

STAND. COM. REP. NO.

2164

Honolulu, Hawaii

FEB 10 2010

RE: S.B. No. 2863
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committee on Transportation, International and Intergovernmental Affairs, to which was referred S.B. No. 2863 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow the county director of finance to record the notice of judgments as a tax lien payable to a county on any registered motor vehicle;
- (2) Require the county director of finance to require that payment of judgments payable to the State or county as a condition precedent to the vehicle's renewal, registration, or transfer of ownership; and
- (3) Prohibit the State, county, or political subdivision from being charged a fee for any entry made in the tax lien and encumbrance record.

Your Committee received testimony in support of this measure from the Department of the Attorney General. Written testimony presented to the Committee may be reviewed on the Legislature's website.



Your Committee finds that there is a need to expand the ability of state and county agencies to pursue reimbursement of outstanding debts while many debtors ignore payment obligations and recovery efforts by state and county agencies. Encumbrances on motor vehicles are an effective mechanism to significantly increase the likelihood of recovering outstanding debts.

Currently, agencies may record liens or claims with the director of finance of each county, but are required to pay a statutory fee that is deposited into the general fund. Your Committee finds that the fee is hindering some agencies from utilizing the tax lien and encumbrance record to assist in the recovery of outstanding debts owed the agency.

Your Committee has amended this measure by making a technical, nonsubstantive amendment.

As affirmed by the record of votes of the members of your Committee on Transportation, International and Intergovernmental Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2863, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2863, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Transportation,
International and
Intergovernmental Affairs,


J. KALANI ENGLISH, Chair



