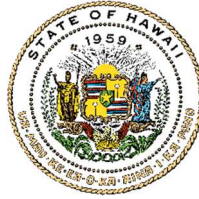


**JOSH GREEN, M.D.**  
GOVERNOR | KE KIA'ĀINA

**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**

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CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
DAWN N. S. CHANG  
Chairperson**

**Before the Senate Committee on  
WATER AND LAND**

**Monday, March 18, 2024  
1:00 PM  
State Capitol, Conference Room 229**

**In consideration of  
HOUSE BILL 2611, HOUSE DRAFT 2  
RELATING TO ADMINISTRATIVE FEES**

House Bill 2611, House Draft 2 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 this fee.

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



COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

HAWAII CHAPTER

March 18, 2024

Senator Lorraine Inouye, Chair  
Senator Brandon Elefante, Vice Chair  
Committee on Water and Land

RE: **HB 2611 HD 2 - Relating to Administrative Fees**  
**Hearing date: March 18, 2024 at 1:00 PM**

Aloha Chair Inouye, Vice Chair Elefante, and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii providing **COMMENTS** on HB 2611 HD2. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

HB 2611 HD2 establishes a Department of Land and Natural Resources (DLNR) transaction fee for each recording in the Bureau of Conveyances (BOC) and Land Court. Further, the measure authorizes the Board of Land and Natural Resources (BLNR) to adopt, amend, or repeal administrative fees, including transaction fees, for recordings in the BOC and Land Court separate from the administrative rulemaking process.

We appreciate the amendments from the previous committee by deleting language that would have authorized the BLNR to adopt, amend, or repeal other administrative fees and costs associated with the recordation and filing of instruments in the BOC, separate from the administrative rulemaking process.

NAIOP Hawaii was primarily concerned with the provision of the measure which would have allowed BLNR to change the fees outside of chapter 91, the administrative rule making process. This provision was concerning as a fee increase for \$5 to \$50 or \$500 could occur outside of the administrative process and at the discretion of the BLNR. It was unclear as to why the increasing of fees would need to be conducted outside of the normal administrative rules process.

Thank you for the opportunity to present NAIOP Hawaii's comments on HB 2611 HD2. NAIOP appreciates the Legislature's commitment to collaborating on this issue and look forward to working together.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Reyn Tanaka".

Reyn Tanaka, President  
NAIOP Hawaii