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# A BILL FOR AN ACT

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Because Hawaii is an island state, land  
2 represents one of the most valuable of the State's commodities.  
3 As such, since 1966, dispositions of real property have been  
4 subject to a conveyance tax that ties the sale or transfer of  
5 land to specific public purposes. In 1993, the legislature made  
6 the policy decision to create a nexus between the levy of this  
7 tax and the preservation of Hawaii's natural environment and the  
8 creation of affordable housing for Hawaii's citizens.

9           Currently, the disposition of conveyance tax revenues is as  
10 follows:

- 11           (1) Ten per cent or \$6,800,000, whichever is less, is  
12           paid into the land conservation fund;
- 13           (2) Fifty per cent or \$38,000,000, whichever is less, is  
14           paid into the rental housing revolving fund; and
- 15           (3) The amount remaining is paid to the credit of the  
16           general fund.



1 With a state budget surplus of approximately \$1,000,000,000  
2 at the end of the 2016 fiscal year, the State must reprioritize  
3 the usage of state funds to address the environmental protection  
4 and housing problems that Hawaii still faces.

5 The purpose of this Act is to amend the distribution of  
6 conveyance tax revenues to assist the State in better addressing  
7 its environmental protection and affordable housing needs.

8 SECTION 2. Section 247-7, Hawaii Revised Statutes, is  
9 amended to read as follows:

10 "**§247-7 Disposition of taxes.** All taxes collected under  
11 this chapter shall be paid into the state treasury to the credit  
12 of the general fund of the State, to be used and expended for  
13 the purposes for which the general fund was created and exists  
14 by law; provided that of the taxes collected each fiscal year:

15 (1) [~~Ten~~] Seventeen per cent [~~or \$6,800,000, whichever is~~  
16 ~~less,~~] shall be paid into the land conservation fund  
17 established pursuant to section 173A-5; and

18 (2) [~~Fifty~~] Eighty-three per cent [~~or \$38,000,000,~~  
19 ~~whichever is less,~~] shall be paid into the rental  
20 housing revolving fund established by section 201H-  
21 202."



# H.B. NO. 69

1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect on July 1, 2017.  
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INTRODUCED BY:

Calvin L. By

James S. King  
Trenton

James S. King

JAN 18 2017



# H.B. NO. 69

**Report Title:**

Taxation; Conveyance Tax

**Description:**

Amends the distribution of conveyance tax revenues to better fund programs for environmental protection and affordable housing.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

