

Honolulu, Hawaii

APR 08 2022

RE: H.B. No. 1828
H.D. 3
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1828, H.D. 3, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE TAXATION BOARD OF REVIEW,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate the administration of the Taxation Board of Review.

Specifically, the measure:

- (1) Replaces the ten-member Board of part-time volunteer members with a three-member Board of full-time salaried members;
- (2) Requires the Chairperson of the new Board to be an experienced attorney or certified public accountant;
- (3) Provides that the Vice Chairperson of the Board, among other matters, shall serve as the Chairperson when the Chairperson is temporarily unable to act due to recusal;
- (4) Requires the Board to submit to the Governor and Director of Taxation annual reports on the Board's activities;



- (5) Establishes that the presence of at least two members at any Board meeting or proceeding shall constitute a quorum;
- (6) Provides that a concurrence of the majority of members who hear an appeal shall validate an action of the Board;
- (7) Establishes hearings by the Board as contested case hearings;
- (8) Clarifies the legal and evidentiary framework for the Board's decisions; and
- (9) Appropriates moneys for the salaries of Board members and staff.

Your Committee received written comments in support of this measure from the Department of Taxation.

Your Committee received written comments in opposition to this measure from one individual.

Your Committee received written comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that establishing a paid, professional Taxation Board of Review and providing the Board with robust institutional support will help the Department of Taxation resolve its significant backlog of appeals and ensure that those appeals are resolved in a fair and expeditious manner.

Your Committee has amended this measure by:

- (1) Clarifying that the existing members of the Taxation Board of Review shall continue to serve until their successors are appointed and confirmed;
- (2) Changing the appropriation from \$518,452 to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, 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 H.B. No. 1828, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1828, H.D. 3, S.D. 2.

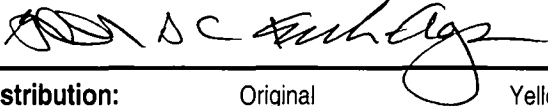
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 1820, HD3, SD1	Committee Referral: JDC, WAM	Date: 4/5/22		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MISALUCHA, Bennette E.	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	11			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes