the land court.

3 The purpose of this Act is to:

4 (1) Expand the uses of the transaction fee, authorized
5 under Act 120, Session Laws of Hawaii 2009, to include
6 purchases of software, project management and
7 implementation, workflow improvements, and services
8 related to the management, archiving, preservation,
9 and accessibility of records at the bureau of
10 conveyances and the office of the assistant registrar
11 of the land court; and

12 (2) Clarify that the transaction fee established by this
13 Act shall be repealed on the effective date of
14 administrative rules adopted by the department of land
15 and natural resources that include the establishment
16 of a transaction fee for each recording in the bureau
17 of conveyances and in the office of the assistant
18 registrar of the land court or on July 1, 2022,
19 whichever occurs first.

20 SECTION 2. Section 502-8, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:

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1 "(c) All moneys in excess of \$500,000 remaining on balance
2 in the bureau of conveyances special fund on June 30 of each
3 year shall lapse to the credit of the state general fund;
4 provided that any balance of funds collected pursuant to section
5 16 of Act 120, Session Laws of Hawaii 2009, as amended by
6 section 3 of Act Session Laws of Hawaii 2017, shall not lapse
7 to the credit of the state general fund. On July 1 of each
8 year, the director of finance is authorized to transfer any
9 excess funds in the bureau of conveyances special fund to the
10 state general fund."

11 SECTION 3. Act 120, Session Laws of Hawaii 2009, is
12 amended by amending section 16 to read as follows:

13 "SECTION 16. As of July 1, 2009, the department of land
14 and natural resources shall assess a transaction fee of \$5 to be
15 charged for each recording in the bureau of conveyances and in
16 the office of the assistant registrar of the land court for
17 services rendered by the bureau of conveyances pursuant to [~~part~~
18 ~~II of~~] chapter 501 and chapter 502, Hawaii Revised Statutes.
19 The transaction fees collected shall be deposited to the credit
20 of the bureau of conveyances special fund established under
21 section 502-8, Hawaii Revised Statutes, and shall be used [~~to~~
22 ~~support~~] for purchases of hardware[7] and software, system

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1 design, ~~[and]~~ project management and implementation, staff
2 training, workflow improvements, and services related to
3 ~~[automation of]~~ the management, archiving, preservation, and
4 accessibility of records at the bureau of conveyances[-] and in
5 the office of the assistant registrar of the land court."

6 SECTION 4. Act 120, Session Laws of Hawaii 2009, as
7 amended by section 11 of Act 119, Session Laws of Hawaii 2013,
8 is amended by amending section 21 to read as follows:

9 "SECTION 21. This Act shall take effect on July 1, 2009;
10 provided that section 2 of this Act shall take effect on July 1,
11 2011; provided further that section 16 of this Act ~~[shall take~~
12 ~~effect on July 1, 2009, and]~~, as amended by section 3 of
13 Act Session Laws of Hawaii 2017, shall take effect on July 1,
14 2017, and shall be repealed on the effective date of
15 administrative rules adopted by the department of land and
16 natural resources that [address] include the establishment of a
17 transaction [fees] fee for each recording in the bureau of
18 conveyances and in the office of the assistant registrar of the
19 land court[+] or on July 1, 2022, whichever occurs first;
20 provided further that section 17 of this Act shall take effect
21 on January 1, 2012; and provided further that section 18 of this

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1 Act shall take effect upon its approval and shall be repealed on
2 January 31, 2010."

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act, upon its approval, shall take effect
6 on July 1, 2017.

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INTRODUCED BY: Ann N. Witt

9

BY REQUEST

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Report Title:

Transaction Fee; Bureau of Conveyances; Office of the Assistant Registrar; Land Court

Description:

Expands the uses of the transaction fee authorized under Act 120, Session Laws of Hawaii 2009, and clarifies that the transaction fee shall be repealed on the effective date of administrative rules adopted by the Department of Land and Natural Resources that include the establishment of a transaction fee or on July 1, 2022, whichever occurs first.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

SB. NO. 987

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO RECORDATION TRANSACTION FEES.

PURPOSE: To expand the uses of the transaction fee authorized under Act 120, Session Laws of Hawaii (SLH) 2009, to include purchases of software, project management and implementation, workflow improvements, and services related to the management, archiving, preservation, and accessibility of records at the Bureau of Conveyances (Bureau) and the Office of the Assistant Registrar of the Land Court; and to clarify that the transaction fee shall be repealed on the effective date of administrative rules adopted by the Department that include the establishment of a transaction fee or on July 1, 2022, whichever occurs first.

MEANS: Amend section 502-8(c), Hawaii Revised Statutes (HRS), and amend sections 16 and 21 of Act 120, SLH 2009.

JUSTIFICATION: The Bureau is the State's only recording office whose charter is to accurately and efficiently record and maintain public access to all documents and maps pertaining to property ownership in the State of Hawaii.

Currently, Act 120, SLH 2009, allows for the assessment of a transaction fee of \$5 to be charged for each recording in the Bureau and in the Office of the Assistant Registrar of the Land Court. The funds generated from the transaction fee have been used to digitize over 34 million microfilm images and three million book images of recorded documents and indices dating from 1845-1991, as well as support the purchases of hardware and system design for the land records

management system and other automation to increase efficiencies and public access.

The continuation of assessing a transaction fee to be used toward the purchase of hardware and software, system design, project management and implementation, staff training, workflow improvements, and services related to the management, archiving, preservation, and accessibility of records is essential for modernizing the operations within the Bureau and the Office of the Assistant Registrar of the Land Court.

Impact on the public: The public will benefit greatly by increasing their access to the Bureau's digitized records as well as enhance the overall delivery of services through further land records automation and other workflow improvements.

Impact on the department and other agencies: The Bureau and the Office of the Assistant Registrar of the Land Court would have greater efficiencies and productivity with an improved land records management system, integrated access to the digitized records and other workflow improvements that will allow services to the public at a higher level.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: LNR 111.

OTHER AFFECTED
AGENCIES: Land Court/Judiciary.

EFFECTIVE DATE: July 1, 2017.