

Honolulu, Hawaii

April 11, 2010

RE: S.B. No. 2863  
S.D. 2  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 2863, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE TAX LIEN AND ENCUMBRANCE RECORD,"

begs leave to report as follows:

The purpose of this bill is to expand the ability of state and county agencies to pursue reimbursement of outstanding debts by:

- (1) Mandating the county Director of Finance to record the notice of judgments as an encumbrance payable to a county on any registered motor vehicle;
- (2) Requiring the county Director of Finance to establish the payment of judgments payable to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership;
- (3) Requiring the Director of Finance to waive payments for and record the transfer of ownership of a vehicle if the existing owner or prospective new owner for the vehicle provides evidence that at the time ownership of the vehicle was taken, there were no notices of liens or judgments as to the vehicle on the motor vehicle registration computer file;



- (4) Prohibiting the State, county, or any political subdivision from being charged a fee for any entry made in the tax lien and encumbrance record; and
- (5) Providing, for a period of 18 months from the passage of this bill, the State and the counties with the absolute power to settle, discharge, release, and resolve any and all judgments, claims, liens, and encumbrances for an amount not less than what the debtor would have paid had timely payment been made prior to such judgment, claim, lien, or encumbrance, in instances when the outstanding amount is not more than \$500.

The Department of the Attorney General and Catrala-Hawaii supported this bill. The Judiciary and City and County of Honolulu provided comments.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, S.D. 2, H.D. 2, and recommends that it pass Third Reading.

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

  
MARCUS R. OSHIRO, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

*HSUR 1220-10*

**Record of Votes of the Committee on Finance**

<b>Bill/Resolution No.:</b> <i>SB 2863 SD2 HD2</i>	<b>Committee Referral:</b> <i>TRN, JUD, FIN</i>	<b>Date:</b> <i>3/26/10</i>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input checked="" type="checkbox"/> Pass, unamended (as is) <input 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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. OSHIRO, Marcus R. (C)	✓			
2. LEE, Marilyn B. (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. AWANA, Karen Leinani	✓			
5. BROWER, Tom	✓			
6. CHOY, Isaac W.	✓			
7. COFFMAN, Denny	✓			
8. HAR, Sharon E.	✓			
9. KEITH-AGARAN, Gilbert S.C.	✓			
10. LEE, Chris	✓			
11. NISHIMOTO, Scott Y.	✓			
12. SAGUM, Roland D., III				✓
13. TOKIOKA, James Kunane				✓
14. WOOLEY, Jessica	✓			
15. YAMASHITA, Kyle T.	✓			
16. FINNEGAN, Lynn	✓			
17. WARD, Gene	✓			
<b>TOTAL (17)</b>	<i>15</i>	<i>0</i>	<i>0</i>	<i>2</i>
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> <i>Marilyn B. Lee</i>				
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