



GOV. MSG. NO. 522

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

April 25, 2010

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fifth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

This is to inform you that on April 25, 2010, the following bill was signed into law:

HB1985 SD1 CD1

A BILL FOR AN ACT  
RELATING TO TAXATION.  
**ACT 059 (10)**

Sincerely,



LINDA LINGLE

Approved by the Governor

on APR 25 2010

HOUSE OF REPRESENTATIVES  
TWENTY-FIFTH LEGISLATURE, 2010  
STATE OF HAWAII

**ACT 059**

**H.B. NO.** 1985  
S.D. 1  
C.D. 1

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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 PART I

2 SECTION 1. Section 235-7, Hawaii Revised Statutes, is  
3 amended to read as follows:

4 "§235-7 Other provisions as to gross income, adjusted  
5 gross income, and taxable income. (a) There shall be excluded  
6 from gross income, adjusted gross income, and taxable income:

7 (1) Income not subject to taxation by the State under the  
8 Constitution and laws of the United States;

9 (2) Rights, benefits, and other income exempted from  
10 taxation by section 88-91, having to do with the state  
11 retirement system, and the rights, benefits, and other  
12 income, comparable to the rights, benefits, and other  
13 income exempted by section 88-91, under any other  
14 public retirement system;

15 (3) Any compensation received in the form of a pension for  
16 past services;

17 (4) Compensation paid to a patient affected with Hansen's  
18 disease employed by the State or the United States in



1 any hospital, settlement, or place for the treatment  
2 of Hansen's disease;

3 (5) Except as otherwise expressly provided, payments made  
4 by the United States or this State, under an act of  
5 Congress or a law of this State, which by express  
6 provision or administrative regulation or  
7 interpretation are exempt from both the normal and  
8 surtaxes of the United States, even though not so  
9 exempted by the Internal Revenue Code itself;

10 (6) Any income expressly exempted or excluded from the  
11 measure of the tax imposed by this chapter by any  
12 other law of the State, it being the intent of this  
13 chapter not to repeal or supersede any express  
14 exemption or exclusion;

15 (7) Income received by each member of the reserve  
16 components of the Army, Navy, Air Force, Marine Corps,  
17 or Coast Guard of the United States of America, and  
18 the Hawaii national guard as compensation for  
19 performance of duty, equivalent to pay received for  
20 forty-eight drills (equivalent of twelve weekends) and  
21 fifteen days of annual duty, at an:



- 1 (A) E-1 pay grade after eight years of service;  
2 provided that this subparagraph shall apply to  
3 taxable years beginning after December 31, 2004;
- 4 (B) E-2 pay grade after eight years of service;  
5 provided that this subparagraph shall apply to  
6 taxable years beginning after December 31, 2005;
- 7 (C) E-3 pay grade after eight years of service;  
8 provided that this subparagraph shall apply to  
9 taxable years beginning after December 31, 2006;
- 10 (D) E-4 pay grade after eight years of service;  
11 provided that this subparagraph shall apply to  
12 taxable years beginning after December 31, 2007;  
13 and
- 14 (E) E-5 pay grade after eight years of service;  
15 provided that this subparagraph shall apply to  
16 taxable years beginning after December 31, 2008;
- 17 (8) Income derived from the operation of ships or aircraft  
18 if the income is exempt under the Internal Revenue  
19 Code pursuant to the provisions of an income tax  
20 treaty or agreement entered into by and between the  
21 United States and a foreign country; provided that the  
22 tax laws of the local governments of that country



- 1 reciprocally exempt from the application of all of  
2 their net income taxes, the income derived from the  
3 operation of ships or aircraft that are documented or  
4 registered under the laws of the United States;
- 5 (9) The value of legal services provided by a prepaid  
6 legal service plan to a taxpayer, the taxpayer's  
7 spouse, and the taxpayer's dependents;
- 8 (10) Amounts paid, directly or indirectly, by a prepaid  
9 legal service plan to a taxpayer as payment or  
10 reimbursement for the provision of legal services to  
11 the taxpayer, the taxpayer's spouse, and the  
12 taxpayer's dependents;
- 13 (11) Contributions by an employer to a prepaid legal  
14 service plan for compensation (through insurance or  
15 otherwise) to the employer's employees for the costs  
16 of legal services incurred by the employer's  
17 employees, their spouses, and their dependents;
- 18 (12) Amounts received in the form of a monthly surcharge by  
19 a utility acting on behalf of an affected utility  
20 under section 269-16.3 shall not be gross income,  
21 adjusted gross income, or taxable income for the  
22 acting utility under this chapter. Any amounts



1 retained by the acting utility for collection or other  
2 costs shall not be included in this exemption; and  
3 (13) One hundred per cent of the gain realized by a fee  
4 simple owner from the sale of a leased fee interest in  
5 units within a condominium project, cooperative  
6 project, or planned unit development to the  
7 association of owners under chapter 514A or 514B, or  
8 the residential cooperative corporation of the  
9 leasehold units.

10 For purposes of this paragraph:

11 "Fee simple owner" shall have the same meaning as  
12 provided under section 516-1; provided that it shall  
13 include legal and equitable owners;

14 "Legal and equitable owner", and "leased fee  
15 interest" shall have the same meanings as provided  
16 under section 516-1; and

17 "Condominium project" and "cooperative project"  
18 shall have the same meanings as provided under section  
19 514C-1.

20 (b) There shall be included in gross income, adjusted  
21 gross income, and taxable income:



- 1           (1) ~~[unless]~~ Unless excluded by this chapter relating to  
2           the uniformed services of the United States, cost-of-  
3           living allowances and other payments exempted by  
4           ~~[section]~~ Section 912 of the Internal Revenue Code,  
5           but ~~[section]~~ Section 119 of the Internal Revenue Code  
6           nevertheless shall apply; and
- 7           (2) ~~[unless]~~ Unless expressly exempted or excluded as  
8           provided by subsection (a)(6), interest on the  
9           obligations of a State or a political subdivision  
10          thereof.
- 11          (c) The deductions of or based on dividends paid or  
12          received, allowed to a corporation under ~~[chapter]~~ Chapter 1,  
13          ~~[subchapter]~~ Subchapter B, Part VIII of the Internal Revenue  
14          Code, shall not be allowed. In lieu thereof there shall be  
15          allowed as a deduction the entire amount of dividends received  
16          by any corporation upon the shares of stock of a national  
17          banking association, qualifying dividends, as defined in  
18          ~~[section]~~ Section 243(b) of the Internal Revenue Code, received  
19          by members of an affiliated group, or dividends received by a  
20          small business investment company operating under the Small  
21          Business Investment Act of 1958 (Public Law 85-699) upon shares



1 of stock qualifying under paragraph (3), seventy per cent of the  
2 amount received by any corporation as dividends:

- 3 (1) Upon the shares of stock of another corporation, if at  
4 the date of payment of the dividend at least ninety-  
5 five per cent of the other corporation's capital stock  
6 is owned by one or more corporations doing business in  
7 this [~~State~~] state and if the other corporation is  
8 subjected to an income tax in another jurisdiction  
9 (but subjection to federal tax does not constitute  
10 subjection to income tax in another jurisdiction); and  
11 (2) Upon the shares of stock of a bank or insurance  
12 company organized and doing business under the laws of  
13 the State;  
14 (3) Upon the shares of stock of another corporation, if at  
15 least fifteen per cent of the latter corporation's  
16 business, for the taxable year of the latter  
17 corporation preceding the payment of the dividend, has  
18 been attributed to this State.

19 However, except for national bank dividends, the deductions  
20 under this subsection are not allowed when they would not have  
21 been allowed under [~~section~~] Section 243 of the Internal Revenue  
22 Code, as amended by Public Law 85-866; by reason of subsections





1 (b) and (c) of [~~section~~] Section 246 of the Internal Revenue  
2 Code. For the purposes of this subsection fifteen per cent of a  
3 corporation's business shall be deemed to have been attributed  
4 to this State if fifteen per cent or more of the entire gross  
5 income of the corporation as defined in this chapter (which for  
6 the purposes of this subsection shall be computed without regard  
7 to source in the [~~State~~] state and shall include income not  
8 taxable by reason of the fact that it is from property not owned  
9 in the [~~State~~] state or from a trade or business not carried on  
10 in the [~~State~~] state in whole or in part), under section 235-5  
11 and the other provisions of this chapter, shall have been  
12 attributed to the State and subjected to assessment of the  
13 taxable income therefrom (including the determination of the  
14 resulting net loss, if any).

15 (d) (1) For taxable years ending before January 1, 1967,  
16 the net operating loss deductions allowed as  
17 carrybacks and carryovers by the Internal Revenue Code  
18 shall not be allowed. In lieu thereof the net  
19 operating loss deduction shall consist of the excess  
20 of the deductions allowed by this chapter over the  
21 gross income, computed with the modifications  
22 specified in paragraphs (1) to (4) of [~~section~~]



1            Section 172(d) of the Internal Revenue Code, and with  
2            the further modification stated in paragraph (3)  
3            hereof; and shall be allowed as a deduction in  
4            computing the taxable income of the taxpayer for the  
5            succeeding taxable year;

6            (2) (A) With respect to net operating loss deductions  
7                            resulting from net operating losses for taxable  
8                            years ending after December 31, 1966, the net  
9                            operating loss deduction provisions of the  
10                           Internal Revenue Code shall apply; provided that  
11                           there shall be no net operating loss deduction  
12                           carried back to any taxable year ending prior to  
13                           January 1, 1967;

14            (B) In the case of a taxable year beginning in 1966  
15                           and ending in 1967, the entire amount of all net  
16                           operating loss deductions carried back to the  
17                           taxable year shall be limited to that portion of  
18                           taxable income for such taxable year which the  
19                           number of days in 1967 bears to the total days in  
20                           the taxable year ending in 1967; and

21            (C) The computation of any net operating loss  
22                           deduction for a taxable year covered by this



- 1 subsection shall require the further  
2 modifications stated in paragraphs (3), (4), and  
3 (5) of this subsection;
- 4 (3) In computing the net operating loss deduction allowed  
5 by this subsection, there shall be included in gross  
6 income the amount of interest which is excluded from  
7 gross income by subsection (a), decreased by the  
8 amount of interest paid or accrued which is disallowed  
9 as a deduction by subsection (e). In determining the  
10 amount of the net operating loss deduction under this  
11 subsection of any corporation, there shall be  
12 disregarded the net operating loss of such corporation  
13 for any taxable year for which the corporation is an  
14 electing small business corporation;
- 15 (4) No net operating loss carryback or carryover shall be  
16 allowed by this chapter if not allowed under [~~section~~]  
17 Section 172 of the Internal Revenue Code;
- 18 (5) The election to relinquish the entire carryback period  
19 with respect to a net operating loss allowed under  
20 [~~section~~] Section 172(b)(3)(C) of the Internal Revenue  
21 Code shall be operative for the purposes of this  
22 chapter; provided that no taxpayer shall make such an



1 election as to a net operating loss of a business  
2 where such net operating loss occurred in the  
3 taxpayer's business prior to the taxpayer entering  
4 business in this [~~State,~~] state; and

5 (6) The five-year carryback period for net operating  
6 losses for any taxable year ending during 2001 and  
7 2002 in [~~section~~] Section 172(b)(1)(H) of the Internal  
8 Revenue Code shall not be operative for purposes of  
9 this chapter.

10 (e) There shall be disallowed as a deduction the amount of  
11 interest paid or accrued within the taxable year on indebtedness  
12 incurred or continued, (1) to purchase or carry bonds the  
13 interest upon which is excluded from gross income by subsection  
14 (a); or (2) to purchase or carry property owned without the  
15 [~~State,~~] state, or to carry on trade or business without the  
16 [~~State,~~] state, if the taxpayer is a person taxable only upon  
17 income from sources in the [~~State,~~] state.

18 (f) Losses of property as the result of tidal wave,  
19 hurricane, earthquake, or volcanic eruption, or as a result of  
20 flood waters overflowing the banks or walls of a river or  
21 stream, or from any other natural disaster, to the extent of the  
22 amount deductible, under this chapter, not compensated for by



1 insurance or otherwise, may be deducted in the taxable year in  
2 which sustained, or at the option of the taxpayer may be  
3 deducted in equal installments over a period of five years, the  
4 first such year to be the calendar year or fiscal year of the  
5 taxpayer in which such loss occurred.

6 ~~[(g) In computing taxable income there shall be allowed as~~  
7 ~~a deduction:~~

- 8 ~~(1) Political contributions by any taxpayer not in excess~~  
9 ~~of \$250 in any year; provided that such contributions~~  
10 ~~are made to a central or county committee of a~~  
11 ~~political party whose candidates shall have qualified~~  
12 ~~by law to be voted for at the immediately previous~~  
13 ~~general election; or~~
- 14 ~~(2) Political contributions by any individual taxpayer in~~  
15 ~~an aggregate amount not to exceed \$1,000 in any year;~~  
16 ~~provided that such contributions are made to~~  
17 ~~candidates as defined in section 11-191, who have~~  
18 ~~agreed to abide by the campaign expenditure limits as~~  
19 ~~set forth in section 11-209; and provided further that~~  
20 ~~not more than \$250 of an individual's total~~  
21 ~~contribution to any single candidate shall be~~  
22 ~~deductible for purposes of this section.] "~~



1 SECTION 2. Section 11-226, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§11-226 Tax deductions. (a) As a condition of allowing~~  
4 ~~an individual to take a tax deduction for campaign contributions~~  
5 ~~to a candidate pursuant to section 235-7(g)(2), a candidate~~  
6 ~~shall have filed an affidavit with the commission prior to or~~  
7 ~~simultaneous with the filing of the candidate's organizational~~  
8 ~~report stating that the candidate shall not exceed the~~  
9 ~~expenditure limit for the candidate's respective office as set~~  
10 ~~forth in section 11-209.~~

11 ~~(b) The affidavit shall remain effective until the~~  
12 ~~termination of the central committee of the candidate or the~~  
13 ~~opening of filing for the next succeeding election for the~~  
14 ~~office held or sought at the time of filing of the affidavit~~  
15 ~~whichever occurs first. An affidavit filed under this section~~  
16 ~~may not be rescinded.~~

17 ~~(c) The director of taxation shall not allow any~~  
18 ~~individual or married couple filing jointly to take a deduction~~  
19 ~~against any tax due, pursuant to section 235-7(g)(2), for any~~  
20 ~~contribution to a candidate for statewide or county office, who~~  
21 ~~has not filed an affidavit as provided in this section.~~



1 ~~(d) The commission shall forward a certified copy of any~~  
2 ~~affidavit filed under this section to the director of taxation.~~

3 ~~(e) The director of taxation shall only allow an~~  
4 ~~individual or married couple filing jointly to take an income~~  
5 ~~tax deduction, pursuant to section 235-7(g)(2), for any~~  
6 ~~contribution to a candidate for a statewide or county office, if~~  
7 ~~a receipt is attached to the state income tax return. Canceled~~  
8 ~~checks or copies of the same shall be considered adequate~~  
9 ~~receipt forms.~~

10 ~~(f) If a candidate has not filed an affidavit pursuant to~~  
11 ~~this section, the candidate shall inform all contributors to the~~  
12 ~~candidate's campaign in writing immediately upon receipt of the~~  
13 ~~contribution that they are not entitled to count their~~  
14 ~~contributions to the candidate for purposes of taking a tax~~  
15 ~~deduction under this section." ]~~

16 PART II

17 SECTION 3. Section 245-3, Hawaii Revised Statutes, is  
18 amended by amending subsection (a) to read as follows:

19 "(a) Every wholesaler or dealer, in addition to any other  
20 taxes provided by law, shall pay for the privilege of conducting  
21 business and other activities in the [State:] state:



- 1           (1) An excise tax equal to 5.00 cents for each cigarette  
2           sold, used, or possessed by a wholesaler or dealer  
3           after June 30, 1998, whether or not sold at wholesale,  
4           or if not sold then at the same rate upon the use by  
5           the wholesaler or dealer;
- 6           (2) An excise tax equal to 6.00 cents for each cigarette  
7           sold, used, or possessed by a wholesaler or dealer  
8           after September 30, 2002, whether or not sold at  
9           wholesale, or if not sold then at the same rate upon  
10          the use by the wholesaler or dealer;
- 11          (3) An excise tax equal to 6.50 cents for each cigarette  
12          sold, used, or possessed by a wholesaler or dealer  
13          after June 30, 2003, whether or not sold at wholesale,  
14          or if not sold then at the same rate upon the use by  
15          the wholesaler or dealer;
- 16          (4) An excise tax equal to 7.00 cents for each cigarette  
17          sold, used, or possessed by a wholesaler or dealer  
18          after June 30, 2004, whether or not sold at wholesale,  
19          or if not sold then at the same rate upon the use by  
20          the wholesaler or dealer;
- 21          (5) An excise tax equal to 8.00 cents for each cigarette  
22          sold, used, or possessed by a wholesaler or dealer on





- 1           and after September 30, 2006, whether or not sold at  
2           wholesale, or if not sold then at the same rate upon  
3           the use by the wholesaler or dealer;
- 4           (6) An excise tax equal to 9.00 cents for each cigarette  
5           sold, used, or possessed by a wholesaler or dealer on  
6           and after September 30, 2007, whether or not sold at  
7           wholesale, or if not sold then at the same rate upon  
8           the use by the wholesaler or dealer;
- 9           (7) An excise tax equal to 10.00 cents for each cigarette  
10          sold, used, or possessed by a wholesaler or dealer on  
11          and after September 30, 2008, whether or not sold at  
12          wholesale, or if not sold then at the same rate upon  
13          the use by the wholesaler or dealer;
- 14          (8) An excise tax equal to 13.00 cents for each cigarette  
15          sold, used, or possessed by a wholesaler or dealer on  
16          and after July 1, 2009, whether or not sold at  
17          wholesale, or if not sold then at the same rate upon  
18          the use by the wholesaler or dealer;
- 19          (9) An excise tax equal to 11.00 cents for each little  
20          cigar sold, used, or possessed by a wholesaler or  
21          dealer on and after October 1, 2009, whether or not



1 sold at wholesale, or if not sold then at the same  
2 rate upon the use by the wholesaler or dealer;  
3 (10) An excise tax equal to [~~14.00~~] 15.00 cents for each  
4 cigarette or little cigar sold, used, or possessed by  
5 a wholesaler or dealer on and after July 1, 2010,  
6 whether or not sold at wholesale, or if not sold then  
7 at the same rate upon the use by the wholesaler or  
8 dealer;  
9 (11) An excise tax equal to [~~15.00~~] 16.00 cents for each  
10 cigarette or little cigar sold, used, or possessed by  
11 a wholesaler or dealer on and after July 1, 2011,  
12 whether or not sold at wholesale, or if not sold then  
13 at the same rate upon the use by the wholesaler or  
14 dealer;  
15 (12) Except as provided in paragraph (13), an excise tax  
16 equal to seventy per cent of the wholesale price of  
17 each article or item of tobacco products sold by the  
18 wholesaler or dealer on and after September 30, 2009,  
19 whether or not sold at wholesale, or if not sold then  
20 at the same rate upon the use by the wholesaler or  
21 dealer; and



1 (13) An excise tax equal to fifty per cent of the wholesale  
 2 price of each cigar with a ring gauge of thirty or  
 3 more (.467 inches in diameter or more), of any length,  
 4 sold, used, or possessed by a wholesaler or dealer on  
 5 and after September 30, 2009, whether or not sold at  
 6 wholesale, or if not sold then at the same rate upon  
 7 the use by the wholesaler or dealer.

8 Where the tax imposed has been paid on cigarettes, little  
 9 cigars, or tobacco products that thereafter become the subject  
 10 of a casualty loss deduction allowable under chapter 235, the  
 11 tax paid shall be refunded or credited to the account of the  
 12 wholesaler or dealer. The tax shall be applied to cigarettes  
 13 through the use of stamps."

14 PART III

15 SECTION 4. Section 431:7-101, Hawaii Revised Statutes, is  
 16 amended by amending subsections (a) and (b) to read as follows:

17 "(a) The commissioner shall collect in advance the  
 18 following fees:

- 19 (1) Certificate of authority: Issuance.....\$900
- 20 (2) Organization of domestic insurers and affiliated
- 21 corporations:



- 1 (A) Application and all other papers required for
- 2 issuance of solicitation permit,
- 3 filing..... \$1,500
- 4 (B) Issuance of solicitation permit.....\$150
- 5 (3) Producer's license:
- 6 (A) Issuance, regular license.....\$50
- 7 (B) Issuance, temporary license.....\$50
- 8 (4) Nonresident producer's license:
- 9 Issuance.....\$75
- 10 (5) Independent adjuster's license: Issuance....\$75
- 11 (6) Public adjuster's license: Issuance..... \$75
- 12 (7) Workers' compensation claim adjuster's limited
- 13 license: Issuance.....\$75
- 14 (8) Independent bill reviewer's license:
- 15 Issuance.....\$80
- 16 (9) Limited producer's license: Issuance.....\$60
- 17 (10) Managing general agent's license: Issuance..\$75
- 18 (11) Reinsurance intermediary's license:
- 19 Issuance.....\$75
- 20 (12) Surplus lines broker's license: Issuance..\$150
- 21 (13) Service contract provider's registration:
- 22 Issuance.....\$75



- 1       (14) Approved course provider certificate:
- 2                Issuance.....\$100
- 3       (15) Approved continuing education course certificate:
- 4                Issuance.....\$30
- 5       (16) Vehicle protection product warrantor's registration:
- 6                Issuance.....\$75
- 7       (17) Criminal history record check; fingerprinting: For
- 8                each criminal history record check and fingerprinting
- 9                check, a fee to be established by the commissioner.
- 10       (18) Limited line motor vehicle rental company producer's
- 11                license: Issuance.....\$1,000
- 12       (19) Life settlement contract provider's license:
- 13                Issuance.....\$75
- 14       (20) Life settlement contract broker's license:
- 15                Issuance.....\$75
- 16       [~~(19)~~] (21) Examination for license: For each examination, a
- 17                fee to be established by the commissioner.
- 18       (b) The fees for services of the department of commerce
- 19       and consumer affairs subsequent to the issuance of a certificate
- 20       of authority, license, or other certificate are as follows:



- 1 (1) \$600 per year for all services (including extension of  
2 the certificate of authority) for an authorized  
3 insurer;
- 4 (2) \$50 per year for all services (including extension of  
5 the license) for a regularly licensed producer;
- 6 (3) \$75 per year for all services (including extension of  
7 the license) for a regularly licensed nonresident  
8 producer;
- 9 (4) \$45 per year for all services (including extension of  
10 the license) for a regularly licensed independent  
11 adjuster;
- 12 (5) \$45 per year for all services (including extension of  
13 the license) for a regularly licensed public adjuster;
- 14 (6) \$45 per year for all services (including extension of  
15 the license) for a workers' compensation claims  
16 adjuster's limited license;
- 17 (7) \$60 per year for all services (including extension of  
18 the license) for a regularly licensed independent bill  
19 reviewer;
- 20 (8) \$45 per year for all services (including extension of  
21 the license) for a producer's limited license;



- 1 (9) \$75 per year for all services (including extension of  
2 the license) for a regularly licensed managing general  
3 agent;
- 4 (10) \$75 per year for all services (including extension of  
5 the license) for a regularly licensed reinsurance  
6 intermediary;
- 7 (11) \$45 per year for all services (including extension of  
8 the license) for a licensed surplus lines broker;
- 9 (12) \$75 per year for all services (including renewal of  
10 registration) for a service contract provider;
- 11 (13) \$65 per year for all services (including extension of  
12 the certificate) for an approved course provider;
- 13 (14) \$20 per year for all services (including extension of  
14 the certificate) for an approved continuing education  
15 course;
- 16 (15) \$75 per year for all services (including renewal of  
17 registration) for a vehicle protection product  
18 warrantor;
- 19 (16) \$20 for a criminal history record check;
- 20 (17) \$600 per year for all services (including extension of  
21 the license) for a regularly licensed limited line  
22 motor vehicle rental company producer[-]i







- 1 (A) Application and all other papers required for
- 2 issuance of solicitation permit,
- 3 filing..... [~~\$1,500~~]
- 4 \$3,000
- 5 (B) Issuance of solicitation permit..... [~~\$150~~]
- 6 \$300
- 7 (3) Producer's license:
- 8 (A) Issuance, regular license..... [~~\$50~~]
- 9 \$100
- 10 (B) Issuance, temporary license..... [~~\$50~~]
- 11 \$100
- 12 (4) Nonresident producer's license:
- 13 Issuance..... [~~\$75~~]
- 14 \$150
- 15 (5) Independent adjuster's license: Issuance.... [~~\$75~~]
- 16 \$150
- 17 (6) Public adjuster's license: Issuance..... [~~\$75~~]
- 18 \$150
- 19 (7) Workers' compensation claim adjuster's limited
- 20 license: Issuance..... [~~\$75~~]
- 21 \$150
- 22 (8) Independent bill reviewer's license:



- 1 Issuance..... [~~\$80~~]
- 2 \$160
- 3 (9) Limited producer's license: Issuance..... [~~\$60~~]
- 4 \$120
- 5 (10) Managing general agent's license: Issuance.. [~~\$75~~]
- 6 \$150
- 7 (11) Reinsurance intermediary's license:
- 8 Issuance..... [~~\$75~~] \$150
- 9 (12) Surplus lines broker's license: Issuance.. [~~\$150~~] \$300
- 10 (13) Service contract provider's registration:
- 11 Issuance..... [~~\$75~~] \$150
- 12 (14) Approved course provider certificate:
- 13 Issuance..... [~~\$100~~] \$200
- 14 (15) Approved continuing education course certificate:
- 15 Issuance..... [~~\$30~~] \$60
- 16 (16) Vehicle protection product warrantor's registration:
- 17 Issuance..... [~~\$75~~] \$150
- 18 (17) Criminal history record check; fingerprinting: For
- 19 each criminal history record check and fingerprinting
- 20 check, a fee to be established by the commissioner.



- 1 (18) Limited line motor vehicle rental company producer's
- 2 license: Issuance..... [~~\$1,000~~]
- 3 \$2,000
- 4 (19) Life settlement contract provider's license:
- 5 Issuance..... [~~\$75~~] \$150
- 6 (20) Life settlement contract broker's license:
- 7 Issuance..... [~~\$75~~] \$150
- 8 (21) Examination for license: For each examination, a fee
- 9 to be established by the commissioner.
- 10 (b) The fees for services of the department of commerce
- 11 and consumer affairs subsequent to the issuance of a certificate
- 12 of authority, license, or other certificate are as follows:
- 13 (1) [~~\$600~~] \$1,200 per year for all services (including
- 14 extension of the certificate of authority) for an
- 15 authorized insurer;
- 16 (2) [~~\$50~~] \$100 per year for all services (including
- 17 extension of the license) for a regularly licensed
- 18 producer;
- 19 (3) [~~\$75~~] \$150 per year for all services (including
- 20 extension of the license) for a regularly licensed
- 21 nonresident producer;



- 1 (4) [~~\$45~~] \$90 per year for all services (including  
2 extension of the license) for a regularly licensed  
3 independent adjuster;
- 4 (5) [~~\$45~~] \$90 per year for all services (including  
5 extension of the license) for a regularly licensed  
6 public adjuster;
- 7 (6) [~~\$45~~] \$90 per year for all services (including  
8 extension of the license) for a workers' compensation  
9 claims adjuster's limited license;
- 10 (7) [~~\$60~~] \$120 per year for all services (including  
11 extension of the license) for a regularly licensed  
12 independent bill reviewer;
- 13 (8) [~~\$45~~] \$90 per year for all services (including  
14 extension of the license) for a producer's limited  
15 license;
- 16 (9) [~~\$75~~] \$150 per year for all services (including  
17 extension of the license) for a regularly licensed  
18 managing general agent;
- 19 (10) [~~\$75~~] \$150 per year for all services (including  
20 extension of the license) for a regularly licensed  
21 reinsurance intermediary;



- 1 (11) [~~\$45~~] \$90 per year for all services (including  
2 extension of the license) for a licensed surplus lines  
3 broker;
- 4 (12) [~~\$75~~] \$150 per year for all services (including  
5 renewal of registration) for a service contract  
6 provider;
- 7 (13) [~~\$65~~] \$130 per year for all services (including  
8 extension of the certificate) for an approved course  
9 provider;
- 10 (14) [~~\$20~~] \$40 per year for all services (including  
11 extension of the certificate) for an approved  
12 continuing education course;
- 13 (15) [~~\$75~~] \$150 per year for all services (including  
14 renewal of registration) for a vehicle protection  
15 product warrantor;
- 16 (16) [~~\$20~~] \$40 for a criminal history record check;
- 17 (17) [~~\$600~~] \$1,200 per year for all services (including  
18 extension of the license) for a regularly licensed  
19 limited line motor vehicle rental company producer;
- 20 (18) [~~\$75~~] \$150 per year for all services (including  
21 extension of the license) for a regularly licensed  
22 life settlement contract provider; and



1 (19) [~~\$75~~] \$150 per year for all services (including  
2 extension of the license) for a regularly licensed  
3 life settlement contract broker.

4 The services referred to in paragraphs (1) to (19) shall  
5 not include services in connection with examinations,  
6 investigations, hearings, appeals, and deposits with a  
7 depository other than the department of commerce and consumer  
8 affairs."

9 2. By amending subsection (e) to read as follows:

10 "(e) All fees and penalties shall be deposited to the  
11 credit of the compliance resolution fund[-]; provided that  
12 beginning July 1, 2010, the statutory fees collected pursuant to  
13 subsections (a) and (b), not including administratively set fees  
14 and assessments as may be authorized under this section, shall  
15 be deposited as follows:

16 (1) Fifty per cent shall be deposited into the compliance  
17 resolution fund; and

18 (2) Fifty per cent shall constitute an insurance license  
19 and service tax, which shall be deposited into the  
20 general fund."

21 PART V



1 SECTION 6. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act shall take effect on July 1, 2010;  
4 provided that:

5 (1) Part I shall be effective on January 1, 2011, and  
6 shall apply to taxable years beginning after December  
7 31, 2010; provided that the amendments made to section  
8 235-7, Hawaii Revised Statutes, under section 1 of  
9 this Act shall not be repealed when that section is  
10 reenacted on January 1, 2013, pursuant to Act 166,  
11 Session Laws of Hawaii 2007;

12 (2) Part III shall be effective upon the repeal and  
13 reenactment of section 431:7-101, Hawaii Revised  
14 Statutes, pursuant to Act 177, Session Laws of Hawaii  
15 2008, as amended by Act 11, Session Laws of Hawaii  
16 2009; and

17 (3) Part IV shall be repealed on July 1, 2014, and  
18 sections 431:7-101(a), (b), and (e), Hawaii Revised  
19 Statutes, shall be reenacted as they read on June 30,  
20 2010.



H.B. NO. 1985  
S.D. 1  
C.D. 1

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APPROVED this 25 day of APR, 2010



GOVERNOR OF THE STATE OF HAWAII