

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1530
FAX NO: (808) 587-1584

FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

HOUSE COMMITTEE ON FINANCE

TESTIMONY OF THE DEPARTMENT OF TAXATION REGARDING HB 915, HD 1 RELATING TO CONVEYANCE TAX

TESTIFIER: FREDERICK D. PABLO, DIRECTOR OF TAXATION (OR
DESIGNEE)

COMMITTEE: FIN

DATE: MARCH 3, 2011

TIME: 10:00AM

POSITION: SUPPORT INTENT; REQUEST DELAY

This bill requires the director of taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the bureau of conveyances.

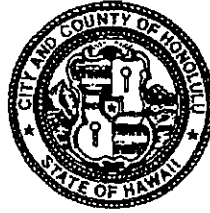
The Department supports the intent of this legislation; however requests that this measure be delayed so that the Department may incorporate policies such as this in its overall modernization efforts.

The Department lauds efforts such as this measure; however would prefer to implement this policy as part of a comprehensive modernization strategy. This strategy will take considerable time in connection with other streamlining and computerized enhancements. Currently, the Department is evaluating this and other modernization opportunities to make administration of Hawaii taxes more efficient.

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU

REAL PROPERTY ASSESSMENT DIVISION
842 BETHEL STREET, 2ND FLOOR * HONOLULU, HAWAII 96813
PHONE: (808) 768-7901 * FAX (808) 768-7782
WWW.HONOLULU.GOV

PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

GARY T. KUROKAWA
ADMINISTRATOR

March 1, 2011

Honorable Marcus R. Oshiro,
Chair, Committee on Finance
House of Representatives
Hawaii State Capitol, Room 306
415 South Beretania Street
Honolulu, HI 96813

RE: Proposed HB915 - Relating to Conveyance Tax

The City and County of Honolulu supports HB915, 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,

A handwritten signature in black ink, appearing to read "Gary T. Kurokawa".

Gary T. Kurokawa
Administrator
Real Property Assessment Division

ALAN M. ARAKAWA
Mayor



DANILO F. AGSALOG
Director of Finance

JEREMIAH L. SAVAGE
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 2, 2011

Testimony of Scott K. Teruya, Real Property Tax Division Administrator, County of Maui
on HB 915, HD1
Relating to Conveyance Tax

To the House Committee on Finance
March 3, 2011, 1:00 p.m., Room 308

Honorable Chair Marcus R. Oshiro and Committee Members:

The County of Maui Real Property Tax Division and Honorable Mayor Alan M. Arakawa are testifying in support of HB 915, HD1, Relating to Conveyance Tax.

The proposed amendment would require the Director of Taxation (DOTAX) to provide each County's Real Property Assessment office 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. Currently, Maui County relies on assistance from the City and County of Honolulu's assessment office and a third party vendor to retrieve Maui's documents from the DOTAX (in Oahu) and then mail the documents to our office.

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 vendor. Also, if an electronic file is provided, the DOTAX 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 promptly 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", is written over a faint, larger signature.

Scott K. Teruya
Real Property Tax Division Administrator

Bernard P. Carvalho, Jr.
Mayor

Gary K. Heu
Managing Director



Wallace G. Rezendes Jr.
Finance Director

Sally A. Motta
Deputy Finance Director

COUNTY OF KAUA'I
Department of Finance
Real Property Assessment

March 1, 2011

The Honorable Marcus R. Oshiro
Chair, Committee on Finance
House of Representative
Hawai'i State Capitol, Room 306
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Oshiro and Members:

Subject: House Bill No. 915 HD1 Relating to Conveyance Tax Certificates

The County of Kaua'i strongly supports HB 915 HD1 which, if passed, would require the director of taxation to provide the real property assessment division of each county with images of all certificate of conveyance filed with the State of Hawai'i Bureau of Conveyance.

Kaua'i County title abstractors currently rely upon the City & County of Honolulu to collect and scan the printed hardcopies of the conveyance certificates, sort them by tax map key, and forward electronically to our Real Property Assessment division. This bill would allow for greater efficiencies, reduced paperwork, and greater reliability for both the counties and the state. Inasmuch as the state Department of Taxation has already implemented the scanning of the conveyance tax certificates, forwarding these digital copies to the counties would be highly beneficial for keeping abreast of ownership changes, restrictions, encumbrances, and sales prices.

Your consideration and approval of HB 915 HD1 is greatly appreciated.

Sincerely,

Wallace G. Rezendes, Jr.
Director of Finance

4444 Rice Street, Suite A-454, Lihue, Hawaii 96766, (808) 241-4224, FAX (808) 241-6252

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