

STAND. COM. REP. NO. 1729

Honolulu, Hawaii

APR 04 2025

RE: H.B. No. 1173
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1173, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to clarify the State's laws regarding tax liens.

More specifically, the measure requires the Department of Taxation to:

- (1) State the assessment date on certificates of tax lien;
and
- (2) Issue certificates of discharge when the tax liability upon which a lien is based has been satisfied or has become unenforceable by lapse of time.

Your Committee received testimony in support of this measure from the Chamber of Commerce Hawaii and one individual.

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



Your Committee finds that providing a clear and reliable procedure for extinguishing tax liens once the underlying liability is paid in full or becomes unenforceable will promote transparency, safeguard taxpayers from undue tax burdens, and streamline the State's tax administration.

Your Committee has amended this measure by:

- (1) Deleting the application of the measure to section 431:7-204.6, Hawaii Revised Statutes, as recommended by the Department of Taxation; and
- (2) Making technical, nonsubstantive edits 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. 1173, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1173, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

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


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB1173 HD1	Committee Referral: WAM	Date: 4/1/2025		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn				X
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
WAKAI, Glenn				X
FEVELLA, Kurt	X			
TOTAL	11	0	0	2
Recommendation: <div style="display: flex; justify-content: space-around; margin-top: 5px;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: 				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes