

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

## HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

### TESTIMONY OF THE DEPARTMENT OF TAXATION REGARDING SB 655, SD 1 RELATING TO CONVEYANCE TAX

**TESTIFIER:** FREDERICK D. PABLO, DIRECTOR OF TAXATION (OR  
DESIGNEE)  
**COMMITTEE:** WLO  
**DATE:** MARCH 18, 2011  
**TIME:** 8:30AM  
**POSITION:** SUPPORT INTENT; REQUEST DELAY

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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, 2<sup>ND</sup> FLOOR \* HONOLULU, HAWAII 96813  
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PETER B. CARLISLE  
MAYOR



MICHAEL R. HANSEN  
DIRECTOR

GARY T. KUROKAWA  
ADMINISTRATOR

March 16, 2011

Honorable Jerry L. Chang,  
Chair, Committee on Water, Land, & Ocean Resources  
House of Representatives  
Hawaii State Capitol, Room 435  
415 South Beretania Street  
Honolulu, HI 96813

**RE: Proposed SB655, SD1 - Relating to Conveyance Tax**

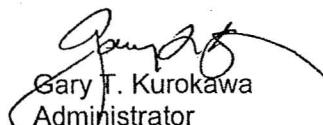
The City and County of Honolulu supports SB655, SD1, which requires the director of taxation to provide the real property assessment division of each county with an image of all certificates of conveyance filed with the Bureau of Conveyances.

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.

We understand that the director of taxation may not always be able to comply with the ten day requirement. As a compromise, the City is willing to amend the ten day requirement to twenty-one days. This would be comparable to the length of time within which we are currently receiving the certificates.

Your consideration and approval of this bill is greatly appreciated.

Sincerely,

  
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 17, 2011

Testimony of Scott K. Teruya, Real Property Tax Division Administrator, County of Maui  
on SB 655, SD1  
Relating to Conveyance Tax

To the House committee on Water, Land, and Ocean Resources  
March 18, 2011, 8:30 a.m., Room 325

Honorable Chair Jerry L. Chang and Committee Members:

The County of Maui Real Property Tax Division and Honorable Mayor Alan M. Arakawa are testifying in support of SB 655, SD1 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