

JAN 25 2006

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# A BILL FOR AN ACT

RELATING TO DISPOSITION OF CONVEYANCE TAX.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Section 247-7, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§247-7 Disposition of taxes.** All taxes collected under  
4 this chapter shall be paid into the state treasury to the credit  
5 of the general fund of the State, to be used and expended for  
6 the purposes for which the general fund was created and exists  
7 by law; provided that of the taxes collected each fiscal year:

8           (1) Subject to paragraph (4), [~~Ten~~] ten per cent shall be  
9           paid into the land conservation fund established  
10           pursuant to section 173A-5;

11           (2) Subject to paragraph (4), [~~Thirty~~] thirty per cent  
12           shall be paid into the rental housing trust fund  
13           established by section 201G-432; [~~and~~]

14           (3) Subject to paragraph (4), [~~Twenty-five~~] twenty-five  
15           per cent shall be paid into the natural area reserve  
16           fund established by section 195-9; provided that the  
17           funds paid into the natural area reserve fund shall be



1           annually disbursed by the department of land and  
2           natural resources in the following priority:

3           (A) To natural area partnership and forest  
4                 stewardship programs after joint consultation  
5                 with the forest stewardship committee and the  
6                 natural area reserves system commission;

7           (B) Projects undertaken in accordance with watershed  
8                 management plans pursuant to section 171-58 or  
9                 watershed management plans negotiated with  
10                private landowners, and management of the natural  
11                area reserves system pursuant to section 195-3;  
12                and

13           (C) The youth conservation corps established under  
14                 chapter 193[-]; and

15           (4) Ten per cent of the amount of the conveyance tax  
16           collected from the sale of any property with a value  
17           of \$1,000,000 or greater shall be disbursed on a  
18           quarterly basis to the director of finance of the  
19           county where the property is located to be used as a  
20           tax credit for the county's homeowners in an amount as  
21           established by ordinance."



1 SECTION 2. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on July 1, 2006.  
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**Report Title:**

Conveyance Tax; Disposition of Tax

**Description:**

Disburses percentage of conveyance tax on properties valued at \$1,000,000 or greater to counties on a quarterly basis to be used as a tax credit for relief to homeowners.

