

SB 2224

RELATING TO THE TAX LIEN AND ENCUMBRANCE RECORD.

Allows the recordation of outstanding judgments payable to state or county agencies as a condition precedent to a vehicle's renewal, registration, or transfer of ownership. Exempts state and county agencies from paying the tax lien and encumbrance record statutory fee.

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

To: The Honorable Kalani English, Chair
and Members of the Senate Committee on Transportation and International Affairs

The Honorable Will Espero, Chair
and Members of the Senate Committee on Public Safety, Government Operations,
and Military Affairs

The Honorable Clayton Hee, Chair
and Members of the Senate Committee on Judiciary and Labor

Date: Monday, February 13, 2012
Time: 1:15 p.m.
Place: Conference Room 224, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: S.B. No. 2224 Relating to the Tax Lien and Encumbrance Record

The Department of Taxation (**Department**) supports this measure.

S.B. 2224 amends Section 286-46, Hawaii Revised Statutes, to allow the recordation of outstanding judgments payable to state or county agencies as a condition precedent to a vehicle's renewal, registration, or transfer of ownership, and to **exempt state or county agencies from paying the statutory fee of five dollars.**

This measure will greatly assist the Department in collecting delinquent tax accounts. Because, however, the delinquencies may be more than a taxpayer can afford in a single payment, the **Department would suggest that the taxpayer also be allowed to provide evidence of having entered into a payment plan with the Department in lieu of fully paying the amount of delinquencies.**

The Department strongly supports the provision waiving the required recordation fee for State and county agencies.

Thank you for the opportunity to provide comments.

DEPARTMENT OF CUSTOMER SERVICES
CITY & COUNTY OF HONOLULU
DIVISION OF MOTOR VEHICLE, LICENSING AND PERMITS
ADMINISTRATION
P.O. BOX 30300
HONOLULU, HAWAII 96820-0300

PETER B. CARLISLE
MAYOR



GAIL Y. HARAGUCHI
DIRECTOR

DENNIS A. KAMIMURA
LICENSING ADMINISTRATOR

February 6, 2012

The Honorable J. Kalani English, Chair
and Committee Members
Committee on Transportation and International Affairs
The Honorable Will Espero, Chair
and Committee Members
Committee on Public Safety, Government Operations
and Military Affairs
The Honorable Clayton Hee, Chair
and Committee Members
Committee on Judiciary and Labor
The Senate
State of Hawaii
State Capitol, Room 231
Honolulu, Hawaii 96813

Dear Chair English, Chair Espero, Chair Hee and Committee Members:

Subject: **S.B. No. 2224**, Relating to Tax Lien and Encumbrance Record

The City and County of Honolulu has concerns with S.B. No. 2224 which will allow state and county agencies to record judgments in the motor vehicle tax lien and encumbrance records without requiring the payment of a filing fee. This filing would prohibit the renewal and transfer of the applicable vehicle(s) until the judgment had been satisfied and certificate of release submitted.

The reason why the current fee was enacted by Act 164, SLH 1995, was to compensate the counties motor vehicle offices for the numerous "shot-gun" filings of "all vehicles registered to _____." No other information were provided and the motor vehicle offices would be required to conduct exhaustive computer and microfilm motor vehicle registration searches based solely on the person's name, and independently determine if the lien was applied to the correct record(s).

We would not have an objection to the waiver of the filing fee for state and county agencies, if the bill was amended to waive the fee provided the agency specifies the license plate number and/or vehicle identification number of the record to be flagged.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis A. Kamimura".

Dennis A. Kamimura
Licensing Administrator