
A BILL FOR AN ACT

RELATING TO PUBLIC EDUCATION.

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

1 SECTION 1. The legislature finds that the children of
2 Hawaii are entitled to high quality public education and that
3 there are areas of public education in Hawaii in need of
4 improvement. Some of these areas include:

5 (1) Performance of educators in relation to their pay;

6 (2) Continuity and experience of educators at Hawaii's
7 public schools due to a lack of incentives to remain
8 in the public educational system with many educators
9 leaving the system within three years;

10 (3) Faculty to student ratio as a result of understaffing;

11 (4) Resources dedicated to special education programs; and

12 (5) Resources dedicated to education in the arts.

13 The legislature finds that many of these issues stem from a
14 lack of funding of the public education system in Hawaii and
15 that providing a more dedicated source of funding for Hawaii's
16 public education system will help to remedy some of these
17 issues.



1 The purpose of this Act is to increase the conveyance tax
2 for certain properties valued at \$4,000,000 or greater to
3 provide additional funding for specified public education
4 purposes.

5 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
6 amended by adding a new section to part V to be appropriately
7 designated and to read as follows:

8 "§302A- Tianxin Zhang public education special fund.

9 There is established in the state treasury the Tianxin Zhang
10 public education special fund, into which shall be deposited all
11 revenue from the imposition of the conveyance tax as specified
12 under section 247-7. Moneys in the Tianxin Zhang public
13 education special fund shall be used to support educational
14 programs and activities to improve Hawaii's public schools
15 including:

16 (1) The establishment of an exchange program between high
17 school students from China and Hawaii;

18 (2) The hiring of additional teachers to improve
19 educational continuity and experience and teacher to
20 student ratios;

21 (3) The funding of special education programs;



1 (4) The funding of art programs; and

2 (5) The funding of any other educational programs or
3 infrastructure improvements the department deems
4 necessary to improve the public school system."

5 SECTION 3. Section 247-2, Hawaii Revised Statutes, is
6 amended to read as follows:

7 **"§247-2 Basis and rate of tax.** The tax imposed by section
8 247-1 shall be based on the actual and full consideration
9 (whether cash or otherwise, including any promise, act,
10 forbearance, property interest, value, gain, advantage, benefit,
11 or profit), paid or to be paid for all transfers or conveyance
12 of realty or any interest therein, that shall include any liens
13 or encumbrances thereon at the time of sale, lease, sublease,
14 assignment, transfer, or conveyance, and shall be at the
15 following rates:

16 (1) Except as provided in paragraph (2):

17 (A) Ten cents per \$100 for properties with a value of
18 less than \$600,000;

19 (B) Twenty cents per \$100 for properties with a value
20 of at least \$600,000, but less than \$1,000,000;



(C) Thirty cents per \$100 for properties with a value of at least \$1,000,000, but less than \$2,000,000;

(D) Fifty cents per \$100 for properties with a value of at least \$2,000,000, but less than \$4,000,000;

(E) [~~Seventy~~] Eighty cents per \$100 for properties with a value of at least \$4,000,000, but less than \$6,000,000;

(F) [~~Ninety cents~~] One dollar per \$100 for properties with a value of at least \$6,000,000, but less than \$10,000,000; and

(G) One dollar and twenty-five cents per \$100 for properties with a value of \$10,000,000 or greater; and

(2) For the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption on property tax:

(A) Fifteen cents per \$100 for properties with a value of less than \$600,000;

(B) Twenty-five cents per \$100 for properties with a value of at least \$600,000, but less than \$1,000,000;



- 1 (C) Forty cents per \$100 for properties with a value
2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) Sixty cents per \$100 for properties with a value
4 of at least \$2,000,000, but less than \$4,000,000;
- 5 (E) [~~Eighty-five cents~~] One dollar per \$100 for
6 properties with a value of at least \$4,000,000,
7 but less than \$6,000,000;
- 8 (F) One dollar and [~~ten~~] twenty-five cents per \$100
9 for properties with a value of at least
10 \$6,000,000, but less than \$10,000,000; and
- 11 (G) One dollar and [~~twenty-five~~] fifty cents per \$100
12 for properties with a value of \$10,000,000 or
13 greater,
- 14 of such actual and full consideration; provided that in the case
15 of a lease or sublease, this chapter shall apply only to a lease
16 or sublease whose full unexpired term is for a period of five
17 years or more, and in those cases, including (where appropriate)
18 those cases where the lease has been extended or amended, the
19 tax in this chapter shall be based on the cash value of the
20 lease rentals discounted to present day value and capitalized at
21 the rate of six per cent, plus the actual and full consideration



1 paid or to be paid for any and all improvements, if any, that
2 shall include on-site as well as off-site improvements,
3 applicable to the leased premises; and provided further that the
4 tax imposed for each transaction shall be not less than \$1."

5 SECTION 4. Section 247-7, Hawaii Revised Statutes, is
6 amended to read as follows:

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

12 (1) Ten per cent or \$6,800,000, whichever is less, shall
13 be paid into the land conservation fund established
14 pursuant to section 173A-5; ~~and~~

15 (2) Fifty per cent or \$38,000,000, whichever is less,
16 shall be paid into the rental housing revolving fund
17 established by section 201H-202[-]; and

18 (3) per cent or \$, whichever is less, shall
19 be paid into the Tianxin Zhang public education
20 special fund established pursuant to section 302A- ."



H.B. NO. 1964

1 SECTION 5. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 6. This Act shall take effect on July 1, 2018.

4

INTRODUCED BY: _____

Calvin KY Ang

JAN 19 2018



H.B. NO. 1964

Report Title:

Conveyance Tax; Public Education; Special Fund

Description:

Increases the conveyance tax for certain properties valued at \$4,000,000 or greater. Establishes the Tianxin Zhang public education special fund and deposits a portion of conveyance tax moneys into the special fund. Requires moneys in the special fund to be used for educational programs and activities.

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