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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1 SECTION 1. The purpose of this Act is to address the  
2 taxation of banks and other financial corporations by:

3 (1) Repealing the requirement that tax revenues from the  
4 banking industry be deposited into the compliance  
5 resolution fund; and

6 (2) Authorizing the commissioner of financial  
7 institutions, without regard to chapter 201M, and the  
8 public notice and hearing provisions of chapter 91,  
9 Hawaii Revised Statutes, to adopt rules increasing the  
10 fees charged to banks and other financial  
11 corporations.

12 SECTION 2. Section 241-7, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "~~§241-7~~ **Disposition of funds.** All taxes collected under  
15 this chapter shall be state realizations[~~;~~ ~~provided that, by~~  
16 ~~June 30 of each fiscal year, the sum of \$2,000,000 shall be~~  
17 ~~deposited with the director of finance to the credit of the~~



1 ~~compliance resolution fund as established pursuant to section~~  
2 ~~26-9(e).~~] that shall be deposited into the general fund."

3 SECTION 3. (a) Between July 1, 2011, and December 31,  
4 2011, the commissioner of financial institutions may adopt rules  
5 to impose or increase fees charged to banks and other financial  
6 corporations under chapter 412, Hawaii Revised Statutes, without  
7 regard to the public notice and public hearing requirements of  
8 chapter 91, Hawaii Revised Statutes, the small business  
9 regulatory review requirements of chapter 201M, Hawaii Revised  
10 Statutes, or the limit on fee increases under section 92-28,  
11 Hawaii Revised Statutes.

12 (b) After December 31, 2011, any subsequent amendments to  
13 the rules adopted or amended pursuant to subsection (a) shall be  
14 subject to all applicable provisions of chapter 91, chapter  
15 201M, and section 92-28, Hawaii Revised Statutes.

16 SECTION 4. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

18 SECTION 5. This Act shall take effect on July 1, 2011, and  
19 shall be repealed on December 31, 2015; provided that section  
20 241-7, Hawaii Revised Statutes, shall be reenacted in the form  
21



# H.B. NO. 803

1 in which it read on the day before the effective date of this  
2 Act.  
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INTRODUCED BY:

*Calvin K. Boy*

JAN 21 2011



**Report Title:**

Banks and Other Financial Corporations; Tax Rate Increases

**Description:**

Repeals requirement that \$2,000,000 of tax revenues from banks and other financial corporations be deposited into the compliance resolution fund. Authorizes the commissioner of financial institutions to expedite the imposition or increase of fees on banks and other financial corporations. Effective 07/01/11 and sunsets on 12/31/15.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

