

Honolulu, Hawaii

April 5, 2012

RE: S.B. No. 2632
S.D. 1
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 2632, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FEE TIME SHARE INTERESTS,"

begs leave to report as follows:

The purpose of this measure is to reduce the Land Court recording and registration backlog by:

- (1) Requiring new fee time share interests to be recorded in the Bureau of Conveyances system instead of Land Court system;
- (2) Streamlining the process for updating certificates of title for remaining fee time share interests; and
- (3) Allowing the Bureau of Conveyances to charge a fee for the recording of time share interest deeds.

Wyndham Vacation Ownership and the American Resort Development Association testified in support of this measure. The Judiciary, Department of Land and Natural Resources, Title Guaranty of Hawaii, Inc.; and SVO Pacific, Inc., provided comments.



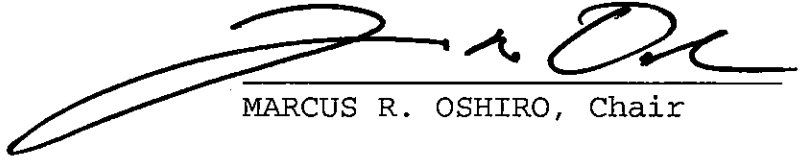
Your Committee has amended this measure by:

- (1) Adding the definition of "date and time of deregistration" to clarify when a fee time share interest ceases to be registered with the Land Court and becomes recorded or recordable with the Bureau of Conveyances;
- (2) Deleting language from the definition of "fee time share interest" that treated certain timeshare interests as leasehold, rather than fee interests;
- (3) Deleting multiple references to the requirement that a certificate of title for a fee time share interest be recorded in the regular system;
- (4) Clarifying that if a single certificate of title describes timeshare and non-timeshare interests, a new certificate of title shall be issued to the owner of the non-timeshare interest upon petition to the Land Court;
- (5) Requiring that the first time a fee time share interest is recorded in the Bureau of Conveyances, that the deed and other voluntary instruments affecting the fee must state the certificate of title number by which the owner acquired the interest;
- (6) Deleting the provision allowing the Bureau of Conveyances to charge a fee for the recording of time share interests deeds;
- (7) Changing the effective date to July 1, 2030; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2632, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2632, S.D. 1, H.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Finance,



MARCUS R. OSHIRO, Chair



