

STAND. COM. REP. NO.

1445

Honolulu, Hawaii

MAR 25 , 2021

RE: S.B. No. 1204
S.D. 2
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 1204, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TAX APPEALS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Replace the four District Taxation Boards of Review with a single statewide Taxation Board of Review consisting of up to ten residents to be appointed by the Governor;
- (2) Authorize the Governor to appoint temporary board members during any regular member's temporary absence from the State, recusal, or illness;
- (3) Require a quorum of at least three board members for any meeting or proceeding;
- (4) Authorize taxpayers and others appearing before the Taxation Board of Review to participate using cost-efficient means such as teleconferencing;

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- (5) Require all decisions of the Taxation Board of Review to be reduced to writing and state the Board's findings of fact and conclusions of law separately; and
- (6) Repeal the requirement that the assessor prepare the notice of appeal upon the request of the taxpayer.

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

Your Committee finds that currently, the Department of Taxation's existing Board of Review appeals structure has a separate board for each of the four taxation districts. Your Committee also finds that existing laws that provide for a Board of Review for each taxation district have resulted in overwhelming challenges in the taxation appeals process. This measure replaces the four district boards with a single, statewide Taxation Board of Review that will improve efficiency in tax administration and enable tax appeals to be resolved more expeditiously.

Your Committee has amended this measure by:

- (1) Clarifying that the Governor may appoint an acting member if a regular member is temporarily unable to act because of disqualification in addition to recusal or illness;
- (2) Changing the effective date to July 1, 3021, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1204, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 1204, S.D. 2, H.D. 2.




Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



MARK M. NAKASHIMA, Chair



Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: SB 1204, SD2, HD1		Committee Referral: ECO, JHA, FIN		Date: 3-23-21
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	✓			
2. MATAYOSHI, Scot Z. (VC)	✓			
3. ICHIYAMA, Linda	✓			
4. KOBAYASHI, Dale T.	✓			
5. LoPRESTI, Matthew S.	✓			
6. LOWEN, Nicole E.	✓			
7. McKELVEY, Angus L.K.	✓			
8. NAKAMURA, Nadine K.	✓			
9. TAKUMI, Roy M.				✓
10. TODD, Chris	✓			
11. TOKIOKA, James Kunane	✓			
12. WARD, Gene	✓			
TOTAL (12)	11	0	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: 				
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