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STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
DEPARTMENT OF LAND AND NATURAL RESOURCES
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Testimony of
RYAN K.P. KANAKA'OLE
Acting Chairperson

Before the House Committee on
JUDICIARY & HAWAIIAN AFFAIRS

Tuesday, March 24, 2026
2:00 PM
State Capitol, Conference Room 325

In consideration of
SENATE BILL 2041, SENATE DRAFT 1, HOUSE DRAFT 1
RELATING TO REAL PROPERTY

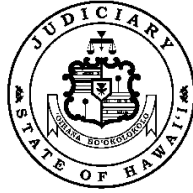
Senate Bill 2041, Senate Draft 1, House Draft 1, would repeal the Land Court, transfer its functions to the Bureau of Conveyances, establish a working group to recommend reforms to effectively eliminate the Land Court, require a report to the Legislature, and appropriate funds. **The Department of Land and Natural Resources (Department) appreciates the intent of this measure and offers the following comments.**

Hawai'i's Land Court system, established under chapter 501, Hawai'i Revised Statutes, was originally designed to provide certainty in land ownership and title records through a Torrens title registration system. Consolidating land records into a single system under the Bureau of Conveyances would modernize and improve Hawai'i's property title system by reducing redundancies and increasing operational efficiency.

The Department supports section 4 of this measure establishing a working group with diverse stakeholder representation, which will be critical to developing a well-informed and deliberate strategy to consolidate Hawai'i's land recording systems while identifying operational impacts and implementation challenges.

The Department respectfully requests an appropriation of \$1,000,000 in section 5, which requires Land Court to inform registered owners of any interest in property registered or pending in Land Court of the requirement for deregistration of property. The Department would work collaboratively with the Judiciary to ensure the appropriate landowners are notified using various mail and media outreach resources. Final notification details would be best deliberated and reviewed by the working group, which is tasked with submitting a report to the Legislature prior to the convening of the regular session of 2029.

Mahalo for the opportunity to comment on this measure.



The Judiciary, State of Hawai'i
Ka 'Oihana Ho'okolokolo, Moku'āina 'o Hawai'i

Testimony to the Thirty-Third Legislature, 2026 Regular Session

House Committee on Judiciary & Hawaiian Affairs
Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair

Tuesday, March 24, 2026, 2:00 p.m.
State Capitol, Conference Room 325 & Videoconference

By

Aphirak Bamrungruan
Court Services Manager
Luna Lawelawe 'Aha Ho'okolokolo
First Circuit
Ka'apuni 'Ekahi

Bill No. and Title: Senate Bill No. 2041, SD1, HD1, Relating to Real Property.

Purpose: 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 7/1/3000. (HD1)

Judiciary's Position:

The Judiciary does not take a position on the intent of this measure. However, the Judiciary offers the following comments.

Thoughtful strategic planning—as contemplated by Section 4—is critical to ensure the successful and meaningful implementation of this measure. Establishing a working group composed of relevant stakeholders to conduct a comprehensive study and provide recommendations would serve as an important first step toward effective information sharing, collaborative policy development, and the identification and analysis of operational implications affecting both the Judiciary and the Bureau of Conveyances. We recommend that the Chair of



Senate Bill No. 2041, SD1, HD1, Relating to Real Property
House Committee on Judiciary & Hawaiian Affairs
Tuesday, March 24, 2026, at 2:00 p.m.
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the working group be provided the authority to add individuals to the working group as the Chair deems appropriate.

The Judiciary acknowledges that this measure includes a possible appropriation to support implementation of the proposed reforms. However, the Judiciary respectfully notes that identifying a specific appropriation amount before completing a comprehensive operational analysis may not accurately reflect the true fiscal impact of this measure. The potential costs associated with personnel realignment, systems integration, records conversion, data migration, public notification requirements, and ongoing administrative support cannot be reasonably estimated at this time, but may be a significant amount.

The Judiciary further notes that it is difficult to determine an appropriate date for implementation in Section 6, before undertaking and completing the necessary work by a working group (Section 4) that will recommend specific reforms to “effectively eliminate the land court.” Accordingly, to prudently and responsibly pursue the intent of the measure to repeal the land court system and transition all recorded documents to the regular system, the Judiciary respectfully recommends omission of Section 2 (definitively repealing Chapter 501 of the Hawai‘i Revised Statutes as of a date set in Section 6) and Section 3 (definitively setting January 1, 2030 as a date for determination of no new applications for registration of title be made in the land court).

The working group’s findings and recommendations would provide the Legislature with a more reliable basis for determining any necessary timeline (Section 6) and appropriation for implementation efforts (e.g., Section 5), following submission of the group’s report prior to the 2029 Legislative Session. This phased and data-informed approach would allow the Legislature, the Judiciary, the Bureau of Conveyances as part of the executive branch, and all stakeholders to be guided by those findings and recommendations, promote meaningful cross-branch and cross-agency coordination, and ensure a more deliberate and effective transition.

Further, a separate appropriation would be necessary for the working group’s administrative expenses, including travel and per diem for neighbor island members (if applicable), meeting supplies, and other necessary administrative support. The Judiciary is estimating what an anticipated budget might be for the working group’s efforts.

The Judiciary remains committed to collaborating with stakeholders to achieve the Legislature’s intent of this major reform initiative. We respectfully request that any appropriation provided for this purpose not supplant the Judiciary’s existing funding or budget requests.

Thank you for the opportunity to provide testimony on Senate Bill No. 2041, SD1, HD1.



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

March 20, 2026

The Honorable David A. Tarnas, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the House Committee on Judiciary and Hawaiian Affairs

Hearing Date: March 24, 2026
Hearing Time: 2:00 pm
Hearing Place: Hawaii State Capitol, Conference Room 325

Re: SB 2041, HD1 Relating to Real Property

I am Victor Brock, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH **strongly supports** SB 2041 HD1. We commend the legislature for addressing the inefficiencies of having two recording systems in the State, and we strongly support the mandate of "repealing the land court system and transitioning all recording documents to the regular system", the creation of a working group to resolve transition related issues, and the appropriation of funds, as proposed in this Bill


The MBAH is happy to participate in the working group, as proposed in this Bill.

Thank you for the opportunity to present this testimony.

Victor Brock
Mortgage Bankers Association of Hawaii



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 1259 A'ala Street, Suite 300
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March 24, 2026

The Honorable David A. Tarnas, Chair

House Committee on Judiciary & Hawaiian Affairs
State Capitol, Conference Room 325 & Videoconference

RE: Senate Bill 2041, SD1, HD1, Relating to Land Court

HEARING: Tuesday, March 24, 2026, at 2:00 p.m.

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** Senate Bill 2041, SD1, HD1, which 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 7/1/3000.

The Land Court provides a high level of certainty through a rigorous verification process in establishing clear and undisputed land title. On the other hand, it can be an expensive and time-consuming process. As such, we appreciate the opportunity to serve on the Working Group regarding this matter.

Mahalo for the opportunity to provide testimony on this measure.

