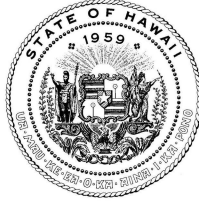


DAVID Y. IGE
GOVERNOR OF
HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

DEPT. COMM. NO. 44

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
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

November 1, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Operations of the Filing Office For Financing Statements Under the Uniform Commercial Code, Secured Transaction (Revised Article 9) report, as required by Section 490:9-527, Hawaii Revised Statutes (HRS). In accordance with Section 93-16, HRS, a copy of this report has been transmitted to the Legislative Reference Bureau and the report may be viewed electronically at <https://files.hawaii.gov/dlnr/reports-to-the-legislature/2023/BOC23-UCC-Report-FY22.pdf>.

Sincerely,

A handwritten signature in cursive script that reads "Suzanne D. Case".

SUZANNE D. CASE
Chairperson

Enclosure

REPORT TO THE THIRTY-SECOND LEGISLATURE
STATE OF HAWAII
REGULAR SESSION OF 2023

**OPERATIONS OF THE
FILING OFFICE FOR FINANCING STATEMENTS
UNDER THE UNIFORM COMMERCIAL CODE,
SECURED TRANSACTIONS (REVISED ARTICLE 9)**



Prepared by the

Department of Land and Natural Resources
State of Hawaii

in response to
Section 490:9-527, Hawaii Revised Statutes

October 2022

**OPERATIONS OF THE
FILING OFFICE FOR FINANCING STATEMENTS
UNDER THE UNIFORM COMMERCIAL CODE,
SECURED TRANSACTIONS (REVISED ARTICLE 9)**

INTRODUCTION

This report is prepared in compliance with Section 490:9-527, Hawaii Revised Statutes, on the operations of the Filing Office under the Uniform Commercial Code (UCC), Secured Transactions (Revised Article 9). The Bureau of Conveyances (Bureau) of the Department of Land and Natural Resources has been designated as the State of Hawaii's Filing Office for the purposes of the Revised Article 9.

STATUS

The Bureau has been accepting for filing UCC instruments pursuant to provisions of the Revised Article 9 effective July 1, 2001 and revisions effective July 1, 2015.

Search criteria and structure of operations for filing offices differ from state to state. And although operationally, these differences have negligible impact to the consumer's utilization of UCC's, the ultimate objective is to try to bring Hawaii's procedures and rules more in harmony with all jurisdictions as well as to coincide with the provisions of the Revised Article 9, 2010 edition which is the most recent version of the Model Rules promulgated by the International Association of Commercial Administrators. The Bureau has been reviewing drafts of Model Rules promulgated by the International Association of Corporate Administrators and rules of other jurisdictions to help in the development of an updated set of rules for Hawaii which cover the latest Revised Article 9 of the UCC.

The Department already moved forward with critical rule changes in 2017 affecting its operations, updating for statutory changes enacted since 2009 and solidifying long overdue fee increases which were a priority. The Department will now continue to work with the Department of the Attorney General and incorporate their comments into the draft rules that will include Revised Article 9 UCC updates so they can be presented during the same public hearings process for the next set of Bureau rules and fee updates. Prior to moving into the public hearings process, Department is working its current land records system vendor to ensure that operational changes required by Revised Article 9 updates can be supported.