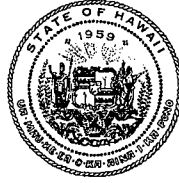


**HB2171, HD1**

LINDA LINGLE  
GOVERNOR

JAMES R. AIONA, JR.  
LT. GOVERNOR



KURT KAWAFUCHI  
DIRECTOR OF TAXATION

STANLEY SHIRAKI  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510  
FAX NO: (808) 587-1560

**SENATE COMMITTEE ON WATER, LAND, AGRICULTURE & HAWAIIAN  
AFFAIRS AND TRANSPORTATION, INTERNATIONAL & INTERGOVERNMENTAL  
AFFAIRS  
TESTIMONY REGARDING HB 2171 HD 1  
RELATING TO CONVEYANCE TAX**

**\*\*\*WRITTEN TESTIMONY ONLY\*\*\***

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**  
**DATE: MARCH 12, 2010**  
**TIME: 1:15PM**  
**ROOM: 224**

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This measure, among other things, requires the Department of Taxation (Department) to electronically image conveyance tax certificates and transmit these documents to the counties within 10 days after the close of each week.

The Department opposes this measure.

**REDIRECTS LIMITED RESOURCES**—The Department opposes this measure because it redirects already limited resources to provide county services, rather than allowing the Department to focus its efforts on processing and depositing tax revenues to the State general fund.

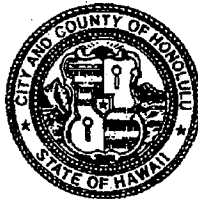
**REPRIORITIZING COULD IMPACT GENERAL FUND PROCESSING & COLLECTIONS**—The Department does not have the resources to accomplish the requirements of this measure in the time prescribed. The Department's primary focus, especially during current economic times when the general fund is operating at a deficit, is to process returns and tax checks as soon as possible with the highest priority. Quite simply, this measure could have an immediate impact on the general fund if the Department is forced to reprioritize its processing efforts.

**BILL SHOULD BE HELD**—The Department recommends that this bill be held. The Department is currently providing conveyance tax documents to the counties in a timely and reasonable manner, given the Department's general fund priority.

DEPARTMENT OF BUDGET AND FISCAL SERVICES  
**CITY AND COUNTY OF HONOLULU**

REAL PROPERTY ASSESSMENT DIVISION  
33 SOUTH KING STREET, #101 \* HONOLULU, HAWAII 96813  
PHONE: (808) 768-3799 \* FAX (808) 768-5540  
WWW.HONOLULU.GOV

MUFI HANNEMANN  
MAYOR



RIX MAURER III  
DIRECTOR

MARK K. OTO  
DEPUTY DIRECTOR

GARY T. KUROKAWA  
ADMINISTRATOR

March 8, 2010

Honorable Clayton Hee  
Chair, Committee on Water, Land, Agriculture, and Hawaiian Affairs  
State Senate  
Hawaii State Capitol, Room 224  
415 South Beretania Street  
Honolulu, HI 96813

Honorable J. Kalan English  
Chair, Committee on Transportation, International and Intergovernmental Affairs  
State Senate  
Hawaii State Capitol, Room 224  
415 South Beretania Street  
Honolulu, HI 96813

**RE: Proposed HB2171, HD1 - Relating to Conveyance Tax**

The City and County of Honolulu supports HB2171 HD1, which requires the director of taxation to provide the real property assessment division of each county with an image of all certificates of conveyance filed with the Bureau of Conveyances.

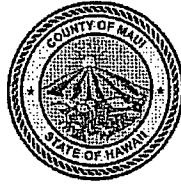
The current method, whereby the city makes weekly pickups of the printed certificates from the Department of Taxation, is not efficient and would be greatly improved with electronic data transfers of the conveyance certificates filed with the Bureau of Conveyances. Additionally, the Department of Taxation would no longer need to provide printed copies of these certificates for the counties. Since the Department of Taxation has already implemented scanning of these documents, it would be extremely beneficial for the counties to receive digital copies of these conveyance records. These documents contain information that would enable the counties to promptly track recorded ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments.

Your consideration and approval of this bill is greatly appreciated.

Sincerely,

  
Gary T. Kurokawa  
Administrator  
Real Property Assessment Division

CHARMAINE TAVARES  
Mayor



KALBERT K. YOUNG  
Director of Finance

AGNES M. HAYASHI  
Deputy Director of Finance

SCOTT K. TERUYA  
Administrator

GERY MADRIAGA  
Assistant Administrator

COUNTY OF MAUI  
DEPARTMENT OF FINANCE  
**REAL PROPERTY TAX DIVISION**

70 E. KAAHUMANU AVENUE, SUITE A-16, KAHULUI, MAUI, HAWAII 96732  
Assessment: (808) 270-7297 | Billing and Collection: (808) 270-7697 | Fax: (808) 270-7884  
www.mauipropertytax.com

March 11, 2010

The Honorable Clayton Hee, Chair  
and members of the Committee on Water, Land, Agriculture and Hawaiian Affairs  
State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

The Honorable J. Kalani English, Chair  
and members of the Committee on Transportation, International and  
Intergovernmental Affairs  
State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

**RE: Proposed HB 2171 HD1 - Relating to Conveyance Tax**  
Hearing Friday March 12, 2010, at 1:15 p.m., Conference Room 224

The County of Maui, Real Property Tax Division **strongly supports** HB 2171 HD1, Relating to Conveyance Tax, which would require the Director of Taxation to provide each county's Real Property Tax Division with an image of all certificates of conveyance for their respective county filed with the Bureau of Conveyances within ten days after the end of each week and free of charge.

Obtaining documents in a timely manner enables the Counties to promptly maintain ownership records necessary for public notification and real property taxation purposes.

Retrieving the documents from the Department of Taxation requires coordination between the County of Maui and the City and County of Honolulu's assessment offices. By providing each County with their respective certificates electronically, this would assure Maui County a process of receiving its certificates without the need to travel to Oahu or rely on a third party.

We ask for your approval of this bill and thank you for the opportunity to testify on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. Teruya", is written over a faint, larger version of the same signature.

Scott K. Teruya  
Real Property Tax Division Administrator