

Honolulu, Hawaii

FEB 28 2013

RE: S.B. No. 1192  
S.D. 1

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1192 entitled:

"A BILL FOR AN ACT RELATING TO COLLECTION OF TAXES,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the amount of time that the Department of Taxation has within which to sell property that has been seized due to a failure of the taxpayer to pay the tax delinquency. Additionally, this measure provides for a tolling of the time period if any party commences an action concerning the seized property.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received written comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that under existing law, the Department of Taxation is required to operate within an unrealistic time frame to sell property that has been seized for the non-payment of taxes. Moreover, if a party claims to be the true owner of the property and makes a claim to the seized property, a court determination must be made on the matter before any sale can occur. By the time any determination has been made, the time for selling the property under the existing law will have passed, and the Department must start the sale process all over again. The net result is that the seizing and selling of property is not a viable option for the Department. Accordingly, your Committee finds that the time periods established by this measure will allow

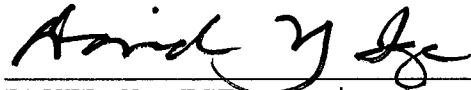


the Department of Taxation to effectively conduct sales of property that have been seized for non-payment of taxes.

Your Committee has amended this measure by making technical nonsubstantive amendments for the purposes of clarity, conformity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1192, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1192, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1192	WAM	2-12-13		
<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
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert				✓
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.				✓
SLOM, Sam	✓			
<b>TOTAL</b>	11	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes