

Honolulu, Hawaii  
**March 19**, 2010

RE: S.B. No. 2752  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2010  
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 2752, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX ADMINISTRATION,"

begs leave to report as follows:

The purpose of this bill is to provide for the recovery of reasonable costs associated with investigating tax crimes when a taxpayer is convicted of a tax offense or has a conviction deferred.

The Department of Taxation testified in support of this bill. A concerned individual opposed this measure. The Tax Foundation of Hawaii provided comments.

Your Committee finds that requiring those whose guilty or nolo contendere plea is deferred to pay for the costs of investigation in all cases would be unduly harsh and may have a chilling effect on such pleas. By exempting guilty or nolo contendere pleas that are deferred from the absolute requirement to pay the costs of criminal reimbursement, your Committee believes that such payments may, where appropriate, be required as a condition of the plea.



Your Committee has amended this bill by:

- (1) Removing the requirement that those whose guilty or nolo contendere plea is deferred pay for the reasonable costs of the criminal investigation;
- (2) Changing the effective date to December 21, 2058, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2752, S.D. 1, H.D. 1, and be referred to the Committee on Finance.

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

  
JON RIKI KARAMATSU, Chair



Record of Votes of the Committee on Judiciary

Bill/Resolution No.: <b>SB 2752, SD1</b>	Committee Referral: <b>JUD, FIN</b>		Date: <b>3/16/10</b>	
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="checked" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>JUD Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. KARAMATSU, Jon Riki (C)	✓			
2. ITO, Ken (VC)	✓			
3. BELATTI, Della Au	✓			
4. CABANILLA, Rida				✓
5. CARROLL, Mele				✓
6. HERKES, Robert N.	✓			
7. LUKE, Sylvia	✓			
8. McKELVEY, Angus L.K.		✓		
9. MIZUNO, John M.	✓			
10. MORITA, Hermina M.	✓			
11. OSHIRO, Blake K.	✓			
12. SOUKI, Joseph M.	✓			
13. TSUJI, Cliff	✓			
14. WAKAI, Glenn				✓
15. MARUMOTO, Barbara C.	✓			
16. THIELEN, Cynthia	✓			
<b>TOTAL (16)</b>	<b>12</b>	<b>1</b>		<b>3</b>
<b>The recommendation is:</b> <input checked="checked" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
If joint referral, _____ did not support recommendation.				
_____ committee acronym(s)				
<b>Vice Chair's or designee's signature:</b> <i>[Signature]</i>				
<b>Distribution:</b> Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				