

HB 915, HD2

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
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FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

SENATE COMMITTEE ON PUBLIC SAFETY, GOVERNMENT OPERATIONS, AND
MILITARY AFFAIRS

TESTIMONY OF THE DEPARTMENT OF TAXATION
REGARDING HB 915, HD 2
RELATING TO CONVEYANCE TAX

TESTIFIER: FREDERICK D. PABLO, DIRECTOR OF TAXATION (OR
DESIGNEE)
COMMITTEE: PGM
DATE: MARCH 22, 2011
TIME: 3:00PM

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.

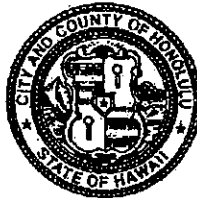
The Department supports the intent of this legislation; however requests that this measure be delayed so that the Department may incorporate policies such as this in its overall modernization efforts.

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
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PETER B. CARLISLE
MAYOR



MICHAEL R. HANSEN
DIRECTOR

GARY T. KUROKAWA
ADMINISTRATOR

March 21, 2011

Honorable Senator Will Espero, Chair
Senator Michelle Kidani, Vice Chair
Public Safety, Government Operations, and Military Affairs
State Senate
Hawaii State Capitol, Room 231
415 South Beretania Street
Honolulu, Hawaii 96813


RE: HB915 HD2 - Relating to Conveyance Tax

The City and County of Honolulu supports HB915 HD2, 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.

Respectfully Submitted,


Gary T. Kurokawa, Administrator
Real Property Assessment Division
City and County of Honolulu

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 21, 2011

Testimony of Scott K. Teruya, Real Property Tax Division Administrator, County of Maui
on HB 915, HD2
Relating to Conveyance Tax

To the Senate Committee on Public Safety, Government Operations, and Military Affairs
March 22, 2011, 3:00 p.m., Room 224

Honorable Chair Will Espero and Committee Members:

The County of Maui Real Property Tax Division and Honorable Mayor Alan M. Arakawa are
testifying in support of HB 915, HD2, 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".

Scott K. Teruya
Real Property Tax Division Administrator