



The Judiciary, State of Hawaii

Testimony to the Senate Committee on Commerce and Consumer Protection

The Honorable Rosalyn H. Baker, Chair
The Honorable Brian T. Taniguchi, Vice Chair

Testimony to the Senate Committee on Judiciary and Labor

The Honorable Clayton Hee, Chair
The Honorable Maile S.L. Shimabukuro, Vice Chair

Tuesday, February 7, 2012, 9:20 a.m.
State Capitol, Conference Room 229

by
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First Circuit

Bill No. and Title: Senate Bill No. 2632, Relating to Fee Time Share Interests

Purpose: Ease the backlog in land court recording and registration by:

- (1) Requiring all fee time share interests to be recorded in the regular system rather than the land court, as of the effective date of this Act;
- (2) Removing the requirement that the land court update the certificates of title for individual fee time share interests as a condition to deregistration; and
- (3) Allowing the bureau of conveyances and in the office of the assistant registrar of the land court for services rendered by the bureau of conveyances.

Judiciary's Position:

The Judiciary supports the intent of SB 2632, Relating to Fee Time Share Interests, which seeks to ease the backlog in land court recording and registration.

The Judiciary is supportive of the transfer of fee simple time share interests from the land court to the regular system. And, from an operational perspective, the Judiciary is aware and understanding of the desire to ease the backlog in land court recording and registration.



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However, the Judiciary must respectfully raise concerns regarding fee simple time share interest chain of title issues, which would occur upon this mandatory transfer from the land court to the regular system. These similar concerns also apply to any previously recorded time share fee interest documents, which are part of the backlog of land court recording and registration effective upon the date of this act. This bill, as written, appears ambiguous with respect to clearly addressing the chain of title as well as cancellation of certificates of title of time share fee interests from the land court to the regular system, which may ultimately impact judicial matters of registered land at the Land Court.

While the Judiciary has concerns regarding the above-noted issues, and as stated previously, is supportive of the intent of this proposed legislation, we are currently working with the Office of the Assistant Registrar, Bureau of Conveyances as well as industry representatives with the intent to provide this Legislature with an efficient and workable solution that will benefit both the government agencies as well as the public we serve. As of the date of this hearing, the Judiciary, the Office of the Assistant Registrar, Bureau of Conveyances and industry representatives recently met on February 6, to begin work on finding solutions to these and other related issues.

Thank you for the opportunity to testify on this measure.