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# A BILL FOR AN ACT

RELATING TO CONVEYANCE TAX.

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

1           SECTION 1. The purpose of this Act is to enable the  
2 counties to promptly track ownership, encumbrances,  
3 restrictions, uses, and sales prices of real property for the  
4 purpose of determining real property tax assessments. This Act  
5 requires the director of taxation to provide the administrator  
6 of each county's real property assessment division with an image  
7 of all certificates of conveyances filed with the bureau of  
8 conveyances.

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

11           "**§247-6 Certificate of conveyance required.** (a) Any  
12 party, with the exception of governmental bodies, agencies, or  
13 officers, to a document or instrument subject to this chapter,  
14 or the party's authorized representative, shall file, in the  
15 manner and place which the director of taxation shall prescribe,  
16 a certificate of conveyance setting forth the actual and full  
17 consideration of the property transferred, including any lien or  
18 encumbrance on the property, and [such] any other facts as the



1 director may by rules prescribe. The certificate of conveyance  
2 shall be verified by a written declaration thereon that the  
3 statements made therein are subject to the penalties in section  
4 231-36. The certificate shall be appended to the document or  
5 instrument made subject to this chapter and shall be filed with  
6 the director simultaneously with the aforementioned document or  
7 instrument for the imprinting of the required seal or seals.

8 (b) No certificate is required to be filed for any  
9 document or instrument made exempt by section 247-3, except that  
10 in the following situations, a certificate shall be filed in the  
11 manner and place [~~which~~] that the director shall prescribe,  
12 within ninety days after the transaction or prior to the  
13 recordation or filing of the document or instrument with the  
14 registrar of conveyances or the assistant registrar of the land  
15 court or after [~~such~~] the ninety-day period, recordation, or  
16 filing as the director shall prescribe:

17 (1) [~~In the case of~~] For any document or instrument  
18 described under section 247-3(3), any party to the  
19 document or instrument shall file a certificate  
20 declaring that the document or instrument merely  
21 confirms or corrects a deed, lease, sublease,



1 assignment, transfer, or conveyance previously  
2 recorded or filed.

3 (2) [~~In the case of~~] For any document or instrument  
4 described under section 247-3(4), any party to the  
5 document or instrument shall file a certificate  
6 declaring the amount of the nominal consideration paid  
7 and marital or parental relationship of the parties.

8 (3) [~~In the case of~~] For any document or instrument  
9 described under section 247-3(5), any party to the  
10 document or instrument shall file a certificate  
11 declaring the reasons why the consideration is \$100 or  
12 less.

13 (4) [~~In the case of~~] For any document or instrument  
14 described in section 247-3(6), any party to the  
15 document or instrument shall file a certificate  
16 declaring that the document or instrument is made  
17 pursuant to an agreement of sale, and where  
18 applicable, an assignment or assignments of agreements  
19 of sale.

20 (5) [~~In the case of~~] For any document or instrument  
21 described under section 247-3(8), any person made a  
22 party to the document or instrument as grantee,



1 assignee, or transferee shall file a certificate  
2 declaring the full and actual consideration of the  
3 property transferred.

4 (6) [~~In the case of~~] For any document or instrument  
5 described under section 247-3(11), any party to the  
6 document or instrument shall file a certificate  
7 declaring each owner's:

8 (A) Undivided interest in the real property and the  
9 value of that interest before partition; and

10 (B) Proportionate interest and the value of that  
11 interest after partition.

12 (7) [~~In the case of~~] For any document or instrument  
13 described under section 247-3(12), any party to the  
14 document or instrument shall file a certificate  
15 declaring that the document or instrument is made  
16 pursuant to an order of the court and containing the  
17 court case number.

18 (8) [~~In the case of~~] For any document or instrument  
19 described under section 247-3(13), any party to the  
20 document or instrument shall file a certificate  
21 declaring that the document or instrument conveys real



1 property from a testamentary trust to a trust  
2 beneficiary.

3 (9) [~~In the case of~~] For any document or instrument  
4 described under section 247-3(14), any party to the  
5 document or instrument shall file a certificate  
6 declaring that the document or instrument conveys real  
7 property from the grantor to a grantor's revocable  
8 living trust or from a grantor's revocable living  
9 trust to the grantor.

10 (c) The form of the certificate and the procedure to be  
11 followed for the submission of the certificate shall be  
12 prescribed by the director.

13 (d) Notwithstanding the foregoing, where the director  
14 deems it impracticable to require the filing of a certificate or  
15 certificates or to obtain the signatures of any or all parties  
16 to a certificate or certificates required under this section,  
17 the director may, in the director's discretion, waive the  
18 requirement of filing the certificate or certificates or of  
19 securing the signature of any or all parties to the certificate  
20 or certificates.

21 (e) No document or instrument, on account of which a  
22 certificate is required to be filed with the office of the



1 director under this section, shall be accepted for recordation  
2 or filing with the registrar of conveyances or the assistant  
3 registrar of the land court, unless the certificate has been  
4 duly filed.

5 (f) Within ten days after the end of each week, or as soon  
6 thereafter as possible, the director of taxation shall provide  
7 to the administrator of each county's real property assessment  
8 division, without charge, an image of all certificates of  
9 conveyance that were filed. For each certificate of conveyance,  
10 the image shall include the following:

- 11 (1) Document number;  
12 (2) Date of the filing;  
13 (3) Name of grantor and grantee;  
14 (4) Tax map key number;  
15 (5) Location of the real property by island; and  
16 (6) Address for real property assessment notice and tax  
17 bill."

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

20 SECTION 4. This Act shall take effect on July 1, 2050.

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**Report Title:**

Taxation; Conveyance Tax

**Description:**

Requires the Director of Taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the Bureau of Conveyances within ten days after the end of each week. Effective July 1, 2050. (SD1)

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

