



The Judiciary, State of Hawaii

Testimony to the House Committee on Consumer Protection and Commerce

Representative Angus L. K. McKelvey, Chair
Representative Derek S. K. Kawakami, Vice Chair

Wednesday, February 19, 2014, 3:00 p.m.
State Capitol, Conference Room 325

by
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Bill No. and Title: House Bill No. 2044, Relating to Bureau of Conveyances.

Purpose: Extends the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the de-registration of fee non-time share interests. Clarifies the actions taken after a certificate of title for a fee time share interest is deregistered and marked canceled by the assistant registrar.

Judiciary's Position:

The Judiciary respectfully takes no position on Bill No. 2044.

To date there has not been a large number of requests for de-registration of real property from the Land Court. However, over the past three years it has become apparent that the voluntary de-registration process set up by Act 120, Session Laws of Hawaii 2009 has certain issues that need to be addressed.

Among the issues that need to be addressed are:

1. Notice to persons or entities who may have an interest in land to be de-registered;
2. The effect of de-registration on condominium property regimes; and
3. Issues relating to coordination of the de-registration process between the Bureau of Conveyances which is under the Department of Land and Natural Resources; the Office of the



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Registrar of the Land Court which is under the Judiciary and is responsible for the records of the land court applications; and the state land surveyor, which is under the Department of Accounting and General Services and is responsible for annotating and maintaining the land court maps.

The Judiciary does not take a position on the policy decision of whether registered property should be allowed to be de-registered, however, we feel that by extending the sunset date for the current de-registration process, additional properties may be de-registered under a process that has identified concerns that may affect clear title to properties that are de-registered.

If Act 120 is allowed to sunset, the process for de-registration will return to pre-Act 120 and require a court order. The Judiciary is committed to working with the various interested parties to address our concerns in developing new legislation that can be addressed in the next session.

Thank you for the opportunity to testify on House Bill No. 2044.