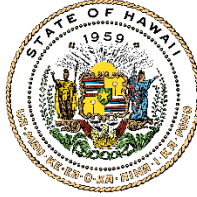


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
RYAN K.P. KANAKA'OLE
FIRST DEPUTY
DEAN D. UYENO
ACTING 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
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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN CHANG
Chairperson

Before the House Committee on
JUDICIARY & HAWAIIAN AFFAIRS

Friday,, February 9, 2024
2:00 PM
State Capitol, Conference Room 325

In consideration of
HOUSE BILL 2611, HOUSE DRAFT 1
RELATING TO ADMINISTRATIVE FEES

House Bill 2611 proposes to statutorily establish a Department of Land and Natural Resources transaction fee for each recording in the Bureau of Conveyance (Bureau) and Office of the Assistant Registrar and authorizes the Board of Land and Natural Resources (BLNR) to adopt, amend, or repeal administrative fees, including transaction fees, for recording in the Bureau and the Office of the Assistant Registrar separate from the administrative rulemaking process. **The Department of Land and Natural Resources (Department) strongly supports this bill.**

Act 120, Hawaii Session Laws of 2009 (Act 120), intended to provide the necessary funding to correct serious shortcomings at the Bureau identified by the Joint Legislative Investigative Committee established under Senate Concurrent Resolution No. 226 (2007) in part by creating a \$5 transaction fee that was applied to all Regular System recordings. To date, as a result of Act 120, the Bureau has significantly improved the automation and integrity of the recording process, establishing web and digital access to parts of the Bureau's database and records, and created the portal and process for the electronic recording of documents. This bill provides for the \$5 fee to apply to the recordings in the Office of the Assistant Registrar (or Land Court) for equitable fee assessment in both recording systems and to fund continued improvements with efficiency, productivity and automation of the Bureau's operations by completing digitization of documents, improving the security and accessibility to the Bureau's records and maps and establishing a critical disaster recovery plan that can continue the Bureau's operation in times of an emergency.

This bill proposes to expand the authorized uses for these transaction fee funds to address many of the evolving issues that the Bureau faces, particularly with our ongoing workforce shortage.

Additionally, this bill proposes to clarify repeal on the earlier to occur of a designated sunset date or the date a transaction fee is established in the Bureau's administrative rules per section 21 of Act 120 and allowing the BLNR to adopt, amend or repeal these fees.

Lastly, the House Water & Land hearing properly identified a possible conflict with this bill including "Other administrative fees and cost associated with the recordation and filing of instruments in the bureau of conveyance and office of the assistant registrar of the land court" that currently falls under HRS 91, Rulemaking. The Department recognizes this oversight and recommends that this verbiage under Section 3, HRS 502-B, Administrative fees; recording, filing and transaction fees; board of land and natural resources, (a), (3) be removed including any references to recording and filing fees.

Mahalo for the opportunity to testify in strong support of this measure.