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 (1) Beginning on July 1, 2012, and continuing for so long
2 as shall be reasonably necessary in the ordinary
3 course of business, the assistant registrar shall:
4 (A) Note on the certificate of title for each fee
5 time share interest all documents and instruments
6 affecting the fee time share interest:
7 (i) That were or are registered as of a date and
8 time prior to the date and time of
deregistration of the fee time share
9 interest; and
10 (ii) That were not yet noted on the certificate
11 of title of the fee time share interest as
12 of the date and time of deregistration
13 thereof; and
14 (B) Certify each certificate of title.
15
16 (2) Section 501-196 shall apply to a certificate of title
17 updated pursuant to paragraph (1) upon approval of the
18 same by the assistant registrar, which approval shall
19 be evidenced by a certification of the assistant
20 registrar endorsed upon the certificate of title. A
21 certificate of title for a fee time share interest,
22 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.

INTRODUCED BY: [Signature]
Report Title:
Deregistration; Bureau of Conveyances; Fee Non-time Share Interests; Fee Time Share Interests

Description:
Extends the sunset date of Act 119, Session Laws of Hawaii 2013, relating to the deregistration 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.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.