

ACT 47

S.B. NO. 2233

A Bill for an Act Relating to Bureau of Conveyances.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that Act 120, Session Laws of Hawaii 2009, provided for the voluntary deregistration of land registered in the land court system and established a procedure to move these transactions to the regular system in the bureau of conveyances.

The legislature further finds that Act 119, Session Laws of Hawaii 2013, separated the deregistration of time share interests from the voluntary deregistration of other lands under part II of chapter 501, Hawaii Revised Statutes. Under Act 119, deregistration of time share interests was made mandatory and permanent, while the December 31, 2014, repeal date for voluntary deregistration and transfer of fee non-time share interests remained in place.

The legislature additionally finds that an ad hoc working group has been considering the implications of the voluntary deregistration under Act 119 and evaluating different models for implementation of voluntary deregistration of fee non-time share interests. Extending the sunset date for the voluntary deregistration of fee non-time share interests would permit the working group to continue its work on part II of chapter 501, Hawaii Revised Statutes.

The purpose of this Act is to:

- (1) Extend the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the deregistration of fee non-time share interests; and

- (2) Clarify the actions taken after a certificate of title for a fee time share interest is deregistered and marked canceled by the assistant registrar.

SECTION 2. Section 501-261, Hawaii Revised Statutes, is amended to read as follows:

“§501-261 Deregistration of fee time share interests. The certificate of title for each fee time share interest shall be canceled effective as of the date and time of deregistration of such fee time share interest. Notwithstanding the provisions of section 501-261 in existence prior to July 1, 2012, a fee time share interest for which a certificate of title was not recorded in the bureau of conveyances pursuant to chapter 502 and part II of this chapter prior to July 1, 2012, shall be deregistered on July 1, 2012, at 12:01 a.m.

- (1) Beginning on July 1, 2012, and continuing for so long as shall be reasonably necessary in the ordinary course of business, the assistant registrar shall:
 - (A) Note on the certificate of title for each fee time share interest all documents and instruments affecting the fee time share interest:
 - (i) That were or are registered as of a date and time prior to the date and time of deregistration of the fee time share interest; and
 - (ii) That were not yet noted on the certificate of title of the fee time share interest as of the date and time of deregistration thereof; and
 - (B) Certify each certificate of title.
- (2) Section 501-196 shall apply to a certificate of title updated pursuant to paragraph (1) upon approval of the same by the assistant registrar, which approval shall be evidenced by a certification of the assistant registrar endorsed upon the certificate of title. A certificate of title for a fee time share interest, including but not limited to a certificate of title recorded prior to July 1, 2012, pursuant to part II of this chapter 501, shall not be considered completed or approved, and shall be subject to modification by the assistant registrar, at any time prior to certification thereof by the assistant registrar. Subsequent to the certification, the certificate of title for a fee time share interest may only be modified pursuant to section 501-196 or as otherwise provided in this chapter.
- (3) Upon certification of the certificate of title for a fee time share interest by the assistant registrar, the assistant registrar shall mark the certificate of title “canceled”, note the cancellation of the certificate of title in the registration book, and notify the court and the state surveyor of the cancellation. The registrar shall thereupon be authorized to file a record of the cancellation in the application or consolidation file, and the state surveyor shall then be authorized to annotate the land court map or maps by identifying thereon the deregistered land and noting thereon the bureau of conveyances document number of the canceled certificate. Regardless of the date upon which such administrative acts are performed, the cancellation of the certificate of title for a fee time share interest shall be effective as of the date and time of deregistration of that fee time share interest.

- (4) If only part of the land described in the certificate of title consists of a fee time share interest, then upon the petition of the registered owner of that portion of the registered land not constituting a fee time share interest, a new certificate of title shall be issued to such owner for that portion of the registered land not constituting a fee time share interest. If registered land is held in the condominium form of ownership, then for purposes of this subsection each unit for which a separate certificate of title has been issued shall be treated as if it were a separate parcel of registered land.
- (5) Except as provided in paragraph (4), no order of court shall be required prior to or in connection with the performance of any of the foregoing actions.”

SECTION 3. Act 119, Session Laws of Hawaii 2013, is amended by amending section 13 to read as follows:

“SECTION 13. This Act shall take effect upon its approval; provided that section 2 of this Act shall be repealed on December 31, [~~2014.~~] 2016.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved April 23, 2014.)