

JAN 19 2018

A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1 SECTION 1. Section 247-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§247-2 Basis and rate of tax.** The tax imposed by section
4 247-1 shall be based on the actual and full consideration
5 (whether cash or otherwise, including any promise, act,
6 forbearance, property interest, value, gain, advantage, benefit,
7 or profit), paid or to be paid for all transfers or conveyance
8 of realty or any interest therein, that shall include any liens
9 or encumbrances thereon at the time of sale, lease, sublease,
10 assignment, transfer, or conveyance, and shall be at the
11 following rates:

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

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

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



S.B. NO. 2188

- 1 (C) Thirty cents per \$100 for properties with a value
2 of at least \$1,000,000, but less than \$2,000,000;
3 (D) Fifty cents per \$100 for properties with a value
4 of at least \$2,000,000, but less than \$4,000,000;
5 (E) Seventy cents per \$100 for properties with a
6 value of at least \$4,000,000, but less than
7 \$6,000,000;
8 (F) Ninety cents per \$100 for properties with a value
9 of at least \$6,000,000, but less than
10 \$10,000,000; and
11 (G) One dollar per \$100 for properties with a value
12 of \$10,000,000 or greater; [and]
13 (2) For the sale of a condominium or single family
14 residence for which the purchaser is ineligible for a
15 county homeowner's exemption on property tax:
16 (A) Fifteen cents per \$100 for properties with a
17 value of less than \$600,000;
18 (B) Twenty-five cents per \$100 for properties with a
19 value of at least \$600,000, but less than
20 \$1,000,000;



S.B. NO. 2188

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

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

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

(F) One dollar and ten cents 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[7]; and

(3) In addition to the rate established by paragraph (1) or (2), for the sale of a condominium or single family residence: One dollar per \$100 for properties with a value of more than \$2,000,000,

of such actual and full consideration; provided that in the case of a lease or sublease, this chapter shall apply only to a lease or sublease whose full unexpired term is for a period of five years or more, and in those cases, including (where appropriate)



1 those cases where the lease has been extended or amended, the
2 tax in this chapter shall be based on the cash value of the
3 lease rentals discounted to present day value and capitalized at
4 the rate of six per cent, plus the actual and full consideration
5 paid or to be paid for any and all improvements, if any, that
6 shall include on-site as well as off-site improvements,
7 applicable to the leased premises; and provided further that the
8 tax imposed for each transaction shall be not less than \$1."

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

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

- 16 (1) Ten per cent of the revenue from the application of
17 the rates established in paragraphs (1) and (2) of
18 section 247-2, or \$6,800,000, whichever is less, shall
19 be paid into the land conservation fund established
20 pursuant to section 173A-5; [and]



(2) Fifty per cent of the revenue from the application of the rates established in paragraphs (1) and (2) of section 247-2, or \$38,000,000, whichever is less, shall be paid into the rental housing revolving fund established by section 201H-202[-]; and

(3) One hundred per cent of the revenue generated in each county from the application of the rate established in paragraph (3) of section 247-2 shall be paid into the respective county's affordable housing fund and shall be used only to increase the supply of affordable housing by the following means:

(A) The purchase of existing housing units and other interests in real property;

(B) The planning, design, or construction of housing units;

(C) Making grants or loans to nonprofit organizations, including community land trusts;
or

(D) Investment in public infrastructure."

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



S.B. NO. 2188

1 SECTION 4. This Act shall take effect upon its approval
2 and shall be repealed on June 30, 2023; provided that sections
3 247-2 and 247-7, Hawaii Revised Statutes, shall be reenacted in
4 the form in which they read on the day prior to the effective
5 date of this Act.

6

INTRODUCED BY:


By Request



S.B. NO. 2188

Report Title:

Maui County Package; Conveyance Tax; Affordable Housing

Description:

Establishes an additional conveyance tax rate for the sale of certain condominiums or single family residences. Requires that the revenue collected in each county from the additional conveyance tax rate be allocated to the respective county's affordable housing fund. Sunset 6/30/2023.

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

