

**SB 2610**

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 COMMITTEES ON WATER, LAND AGRICULTURE & HAWAIIAN  
AFFAIRS AND TRANSPORTATION, INTERNATIONAL &  
INTERGOVERNMENTAL AFFAIRS  
TESTIMONY REGARDING SB 2610  
RELATING TO CONVEYANCE TAX**

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

**TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)**  
**DATE: FEBRUARY 3, 2010**  
**TIME: 1:30PM**  
**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.

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.

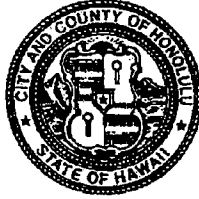
The Department does not have the resources to accomplish the requirements of this measure in the time prescribed. The Department's primary focus, especially during current economic times when the general fund is operating at a deficit, is to process returns and tax checks as soon as possible with the 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.

The Department recommends that this bill be held. The Department is currently providing timely 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

February 3, 2010

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

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

**RE: Proposed SB2610 - Relating to Conveyance Tax**

The City and County of Honolulu supports SB2610, 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.

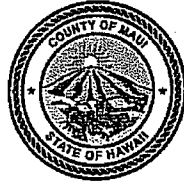
The current method, whereby the city makes weekly pickups of the printed certificates from the Department of Taxation, is not efficient and would be greatly improved with electronic data transfers of the conveyance certificates filed with the Bureau of Conveyances. Additionally, the Department of Taxation 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

January 29, 2010

**COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS**

Honorable Senator J. Kalani English, Chair

**COMMITTEE ON WATER, LAND, AGRICULTURE, AND HAWAIIAN AFFAIRS**

Honorable Senator Clayton Hee, Chair

County of Maui, Department of Finance, Real Property Tax Division  
Wednesday, February 3, 2010

**Support of SB 2610, Relating to Conveyance Tax**

The County of Maui, Real Property Tax Division supports SB 2610, 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.

When real property taxation was administered by the State, access to the certificate was an internal procedure. With taxation being administered at the County level, retrieving the documents from the DOT in Oahu 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. If an electronic file is provided, the DOT would no longer need to provide hard copies for the counties.

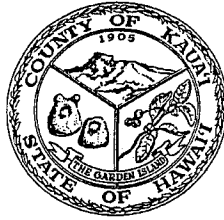
We urge you to pass this important amendment and give the Counties the means to maintain their records in a timely manner for the public's best interest. Thank you for the opportunity to testify on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott K. Teruya".

Scott K. Teruya  
Real Property Tax Division Administrator

**Bernard P. Carvalho, Jr.**  
Mayor



**Wallace Rezendes, Jr.**  
Director

**Gary K. Heu**  
Administrative Assistant

**Belma Baris**  
Deputy Director

**DEPARTMENT OF FINANCE**

**Real Property Assessment Division**

County of Kauai, State of Hawaii  
4444 Rice Street, Suite A-454, Lihu'e, Hawaii'i 96766  
TEL (808) 241-4224 FAX (808) 241-6252

February 3, 2010

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

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

**RE: Proposed SB2610 - Relating to Conveyance Tax**

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

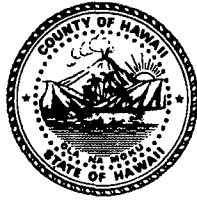
The current method, whereby the city makes weekly pickups of the printed certificates from the Department of Taxation, is not efficient and would be greatly improved with electronic data transfers of the conveyance certificates filed with the Bureau of Conveyances. Additionally, the Department of Taxation 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.

Respectfully Submitted,

John W. Herring  
Real Property Administrator  
County of Kauai

**William P. Kenoi**  
*Mayor*



**William T. Takaba**  
*Managing Director*

**Walter K.M. Lau**  
*Deputy Managing Director*

## County of Hawai'i Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553  
KONA: 75-5722 Hanama Place, Suite 102 • Kailua-Kona, Hawai'i 96740  
(808) 327-3602 • Fax (808) 326-5663

February 3, 2010

The Honorable J. Kalani English, Chair  
And Members of the Senate Committee on  
Transportation, International and Intergovernmental Affairs  
The Honorable Clayton Hee, Chair  
And Members of the Senate Committee on  
Water, Land, Agriculture and Hawaiian Affairs  
Hawai'i State Capitol, Room 224  
415 South Beretania Street  
Honolulu, Hawai'i 96813

RE: Testimony in Support of Senate Bill No. 2610  
Relating to Conveyance Tax

Aloha, Senator English, Senator Hee and Committee Members,

The County of Hawai'i strongly supports S.B. 2610, relating to conveyance tax. This bill requires the Director of Taxation to provide, within 10 days and free of charge, an image and index of all conveyance tax certificates related to real property transactions filed with the Bureau of Conveyances to the administrator of the City and County of Honolulu's real property assessment division. The City and County of Honolulu's real property assessment division will then make that data available to the other counties.

County of Hawai'i Real Property Tax Division is tasked with assessing real property and maintaining current ownership records for Ad Valorem tax purposes. This amendment enables the counties to promptly track ownership, sales prices, and mailing addresses for real property assessment and billing purposes. Access to these documents filed with the Bureau of Conveyances is critical to the counties' real property assessment and tax programs.

This transfer of this data has, to date, been dependent on private agreements, and these agreements are currently in jeopardy. The real property divisions face the prospect of either adding greatly to the costs of running the real property assessment process or, worse, being cut off from data needed to function.

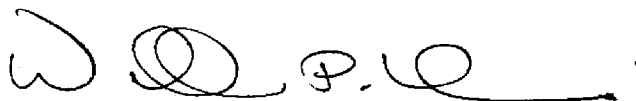
Honorable Senator English  
Honorable Senator Hee  
February 3, 2010  
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Other jurisdictions assessing a real property tax have similar mechanisms in place requiring the rapid and accurate transfer of all conveyance documents on a regular basis, as all recognize the vital nature of this link.

We urge the committee to pass this extremely important bill as this would give the counties the means to equitably administer their real property tax programs in a timely and cost effective manner.

Thank you for your consideration.

Aloha,

A handwritten signature in black ink, appearing to read 'W. P. Kenoi', with a long horizontal flourish extending to the right.

William P. Kenoi  
MAYOR