

# HB423

Measure Title: RELATING TO BUREAU OF CONVEYANCES.  
 Report Title: Bureau of Conveyances; Sunset Provision; Repeal  
 Description: Repeals the sunset provision of section 2 in Act 120, Session Laws of Hawaii 2009, relating to deregistering land.  
 Companion:  
 Package: None  
 Current Referral: CPN, JDL  
 Introducer(s): SAIKI

<u>Sort by Date</u>		<b>Status Text</b>
1/18/2013	H	Pending introduction.
1/22/2013	H	Introduced and Passed First Reading
1/22/2013	H	Referred to WAL, referral sheet 3
1/25/2013	H	Bill scheduled to be heard by WAL on Monday, 01-28-13 9:00AM in House conference room 325.
1/28/2013	H	The committees on WAL recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 9 Ayes: Representative(s) Evans, Lowen, Coffman, Cullen, Hanohano, Kawakami, C. Lee, Fale, Thielen; Ayes with reservations: none; Noes: none; and Excused: none.
1/30/2013	H	Reported from WAL (Stand. Com. Rep. No. 6), recommending passage on Second Reading and placement on the calendar for Third Reading.
1/30/2013	H	Passed Second Reading; placed on the calendar for Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Ing excused (1).
1/31/2013	H	Passed Third Reading with none voting aye with reservations; none voting no (0) and Representative(s) Thielen excused (1). Transmitted to Senate.
2/1/2013	S	Received from House (Hse. Com. No. 6).
2/1/2013	S	Passed First Reading.
2/13/2013	S	Referred to WTL/TEC/CPN, JDL/WAM.
2/20/2013	S	Re-Referred to CPN, JDL.
3/7/2013	S	The committee(s) on CPN has scheduled a public hearing on 03-12-13 10:00AM in conference room 229.



*The Judiciary, State of Hawai'i*

**Testimony to the  
Senate Committee on Commerce and Consumer Protection**  
Senator Rosalyn H. Baker, Chair  
Senator Brickwood Galuteria, Vice Chair

Tuesday, March 12, 2013, 10:00 a.m.  
State Capitol, Conference Room 229

by  
Calvin C. Ching  
Deputy Chief Court Administrator

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**Bill No. and Title:** House Bill No. 423, Repealing a Sunset Provision in Section 21 of Act 120, Session Laws of Hawaii 2009.

**Purpose:** The bill makes part II of chapter 501, HRS, relating to land recordings and deregistration of fee simple timeshare interests, permanent by repealing the applicable sunset provision in section 21 of Act 120, Session Laws of Hawaii 2009.

**Judiciary's Position:**

House Bill No. 423 proposes to repeal the sunset provision of Section 2 of Act 120, Session Laws of Hawaii 2009, relating to de-registering land from Land Court.

The Judiciary notes that Section 2 of Act 120, Session Laws of Hawaii 2009 provides for the sunset of (1) the de-registration of fee time share interests and (2) the voluntary de-registration of non time share fee interests.

The Judiciary supports the repeal of the sunset provision of Act 120, Session Laws of Hawaii 2009 relating to the de-registration from Land Court of fee simple time share interests, however the Judiciary has concerns about the sunset of the voluntary de-registration of non time share fee simple interests and current voluntary de-registration provisions. It is not the Judiciary's intent to oppose the passage of House Bill No. 423, but the Judiciary would like to continue to seek improvements to the process to ensure consistency.

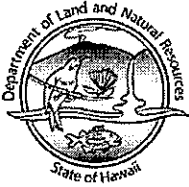


House Bill No.4235, Repealing a Sunset Provision in Section 21 of Act 120,  
Session Laws of Hawaii 2009.  
Senate Committee on Commerce and Consumer Protection  
Tuesday, March 12, 2013  
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The Judiciary is proposing that the sunset date of December 31, 2014 be retained for voluntary de-registration of fee simple interests. The Judiciary will continue working with an *ad hoc* group of stakeholders to resolve issues that have arisen in the voluntary de-registration of non time share fee interests with the intent to propose legislation for the 2014 session.

Thank you for the opportunity to testify on this measure.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**WILLIAM J. AILA, JR.**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ESTHER KIA'AINA**  
FIRST DEPUTY

**WILLIAM M. TAM**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**Before the Senate Committee on  
COMMERCE AND CONSUMER PROTECTION**

**Wednesday, March 12, 2013  
10:00 A.M.  
State Capitol, Conference Room 229**

**In consideration of  
HOUSE BILL 423  
RELATING TO BUREAU OF CONVEYANCES**

House Bill 423 proposes to repeal the sunset provision of Section 2 of Act 120, Session Laws of Hawaii 2009, relating to deregistering land from Land Court. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department notes that since the inception on July 1, 2011 of the ability for landowners to deregister their land from land court, there have been 108 voluntary deregistrations of land from Land Court.



American Resort Development Association

March 11, 2013

TO: SENATE COMMITTEE ON COMMERCE AND CONSUMER AFFIARS  
Senator Rosalyn Baker, Chair  
Senator Brickwood Galuteria, Vice Chair

FROM: Daniel Dinell  
ARDA-Hawaii, Chair

RE: HB 423, Relating to the Bureau of Conveyances  
Position: Support

Dear Chair Baker, Vice Chair Galuteria, and members of the Committee:

The American Resort Development Association (ARDA) Hawaii, the local chapter of a national timeshare trade association supports H.B. 423 making permanent the transfer of timeshare fee purchase documents from the land court to the Bureau of Conveyances regular system. There are 87 timeshare properties located across the four largest islands with more than 10,000 timeshare units and more planned for the future.

In 2012, a bill was passed to automatically transfer all existing timeshare recordations from the Land Court to the Regular system. This 2012 bill was intended to ease the continuing backlog and streamline the process to deregister the remaining timeshare interests.

The current bill would complement that effort by removing the sunset date of December 31, 2014 of section 2 of Act 120 Session Laws 2009. This 2009 law addressed the backlog in the Land Court system and transferred fee timeshare interest recording from the Land Court system to the Regular system, encouraged the setting of fees, and allowed for electronic submission of documents.

In short, the 2009 and 2012 laws are doing what the Legislature intended and thus ARDA supports removal of the sunset provision in order to make permanent the changes that are working.

Thank you for the opportunity to submit written testimony in support of H.B. 423.

*"Timeshare With Aloha"*

McCORRISTON MILLER MUKAI MACKINNON LLP

ATTORNEYS AT LAW

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March 11, 2013

Senator Rosalyn H. Baker, Chair  
Senator Brickwood Galuteria, Vice Chair  
Members of the Senate Committee on  
Commerce and Consumer Protection  
Twenty-Seventh Legislature  
Regular Session, 2013

Re: H.B. 423  
Hearing on March 12, 2013, 10:00 a.m.  
Conference Room 229

Dear Chair, Vice-Chair and Members of the Committee:

My name is Charles Pear. I represent SVO Pacific, Inc., a Florida corporation. It is a wholly owned subsidiary of Starwood Vacation Ownership, the time share arm of Starwood Hotels and Resorts Worldwide, Inc. It is the developer of various Westin and Sheraton time share plans, including the Westin Ka'anapali Ocean Resort Villas (on Maui), the Westin Ka'anapali Ocean Resort Villas North (also on Maui) and the Westin Princeville Ocean Resort Villas (on Kauai).

SVO Pacific, Inc. supports the bill.

Last year we worked with an *ad hoc* Land Court Working Group formed for the purpose of reviewing and revising a bill refining a 2009 law providing that time share interests would be recorded in the Bureau of Conveyances instead of the Land Court. The group consisted of representatives of the Bureau, the Judiciary, the Hawaii Land Title Association, and the undersigned on behalf of SVO Pacific, Inc., a constituent member of ARDA. After many drafts, the members of the group settled on a draft and it was passed last year.

At this point, all time share interest deeds and mortgages are recorded in the regular system of the Bureau of Conveyances. SVO Pacific, Inc. finds that this is helping to clear the backlog of recordings at the Land Court side of the Bureau of Conveyances. SVO Pacific, Inc requests that this bill be passed so that timeshare recordings will continue to take place in the regular system of the Bureau of Conveyances, instead of the Office of the Assistant Registrar, which is also located in the Bureau of Conveyances.

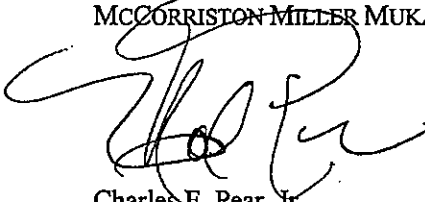
P. O. Box 2800 • Honolulu, Hawai'i 96803-2800  
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Chair, Vice-Chair and Members,  
Senate Committee on Commerce and Consumer Protection  
March 11, 2013  
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Thank you for your kind consideration of this legislation. I would be happy to take any questions if you think that I may be of some small assistance.

Very truly yours,

MCCORRISTON MILLER MUKAI MACKINNON LLP



Charles E. Pear, Jr.

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
Wyndham Vacation Ownership**

DATE: March 10, 2013

TO: Senator Rosalyn Baker  
Chair, Committee on Commerce and Consumer Protection  
*Submitted Via [CPNTestimony@capitol.hawaii.gov](mailto:CPNTestimony@capitol.hawaii.gov)*

RE: **H.B. 423 – Relating to Bureau of Conveyances**  
**Hearing Date: Tuesday, March 12, 2013 at 10:00am**  
**Conference Room 229**

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Dear Chair Baker and Members of the Committee on Commerce and Consumer Protection:

We submit this testimony on behalf of Wyndham Vacation Ownership.

Wyndham Vacation Ownership offers individual consumers and business-to-business customers a broad suite of hospitality products and services through its portfolio of world-renowned brands. Wyndham has a substantial presence in Hawaii through its Wyndham Vacation Resorts and WorldMark by Wyndham brands.

Wyndham supports H.B. 423, which eliminates the sunset date for Act 120, Session Laws of Hawaii 2009. Act 120 deregistered fee simple time share transactions from the Land Court system, and provided a procedure to move these transactions to the regular system in the Bureau of Conveyances.

The number of owners for a fee simple time share ranges from hundreds to thousands, and each owner has a percentage interest in the time share property. The removal of fee simple time share transactions from Land Court has eliminated the need to issue a certificate of title for each fee simple time share unit for each owner, and has significantly streamlined the registration process for fee simple timeshare interests.

For these reasons, we support this measure and ask for your favorable support.

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Gary M. Slovin  
Mihoko E. Ito

Tiffany N. Yajima  
Nicole A. Velasco

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Thank you very much for the opportunity to submit testimony.