

JAN 24 2024

A BILL FOR AN ACT

RELATING TO ADMINISTRATIVE FEES.

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

1 SECTION 1. The legislature finds that a sound policy of
2 cost recovery and user fees for public services for records
3 management and conveyance in the State is crucial to ensure
4 efficient and reliable services to the public. With the unique
5 and specialized work performed by the bureau of conveyances, and
6 given its continuing workforce shortages, increasing automation
7 and operational advancements are needed to support the staff and
8 continue delivering quality service to the State.

9 The legislature further finds that the establishment of
10 user fees for document recordation services of the bureau of
11 conveyances ensures the integrity of records of the regular
12 system and land court system and sustains services provided by
13 the bureau of conveyances and office of the assistant registrar
14 of the land court for records management and delivery, while
15 avoiding the need to establish additional revenue sources to
16 fund these vital services.



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1 The legislature also finds that there is a fee discrepancy
2 between the regular system and land court system, even though
3 the work required to handle recordation services is identical.

4 The purpose of this Act is to support efficient, equitable,
5 and reliable services for conveyance transactions and records in
6 the State by, beginning on January 1, 2025:

7 (1) Statutorily establishing a transaction fee for each
8 recording in the bureau of conveyances and land court
9 for certain services rendered by the bureau of
10 conveyances;

11 (2) Authorizing the board of land and natural resources to
12 adopt, amend, or repeal administrative fees under
13 chapters 501 and 502, Hawaii Revised Statutes,
14 separate from the administrative rulemaking process;

15 (3) Amending the authorized uses of moneys in the bureau
16 of conveyances special fund; and

17 (4) Repealing language that required fees for the use of
18 microfilms of documents recorded in the bureau of
19 conveyances to be established by the department of
20 land and natural resources by rules.



1 SECTION 2. Chapter 501, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§501- Transaction fee; recordings in the office of the
5 assistant registrar of the land court; services rendered by the
6 bureau of conveyances. (a) The department of land and natural
7 resources shall assess a transaction fee of \$5 for each
8 recording in the office of the assistant registrar of the land
9 court for services rendered by the bureau of conveyances under
10 this chapter; provided that any amendments to the transaction
11 fee amount specified in this subsection shall be made by the
12 board of land and natural resources pursuant to section 502-B.

13 (b) The transaction fees collected pursuant to this
14 section shall be deposited to the credit of the bureau of
15 conveyances special fund established under section 502-8 and
16 shall be used to support purchases of hardware, software, design
17 and implementation services, staff training, and other related
18 support services for the improvement of daily operations and
19 automation and the increased efficiency and productivity of the
20 bureau of conveyances."



1 SECTION 3. Chapter 502, Hawaii Revised Statutes, is
2 amended by adding two new sections to be appropriately
3 designated and to read as follows:

4 **"§502-A Transaction fee; recordings in the bureau of**
5 **conveyances.** (a) The department of land and natural resources
6 shall assess a transaction fee of \$5 for each recording in the
7 bureau of conveyances for services rendered under this chapter;
8 provided that any amendments to the transaction fee amount
9 specified in this subsection shall be made by the board of land
10 and natural resources pursuant to section 502-B.

11 (b) The transaction fees collected pursuant to this
12 section shall be deposited to the credit of the bureau of
13 conveyances special fund established under section 502-8 and
14 shall be used to support purchases of hardware, software, design
15 and implementation services, staff training, and other related
16 support services for the improvement of daily operations and
17 automation and the increased efficiency and productivity of the
18 bureau of conveyances.

19 **§502-B Administrative fees; recording, filing, and**
20 **transaction fees; board of land and natural resources.** (a)
21 Notwithstanding any law to the contrary, the board of land and



1 natural resources may adopt, amend, or repeal administrative
2 fees under this chapter and chapter 501, exempt from chapter 91,
3 including but not limited to:

4 (1) The transaction fee for each recording in the office
5 of the assistant registrar of the land court for
6 services rendered by the bureau of conveyances
7 pursuant to section 501- ;

8 (2) The transaction fee for each recording in the bureau
9 of conveyances for services rendered pursuant to
10 section 502-A; and

11 (3) Other administrative fees and costs associated with
12 the recordation and filing of instruments in the
13 bureau of conveyances and office of the assistant
14 registrar of the land court.

15 (b) The bureau of conveyances shall post notice on the
16 department of land and natural resources' website for any
17 proposed administrative fees or amendments thereto at
18 least _____ days before the meeting of the board of land and
19 natural resources at which proposed administrative fees under
20 subsection (a) are to be considered.

21 The notice shall include:



1 (1) The full text of the proposed administrative fee in
2 Ramseyer format;

3 (2) The date, time, and place where the board of land and
4 natural resources meeting is to be held; and

5 (3) Where interested persons may provide written testimony
6 or may be heard regarding the adoption, amendment, or
7 repeal of the proposed administrative fee.

8 (c) The board of land and natural resources shall afford
9 all interested persons an opportunity to submit, orally or in
10 writing, data, views, or arguments related to a proposed
11 administrative fee under this chapter and chapter 501. The
12 board of land and natural resources shall fully consider all
13 written and oral submissions regarding the proposed
14 administrative fee and shall make its decision at the meeting
15 pursuant to section 171-5.

16 (d) Any administrative fee adopted, amended, or repealed
17 pursuant to this section shall become effective days after
18 adoption by the board of land and natural resources, unless
19 otherwise specified by the board. If the board of land and
20 natural resources specifies a later effective date, the later
21 date shall be the effective date; provided that no



1 administrative fee shall have an effective date more
2 than _____ days after the board's adoption of the administrative
3 fee.

4 (e) Recording fees collected under this section shall be
5 deposited to the credit of the bureau of conveyances special
6 fund established under section 502-8; provided that all
7 transaction fees collected shall be used to support purchases of
8 hardware, software, design and implementation services, staff
9 training, and other related support services for the improvement
10 of daily operations and automation of the bureau of
11 conveyances."

12 SECTION 4. Section 502-8, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§502-8 Bureau of conveyances special fund.** (a) There is
15 established in the state treasury the bureau of conveyances
16 special fund, into which shall be deposited the revenues
17 remitted pursuant to sections 501-23.5 and 502-25[τ];
18 transaction fees established pursuant to sections 501-_____ and
19 502-A; recording fees established pursuant to section 502-B;
20 interest earnings[τ]; grants[τ]; donations[τ]; and
21 appropriations from the legislature that shall be held separate



1 and apart from all other moneys, funds, and accounts in the
2 state treasury.

3 (b) Moneys in the bureau of conveyances special fund shall
4 be used by the bureau of conveyances for the following purposes:

5 (1) Planning, design, construction, and acquisition of
6 equipment, furnishings, and software necessary for the
7 ~~[development]~~ enhancement and periodic replacement of
8 the recording system described in this chapter and
9 chapter 501;

10 (2) Operating, maintaining, and improving the recording
11 system described in this chapter and chapter 501 or
12 any other purpose deemed necessary by the bureau of
13 conveyances for the purpose of planning, improving,
14 developing, operating, maintaining the continuity of
15 business operations, and maintaining of the recording
16 ~~[system]~~ office operation described in this chapter
17 and chapter 501;

18 (3) The secure and accessible digital preservation of all
19 recorded documents and maps as well as the
20 professional restoration of a select series of bound
21 book records of historic and cultural value;



1 ~~[(3)]~~ (4) Permanent and temporary staff positions as well
2 as the limited use of qualified contractors for the
3 purposes of this chapter and chapter 501; and
4 ~~[(4)]~~ (5) Administrative costs for the purposes of this
5 chapter and chapter 501~~[-]~~;
6 provided that moneys collected from transaction fees pursuant to
7 sections 501- and 502-A for deposit into the special fund
8 shall be used to support purchases of hardware, software, design
9 and implementation services, staff training, and other related
10 support services for the improvement of daily operations and
11 automation of the bureau of conveyances.

12 (c) All moneys in excess of \$500,000 remaining on balance
13 in the bureau of conveyances special fund on June 30 of each
14 year shall lapse to the credit of the state general fund;
15 provided that any balance of funds collected pursuant to section
16 16 of Act 120, Session Laws of Hawaii 2009, as amended, until
17 that section is repealed on December 31, 2024, and pursuant to
18 sections 501- and 502-A shall not lapse to the credit of the
19 state general fund. On July 1 of each year, the director of
20 finance is authorized to transfer any excess funds in the bureau
21 of conveyances special fund to the state general fund."



1 SECTION 5. Section 502-25, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Except when otherwise provided, including in section
4 502-B, fees for services rendered under this chapter shall be
5 established by rules adopted by the department of land and
6 natural resources, pursuant to chapter 91."

7 SECTION 6. Section 502-27, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "~~§502-27 Charges. [(a) Except when otherwise provided,~~
10 ~~fees for the use of microfilms of documents recorded in the~~
11 ~~bureau of conveyances for the purpose of making duplicates shall~~
12 ~~be established by rules adopted by the department of land and~~
13 ~~natural resources pursuant to chapter 91.~~

14 ~~(b)]~~ Frame charges for duplicating microfilm shall not be
15 assessed against any agency of the State or counties thereof."

16 SECTION 7. Act 120, Session Laws of Hawaii 2009, as
17 amended by section 11 of Act 119, Session Laws of Hawaii 2013,
18 is amended as follows:

19 1. By amending section 16 to read:

20 "SECTION 16. [~~As of July 1, 2009, the department of land~~
21 ~~and natural resources shall assess a transaction fee of \$5 to be~~



1 ~~charged for each recording in the bureau of conveyances and in~~
2 ~~the office of the assistant registrar of the land court for~~
3 ~~services rendered by the bureau of conveyances pursuant to part~~
4 ~~II of chapter 501 and chapter 502, Hawaii Revised Statutes. The~~
5 ~~transaction fees collected shall be deposited to the credit of~~
6 ~~the bureau of conveyances special fund established under section~~
7 ~~502-8, Hawaii Revised Statutes, and shall be used to support~~
8 ~~purchases of hardware, system design, and staff training related~~
9 ~~to automation of the bureau of conveyances.] Repealed."~~

10 2. By amending section 21 to read:

11 "SECTION 21. This Act shall take effect on July 1, 2009;
12 provided that section 2 of this Act shall take effect on July 1,
13 2011; provided further that section 16 of this Act shall take
14 effect on July 1, 2009, and shall be repealed on [~~the effective~~
15 ~~date of administrative rules adopted by the department of land~~
16 ~~and natural resources that address the establishment of~~
17 ~~transaction fees for each recording in the bureau of conveyances~~
18 ~~and in the office of the assistant registrar of the land court,]~~
19 December 31, 2024; provided further that section 17 of this Act
20 shall take effect on January 1, 2012; and provided further that



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1 section 18 of this Act shall take effect upon its approval and
2 shall be repealed on January 31, 2010."

3 SECTION 8. In codifying the new sections added by section
4 3 of this Act, the revisor of statutes shall substitute
5 appropriate section numbers for the letters used in designating
6 the new sections in this Act.

7 SECTION 9. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 10. This Act shall take effect on January 1, 2025;
10 provided that section 7 shall take effect on December 31, 2024.

11

INTRODUCED BY: _____



By Request



S.B. NO. 2954

Report Title:

DLNR; Bureau of Conveyances; Land Court; Transaction Fees;
Administrative Fees

Description:

Statutorily establishes a Department of Land and Natural Resources transaction fee for each recording in the Bureau of Conveyances and Land Court. Authorizes the Board of Land and Natural Resources to adopt, amend, or repeal administrative fees, including transaction fees, for recordings in the Bureau of Conveyances and Land Court separate from the administrative rulemaking process. Amends the authorized uses of moneys in the bureau of conveyances special fund. Repeals language that required the Bureau of Conveyances' microfilm fees to be established by rules. Effective 1/1/2025.

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

