

STAND. COM. REP. NO. **3257**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 2544
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Water, Land, Culture and the Arts, to which was referred H.B. No. 2544, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ADMINISTRATIVE FEES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Make permanent, rather than repealing upon the adoption of relevant administrative rules, the Department of Land and Natural Resources' authority to establish a transaction fee for certain services rendered by the Bureau of Conveyances for each recording in the Bureau of Conveyances and Land Court;
- (2) Amend the authorized uses of moneys in the Bureau of Conveyances Special Fund; and
- (3) Repeal language that required the Bureau of Conveyances' microfilm fees to be established by rules.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.



Your Committee received testimony in opposition to this measure from the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that the Bureau of Conveyances performs highly technical and essential functions that ensure land title records under the Regular System and the Land Court System remain reliable and accessible. However, under current law, there is a discrepancy in how fees are assessed for each system when the work required for them is similar. Your Committee also finds that the establishment of user fees for document recordation services by the Bureau will sustain these services without relying on outside funding sources. This measure will update, streamline, and make more self-sustaining the services for conveyance transactions and records in the State.

Your Committee notes the concern raised in testimony by the Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO, that the use of funds to contract with qualified contractors violates the principles of civil service and is not a sensible hiring reform. Therefore, your Committee believes this measure should ensure any contracted services pursuant to this measure shall not be entered into after two years from the effective date, a temporary strategy to address the backlog within the Bureau of Conveyances that also leaves open the possibility of substantive reform to the State's hiring practices.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language that limits the use of moneys in the Bureau of Conveyances Special Fund for qualified contractors to services provided under a contract entered into no later than December 31, 2028;
- (2) Inserting an effective date of July 1, 3026, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water, Land, Culture and the Arts that is attached to this report, your Committee is in accord with the intent and



purpose of H.B. No. 2544, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2544, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water, Land,
Culture and the Arts,



CHRIS LEE, Chair



