

Honolulu, Hawaii

FEB 15 2012

RE: S.B. No. 2224
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Judiciary and Labor, to which was referred S.B. No. 2224 entitled:

"A BILL FOR AN ACT RELATING TO THE TAX LIEN AND ENCUMBRANCE RECORD,"

beg leave to report as follows:

The purpose and intent of this measure is to clarify that:

- (1) Judgments are also valid claims for purposes of encumbrances recorded in the tax lien and encumbrance record; and
- (2) State and county agencies are not required to pay a fee for the recording of an entry in the tax lien and encumbrance record.

Your Committees received testimony in support of this measure from the Department of Taxation. Comments were received from the Honolulu Licensing Administrator.

Your Committees find that there is a need to expand the ability of state and county agencies to pursue reimbursement of outstanding debts since many debtors ignore payment obligations and recovery efforts by state and county agencies. Encumbrances on real property and motor vehicles are an effective mechanism to increase the likelihood of recovering outstanding debts.



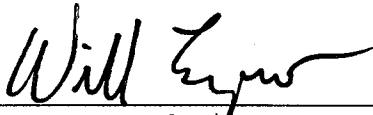
State and county agencies may record liens or claims with the Director of Finance of each county, but are required to pay a statutory fee that is deposited into the general fund. Your Committees further find that the fee is hindering some agencies from utilizing the tax lien and encumbrance record to assist in recovery of outstanding debts owed to the agency.

Your Committees have amended this measure by:

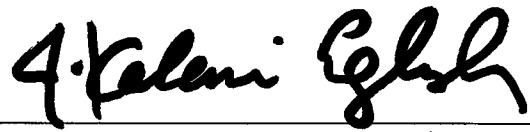
- (1) Allowing the taxpayer to enter into a payment agreement with the Department of Taxation to avoid a lien and encumbrance recordation;
- (2) Requiring state and county agencies to provide the Director of Finance the license plate number or vehicle identification number in order to be exempt from the payment of the filing fee for the lien and encumbrance; and
- (3) Making conforming amendments to the purpose section.

As affirmed by the records of votes of the members of your Committees on Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2224, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2224, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Transportation and International Affairs and Public Safety, Government Operations, and Military Affairs and Judiciary and Labor,



WILL ESPERO, Chair



J. KALANI ENGLISH, Chair

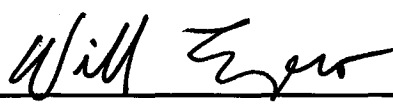


CLAYTON HEE, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Transportation and International Affairs
TIA

| Bill / Resolution No.:* SB 2224 | Committee Referral: TIA/PGM/JDL, WAM | Date: 2/13/12 | | |
|--|--|-------------------------|-----|----------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| ENGLISH, J. Kalani (C) | / | | | |
| ESPERO, Will (VC) | / | | | |
| DELA CRUZ, Donovan M. | | | | / |
| GABBARD, Mike | / | | | |
| KAHELE, Gilbert | / | | | |
| KOUCHI, Ronald D. | / | | | |
| SLOM, Sam | | | | / |
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| TOTAL | 5 | | | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes

The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Public Safety, Government Operations, and
Military Affairs
PGM

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|---|--|----------------------------|
| Bill / Resolution No.:* SB 2224 | Committee Referral: TIA/PGM/JDL, WAM | Date: 2/13/17 PR |
|---|--|----------------------------|

The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

| Members | Aye | Aye (WR) | Nay | Excused |
|--------------------------|----------|----------|-----|----------|
| ESPERO, Will (C) | ✓ | | | |
| KIDANI, Michelle N. (VC) | ✓ | | | ✓ |
| BAKER, Rosalyn H. | ✓ | | | |
| RYAN, Pohai | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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| TOTAL | 3 | | | 2 |

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

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The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

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|--|---|-------------------------|-----|----------|
| Bill / Resolution No.:* SB 2224 | Committee Referral: TIA/PLM/JDL WAM | Date: 2/13/12 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| HEE, Clayton (C) | | | | ✓ |
| SHIMABUKURO, Maile (VC) | ✓ | | | |
| GABBARD, Mike | ✓ | | | |
| IHARA, Jr., Les | ✓ | | | |
| SLOM, Sam | | | | ✓ |
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| TOTAL | 3 | | | 2 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: | | | | |
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