

William P. Kenoi
Mayor



Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawaii

Finance Department

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March 10, 2010

The Honorable Ryan I. Yamane, Chair
and Members of the House Committee on Health
Hawai'i State Capitol
415 South Beretania Street.
Honolulu, Hawai'i 96813

Dear Chair Yamane Members of the Committee:

RE: Testimony in Opposition to S.B. 2611, SD2, Relating to Vital Statistics
Hearing Friday, March 12, 2010, at 9:30 a.m., Conference Room 329

The County of Hawai'i strongly opposes S.B. 2611, SD2, which establishes a complex, inefficient method for the Department of Health (DOH) to provide death certificate information to county elections and real property tax offices. The DOH currently provides the information to county elections offices and previously provided the same data to real property tax offices. The department could easily continue its current provision of information and send the exact same data to the tax offices at no additional cost to them or the counties.

Instead, this bill seeks to require that county clerks and real property assessment divisions of each county send to the department of health, electronic listings of all registered voters and all property owners of record with homeowner exemptions. These listings are to include full name, date of birth, last four digits of social security numbers and last known address. Upon receipt of those listings the DOH will match the information against their records and produce verification of death information back to the agencies. DOH will charge significant fees to offset the cost of this process.

The process proposed in this bill will create additional work and increase costs, which will have to be passed on to the taxpayers. It will also result in a very large amount of confidential information on county citizens (all registered voters and all homeowners) being transmitted electronically on a routine basis. By contrast, the current process is only a listing of people who have died during the relevant time period, so it is a much smaller population of data. The information is vital to effective operations in both elections and real property tax offices, and should be provided with minimum risk and cost.

Thank you for your attention to our concerns. We urge you to revert S.B. 2611 to its original language.

Sincerely,

A handwritten signature in cursive script that reads "Nancy E. Crawford".

Nancy Crawford
Director of Finance

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.maulpropertytax.com

March 11, 2010

The Honorable Ryan I. Yamane, Chair
and Members of the House Committee on Health
House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Proposed SB 2611, SD2, Relating to Vital Statistics
Hearing Friday, March 12, 2010, at 9:30 a.m., Conference Room 329

The County of Maui, Real Property Tax Division opposes SB 2611, SD2, however supports the City and County of Honolulu's recent proposed SB 2611 SD2, HD1 which would provide each county's Real Property Tax Division with a monthly list of recorded deaths in its county from the State Department of Health (DOH) within six weeks after the end of the month and free of charge.

Obtaining the list of death certificates in a timely manner enables the Counties to promptly maintain their ownership records, update exemptions, audit circuit breaker applications and bill current taxpayers. Under existing law, the DOH is only required to furnish the county clerk of each county a list of names of all citizens of voting age or over whose deaths have been recorded in the department during each month.

For the years leading up to 2005, the DOH was providing the County of Maui Real Property Tax Division with the list of death certificates. We were informed that the DOH was no longer required to provide this information to the assessment offices and this has caused hardship to affected taxpayers. When deaths are not reported to our office in a timely manner, exemptions are removed after the fact, and recalculations of taxes are made for all of the years the exemption should not have been granted. Many times when our office is not notified of a death, tax bills will be sent to an outdated mailing address resulting in non-payment of taxes, adding penalty and interest; and this may lead a parcel into tax sale foreclosure proceedings.

The DOH submitted testimony in opposition to SB2611 SD1 and claims the counties' proposal "unnecessarily discloses confidential information on individuals to the counties." However, DOH's records regarding who has died, including date of birth and Social Security Number is not kept confidential by DOH and provides this information to a national database.

Maui County's data consists of confidential information on approximately 55,000 living individuals and to expose the confidential date of birth and Social Security Number information on thousands of living individuals that are not on the DOH's list of deceased persons is of our concern. The privacy rights of living individuals are protected under the City's proposal.

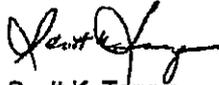
Honorable Ryan I. Yamane

March 11, 2010

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We urge you to reconsider the City's recent proposal as the bill was originally intended before it was amended and provide the Counties the means to maintain their records in a timely manner and free of charge. Thank you for the opportunity to testify on the matter.

Sincerely,

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

Scott K. Teruya
Real Property Tax Division Administrator



BERNICE K.N. MAU
City Clerk

ELECTIONS

OFFICE OF THE CITY CLERK
530 SOUTH KING STREET, ROOM 100
HONOLULU, HAWAII 96813-3077
TELEPHONE: (808) 768-3800

Testimony on SB 2611 SD2
Relating to Vital Statistics

Committee on Health
March 12, 2009, Rm. 329
9:30 a.m.

Chair Yamane, Vice Chair Nishimoto, and Committee Members:

The Office of the City Clerk strongly opposes SB2611 SD2.

The present law (§338-4 HRS) requires the Department of Health to provide monthly information on deaths (to the County Clerks, roughly 12,000 records/year) for the purpose of maintaining the list of registered voters.

The proposal before you reverses the process and requires periodically forwarding the personal information of 671,000+ registered voters (to the Department of Health) to identify the roughly 5,500 deaths of registered voters that occur each year.

Notwithstanding the Department of Health's position, we believe the existing law is the more efficient means of accomplishing the desired end of maintaining the general county registry while minimizing the potential exposure of registered voters' personal information.

It is our position that the responsibility for both identifying and removing deceased registrants from the voter list should rest with election officials and not rely upon the work of another agency. Should the Committee on Health opt to utilize the language contained in HB 2170 HD1 to further this bill, our primary concern would be that any amendments to Section 338-4 HRS not reduce or limit our access to the decedents' complete personal information (including the decedents' social security number).

Finally, we take no position on the issue of whether the Department of Health should be required to report death information to the County Real Property Tax Assessment offices. However, we note that prior to 2004, County Real Property Tax Assessment offices were once recipients of monthly death reports and appear to have a legitimate interest in obtaining the information.

Thank you for the opportunity to testify.

Email to: HLTestimony@Capitol.hawaii.gov

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

REAL PROPERTY ASSESSMENT DIVISION
842 BETHEL STREET, 2ND FLOOR * HONOLULU, HAWAII 96813
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MUFI HANNEMANN
MAYOR



RIX MAURER III
DIRECTOR

MARK K. OTO
DEPUTY DIRECTOR

GARY T. KUROKAWA
ADMINISTRATOR

March 12, 2010

Honorable Ryan I. Yamane
Chair, Committee on Health
House of Representatives
Hawaii State Capitol, Room 329
415 South Beretania Street
Honolulu, HI 96813

RE: SB2611 SD2 - Relating to Vital Statistics

The City and County of Honolulu respectfully opposes SB2611 SD2 for the reasons stated below, and we are submitting a draft HD1 proposal for the committee's further consideration.

Contrary to the Department of Health's ("DOH") characterization and as a point of clarification, the counties are **not** requesting a certified copy of a record or a verification of the person's death under HRS 339-18, nor are we attempting to amend HRS 338-18. While we believe that we are "a governmental agency or organization who for a legitimate government purpose maintains and needs to update official lists of persons in the ordinary course of the agency's or organization's activities", our request is for a list of deceased individuals and **not** for a certified copy of a record or a verification of the person's death. Moreover the counties' request should not be subject to a redaction of the SSN (only the last 4 digits). HRS 487J-2(b)(5) clearly entitles local government entities to the **entire** SSN when provided by a government agency. A copy of the encrypted electronic file, containing the requested data, currently sent to the city clerk's office, would be adequate.

The DOH previously submitted testimony claiming the counties' proposal "unnecessarily discloses confidential information on individuals to the counties." However, DOH information regarding who has died, including date-of-birth and Social Security Number is not kept confidential by DOH. DOH provides this information to a national data base which is made available for a fee.

The DOH also claims its verification process is efficient and that "[t]he process proposed by the counties in SB2611 SD1 is inefficient and includes information of individuals not on any of the agencies' lists." Again, this claim is misleading. The counties' data consists of confidential information on approximately 700,000 living individuals, whereas the DOH's data applies to only an estimated 12,000 deceased individuals. The DOH's verification process is the one that is inefficient. It requires the counties to expose confidential date-of-birth and Social Security Number information on many thousands of **living** individuals that are not on the DOH's list of roughly 12,000 deceased persons. Moreover, privacy laws that apply to living people do not apply to deceased individuals. OIP advisory opinions have established that the right to privacy is a personal right that is generally extinguished upon an individual's death. On balance, privacy rights of **living** individuals should be protected and the counties' proposal does this.

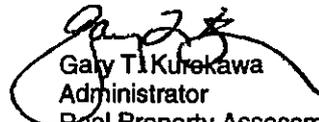
DOH's "move toward self-sufficiency" comes on the backs of taxpayers who will ultimately bear the cost to the counties of obtaining death information. In 2005, this body of lawmakers saw fit to adopt legislation where the State and counties agreed to share confidential information without cost, see HRS Sec. 231-18.

Honorable Ryan I. Yamane
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The sharing of information between governmental agencies so that each can better serve the public is the goal we should be striving to achieve.

We thank you for the opportunity to submit comments on this measure and respectfully urge your approval of our proposed amendment.

Sincerely,


Gary T. Kurekawa
Administrator
Real Property Assessment Division

PROPOSED SB2611 SD2 HD1

A BILL FOR AN ACT

RELATING TO THE REPORTING OF DEATHS TO THE COUNTIES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The purpose of this amendment to Hawaii Revised Statutes Section 338-4 is:

(1) To require the Department of Health, within six weeks after the end of each month, to provide to the administrator of each county's real property assessment division, a list of all individuals eighteen years or older whose deaths have been recorded in the department during each month, to enable each county to identify the deceased and remove the homeowner's exemption that that individual may claim. Under existing law, only the county clerks of each county are provided with a list of citizens of voting age or older whose deaths have been recorded in the department, for purposes of removing the name of any registered voter from the general county register. The county clerks are precluded by the State from sharing the list with any other county agencies or using it for any other purpose.

(2) To minimize the potential for subsequent owners of a deceased individual's home to be penalized and back taxed for receiving an exemption meant for the deceased for which they did not qualify.

(2) To prevent real property tax abuse. Under existing law, the real property assessment division of each county does not receive regular notice of the deaths of individuals. Consequently, members of a deceased individual's household can continue to receive the deceased individual's homeowner's exemption and unfairly benefit from an unreported death. Each county's ability to timely remove a deceased homeowner's exemption would insure a more equitable distribution of taxes among real property owners.

SECTION 2. Section 338-4, Hawaii Revised Statutes, is amended to read as follows:

“§338-4 Deaths reported to county clerks, real property assessment administrator.

(a) [The] Notwithstanding any provision in sections 338-14.3 or 338-18 to the contrary, the department of health [shall], within six weeks after the end of each month shall deliver, or forward by mail or electronic transmission, at no charge, to the county clerk of each county a list of the names of all citizens of voting age or over whose deaths have been recorded in the department during each month. The list shall set forth such portion of the information contained in the death record of each citizen whose death is so

reported as will be of assistance to the county clerk in identification[.],including social security number, date of birth, date of death and address.

(b) Notwithstanding any provision in sections 338-14.3 or 338-18 to the contrary, the department of health, within six weeks after the end of each month, shall deliver, or forward by mail or electronic transmission, at no charge, to the administrator of each county's real property assessment division, a list of the names of all individuals eighteen years old or older whose deaths have been recorded in the department during each month. The list shall set forth such portion of the information contained in the death record of each individual whose death is so reported as will be of assistance to each county in identification, including social security number, date of birth, date of death and address."

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.