

A BILL FOR AN ACT

VETO OVERRIDE

RELATING TO THE CONVEYANCE TAX.

Act No. 59
Approved: [Signature]
Dated: May 8, 2009

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

- 1 SECTION 1. The purpose of this Act is to:
- 2 (1) Temporarily reduce the distribution of portions of the
- 3 conveyance tax to the rental housing trust fund and
- 4 the natural area reserve fund; and
- 5 (2) Increase the rate of the conveyance tax on transfers
- 6 or conveyances of properties of \$2,000,000 or more and
- 7 second house purchases.

8 SECTION 2. Section 173A-5, Hawaii Revised Statutes, is

9 amended by amending subsection (d) to read as follows:

10 "(d) [~~Ten per cent~~] The appropriate percentage identified

11 under section 247-7 of all taxes imposed and collected [~~by~~

12 ~~section 247-1~~] under chapter 247 shall be deposited in or

13 credited to the fund every fiscal year."

14 SECTION 3. Section 247-2, Hawaii Revised Statutes, is

15 amended to read as follows:

16 "~~§247-2~~ **Basis and rate of tax.** The tax imposed by section

17 247-1 shall be based on the actual and full consideration

18 (whether cash or otherwise, including any promise, act,



1 forbearance, property interest, value, gain, advantage, benefit,
2 or profit), paid or to be paid for all transfers or conveyance
3 of realty or any interest therein, that shall include any liens
4 or encumbrances thereon at the time of sale, lease, sublease,
5 assignment, transfer, or conveyance, and shall be at the
6 following rates:

7 (1) Except as provided in paragraph (2):

8 (A) Ten cents per \$100 for properties with a value of
9 less than \$600,000;

10 (B) Twenty cents per \$100 for properties with a value
11 of at least \$600,000, but less than \$1,000,000;
12 [and]

13 (C) Thirty cents per \$100 for properties with a value
14 of at least \$1,000,000 [or greater; and], but
15 less than \$2,000,000;

16 (D) Fifty cents per \$100 for properties with a value
17 of at least \$2,000,000, but less than \$4,000,000;

18 (E) Seventy cents per \$100 for properties with a
19 value of at least \$4,000,000, but less than
20 \$6,000,000;



- 1 (F) Ninety cents per \$100 for properties with a value
2 of at least \$6,000,000, but less than
3 \$10,000,000; and
- 4 (G) One dollar per \$100 for properties with a value
5 of \$10,000,000 or greater; and
- 6 (2) For the sale of a condominium or single family
7 residence for which the purchaser is ineligible for a
8 county homeowner's exemption on property tax:
- 9 (A) Fifteen cents per \$100 for properties with a
10 value of less than \$600,000;
- 11 (B) Twenty-five cents per \$100 for properties with a
12 value of at least \$600,000, but less than
13 \$1,000,000; ~~and~~
- 14 (C) ~~[Thirty-five]~~ Forty cents per \$100 for properties
15 with a value of at least \$1,000,000 ~~[or greater]~~,
16 but less than \$2,000,000;
- 17 (D) Sixty cents per \$100 for properties with a value
18 of at least \$2,000,000, but less than \$4,000,000;
- 19 (E) Eighty-five cents per \$100 for properties with a
20 value of at least \$4,000,000, but less than
21 \$6,000,000;



1 (F) One dollar and ten cents per \$100 for properties
2 with a value of at least \$6,000,000, but less
3 than \$10,000,000; and

4 (G) One dollar and twenty-five cents per \$100 for
5 properties with a value of \$10,000,000 or
6 greater,

7 of such actual and full consideration; provided that in the case
8 of a lease or sublease, this chapter shall apply only to a lease
9 or sublease whose full unexpired term is for a period of five
10 years or more, and in those cases, including (where appropriate)
11 those cases where the lease has been extended or amended, the
12 tax in this chapter shall be based on the cash value of the
13 lease rentals discounted to present day value and capitalized at
14 the rate of six per cent, plus the actual and full consideration
15 paid or to be paid for any and all improvements, if any, that
16 shall include on-site as well as off-site improvements,
17 applicable to the leased premises; and provided further that the
18 tax imposed for each transaction shall be not less than \$1."

19 SECTION 4. Section 247-7, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "**§247-7 Disposition of taxes.** All taxes collected under
22 this chapter shall be paid into the state treasury to the credit



1 of the general fund of the State, to be used and expended for
2 the purposes for which the general fund was created and exists
3 by law; provided that of the taxes collected each fiscal year:

4 (1) Ten per cent shall be paid into the land conservation
5 fund established pursuant to section 173A-5;

6 (2) [~~Thirty~~] Twenty-five per cent from July 1, 2009, until
7 June 30, 2012, and thirty per cent in each fiscal year
8 thereafter shall be paid into the rental housing trust
9 fund established by section 201H-202; and

10 (3) [~~Twenty-five~~] Twenty per cent from July 1, 2009, until
11 June 30, 2012, and twenty-five per cent in each fiscal
12 year thereafter shall be paid into the natural area
13 reserve fund established by section 195-9; provided
14 that the funds paid into the natural area reserve fund
15 shall be annually disbursed by the department of land
16 and natural resources in the following priority:

17 (A) To natural area partnership and forest
18 stewardship programs after joint consultation
19 with the forest stewardship committee and the
20 natural area reserves system commission;

21 (B) Projects undertaken in accordance with watershed
22 management plans pursuant to section 171-58 or



1 watershed management plans negotiated with
2 private landowners, and management of the natural
3 area reserves system pursuant to section 195-3;
4 and

5 (C) The youth conservation corps established under
6 chapter 193."

7 SECTION 5. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

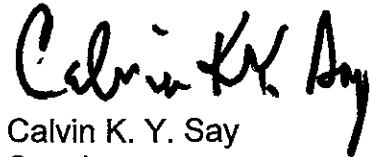
9 SECTION 6. This Act shall take effect on July 1, 2009.



THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May, 8, 2009
Honolulu, Hawaii

We hereby certify that, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the House of Representatives of the State of Hawaii, on this date reconsidered House Bill No. 1741, HD 1, SD 1, CD 1, heretofore vetoed as contained in a Governor's Message dated May 7, 2009, and approved said bill by an affirmative vote of two-thirds of all members to which the House of Representatives of the Twenty-fifth Legislature of the State of Hawaii, Regular Session 2009, is entitled.



Calvin K. Y. Say
Speaker
House of Representatives



Patricia Mau-Shimizu
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAII

Date: May 8, 2009
Honolulu, Hawaii

We hereby certify that, pursuant to Sections 16 and 17 of Article III of the Hawaii State Constitution, the Senate of the State of Hawaii, on this date reconsidered House Bill No. 1741, HD 1, SD 1, CD 1, heretofore vetoed as contained in a Governor's Message dated May 7, 2009, and approved said bill by an affirmative vote of two-thirds of all members to which the Senate of the Twenty-fifth Legislature of the State of Hawaii, Regular Session 2009, is entitled.



Colleen Hanabusa
President of the Senate



Carol Taniguchi
Clerk of the Senate