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# A BILL FOR AN ACT

RELATING TO REAL PROPERTY.

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

1           SECTION 1. The legislature finds that the State utilizes  
2 two systems for recording legal documents pertaining to the  
3 ownership of property, the regular system (via the bureau of  
4 conveyances) and the land court. In general, property is  
5 recorded in either the regular system or the land court;  
6 however, in some circumstances property is recorded in both  
7 systems. The regular system and the land court have different  
8 requirements for recording documents. The land court creates  
9 barriers to access in the form of delay and increased expenses  
10 resulting from the complicated procedures and requirements in  
11 the land court. No new properties have been registered in the  
12 land court since 1989, which indicates sharp public preference  
13 for the regular system.

14           The legislature further finds that the regular system is a  
15 "race-notice" land registration system and does not make any  
16 independent determination about the priority or ownership of  
17 interests in the property. This is one of the reasons why the



1 regular system is preferred by the public. On the other hand,  
2 the land court system is a "Torrens" system of land  
3 registration, which means one must "race" to the land court to  
4 record a document ahead of another possible prior claimant to  
5 the property.

6 The legislature also finds that Act 120, Session Laws of  
7 Hawaii 2009, amended chapter 501, Hawaii Revised Statutes, in an  
8 attempt to ease the backlog in the bureau of conveyances. Among  
9 other things, the amendments allowed owners of interest in land  
10 registered in the land court system to transfer the interest to  
11 the regular system.

12 Accordingly, the purpose of this Act is to:

- 13 (1) Simplify the land registration process by repealing  
14 the land court system and transitioning all recorded  
15 documents to the regular system;
- 16 (2) Establish a working group to recommend reforms to  
17 effectively eliminate the land court;
- 18 (3) Require the working group to submit a report to the  
19 legislature; and
- 20 (4) Appropriate funds.



1 SECTION 2. The subpart entitled "Land Court; Personnel",  
2 of chapter 501, Hawaii Revised Statutes, consisting of sections  
3 501-1 to 501-13, Hawaii Revised Statutes, is repealed.

4 SECTION 3. No later than January 1, 2029, the  
5 administrative judge of the circuit court of the first circuit,  
6 subject to the direction of the chief justice as provided by  
7 section 601-2(b), Hawaii Revised Statutes, and assistant  
8 registrar of the bureau of conveyances, shall confer and  
9 determine the dates that:

10 (1) No new applications for registration of title shall be  
11 made in the land court; and

12 (2) No new certificates of title and memorials of newly  
13 recorded documents shall be issued by the land court.

14 SECTION 4. (a) There is established within the judiciary  
15 for administrative purposes a working group to recommend the  
16 implementation of specific reforms to effectively eliminate the  
17 land court.

18 (b) The working group shall consist of the following  
19 individuals:



- 1 (1) A member of the judiciary, to be designated by the  
2 chief justice, who shall serve as chair of the working  
3 group;
- 4 (2) A member of the senate, to be designated by the senate  
5 president;
- 6 (3) A member of the house of representatives, to be  
7 designated by the speaker of the house of  
8 representatives;
- 9 (4) The chairperson of the board of land and natural  
10 resources, or the chairperson's designee;
- 11 (5) The attorney general, the attorney general's deputy,  
12 or the attorney general's designee;
- 13 (6) The state land surveyor, or the state land surveyor's  
14 designee;
- 15 (7) One or more members of the Hawaii State Bar  
16 Association, to be designated by its president, whom  
17 the chair shall invite to participate;
- 18 (8) A representative from a bank, mortgage, or lending  
19 company doing business in Hawaii, whom the chair shall  
20 invite to participate;



1 (9) A large landowner or estate landowner of real property  
2 located in Hawaii, such as Kamehameha Schools, whom  
3 the chair shall invite to participate;

4 (10) A representative from the Hawaii association of  
5 realtors, whom the chair shall invite to participate;  
6 and

7 (11) A representative from the Hawaii land title  
8 association, whom the chair shall invite to  
9 participate.

10 (c) The working group shall submit a report of its  
11 findings and recommendations, including any proposed  
12 legislation, to the legislature no later than twenty days prior  
13 to the convening of the regular session of 2028. The report  
14 shall identify and analyze operational issues with the land  
15 court and bureau of conveyances and shall make a recommendation  
16 to implement specific reforms to effectively eliminate the land  
17 court.

18 SECTION 5. All rights, powers, functions, and duties of  
19 the land court are transferred to the bureau of conveyances.

20 All officers and employees whose functions are transferred  
21 by this Act shall be transferred with their functions and shall



1 continue to perform their regular duties upon their transfer,  
2 subject to the state personnel laws and this Act.

3 No officer or employee of the State having tenure shall  
4 suffer any loss of salary, seniority, prior service credit,  
5 vacation, sick leave, or other employee benefit or privilege as  
6 a consequence of this Act, and such officer or employee may be  
7 transferred or appointed to a civil service position without the  
8 necessity of examination; provided that the officer or employee  
9 possesses the minimum qualifications for the position to which  
10 transferred or appointed; provided further that subsequent  
11 changes in status may be made pursuant to applicable civil  
12 service and compensation laws.

13 An officer or employee of the State who does not have  
14 tenure and who may be transferred or appointed to a civil  
15 service position as a consequence of this Act shall become a  
16 civil service employee without the loss of salary, seniority,  
17 prior service credit, vacation, sick leave, or other employee  
18 benefits or privileges and without the necessity of examination;  
19 provided that such officer or employee possesses the minimum  
20 qualifications for the position to which transferred or  
21 appointed.



1           If an office or position held by an officer or employee  
2 having tenure is abolished, the officer or employee shall not  
3 thereby be separated from public employment, but shall remain in  
4 the employment of the State with the same pay and classification  
5 and shall be transferred to some other office or position for  
6 which the officer or employee is eligible under the personnel  
7 laws of the State as determined by the head of the department or  
8 the governor.

9           SECTION 6. All appropriations, records, equipment,  
10 machines, files, supplies, contracts, books, papers, documents,  
11 maps, and other personal property heretofore made, used,  
12 acquired, or held by the land court relating to the functions  
13 transferred to the department of land and natural resources  
14 shall be transferred with the functions to which they relate.

15           SECTION 7. There is appropriated out of the general  
16 revenues of the State of Hawaii the sum of \$                    or so  
17 much thereof as may be necessary for fiscal year 2026-2027 for  
18 the land court to inform registered owners of any interest in  
19 property registered or pending in land court of the requirement  
20 for deregistration of property.



1           The sum appropriated shall be expended by the land court  
2 for the purposes of this Act.

3           SECTION 8. This Act shall take effect on July 1, 2050;  
4 provided that:

5           (1) Section 2 shall take effect on July 1,           ; and

6           (2) Section 7 shall take effect on July 1,           .



S.B. NO. 2041  
S.D. 1

**Report Title:**

Judiciary; Department of Land and Natural Resources; Land Court;  
Bureau of Conveyances; Real Property; Repeal; Working Group;  
Report; Appropriation

**Description:**

Repeals the Land Court. Transfers functions of the Land Court to the Bureau of Conveyances. Establishes a working group to recommend the implementation of specific reforms to effectively eliminate the Land Court. Requires a report to the Legislature. Appropriates funds. Effective 7/1/2050. (SD1)

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