

JAN 21 2011

S.B. NO. 655

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 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 the director shall prescribe, within
12 ninety days after the transaction or prior to the recordation or
13 filing of the document or instrument with the registrar of
14 conveyances or the assistant registrar of the land court or
15 after such period, recordation, or filing as the director shall
16 prescribe:

17 (1) In the case of any document or instrument described
18 under section 247-3(3), any party to the document or
19 instrument shall file a certificate declaring that the
20 document or instrument merely confirms or corrects a
21 deed, lease, sublease, assignment, transfer, or
22 conveyance previously recorded or filed.



- 1 (2) In the case of any document or instrument described
2 under section 247-3(4), any party to the document or
3 instrument shall file a certificate declaring the
4 amount of the nominal consideration paid and marital
5 or parental relationship of the parties.
- 6 (3) In the case of any document or instrument described
7 under section 247-3(5), any party to the document or
8 instrument shall file a certificate declaring the
9 reasons why the consideration is \$100 or less.
- 10 (4) In the case of any document or instrument described in
11 section 247-3(6), any party to the document or
12 instrument shall file a certificate declaring that the
13 document or instrument is made pursuant to an
14 agreement of sale, and where applicable, an assignment
15 or assignments of agreements of sale.
- 16 (5) In the case of any document or instrument described
17 under section 247-3(8), any person made a party to the
18 document or instrument as grantee, assignee, or
19 transferee shall file a certificate declaring the full
20 and actual consideration of the property transferred.
- 21 (6) In the case of any document or instrument described
22 under section 247-3(11), any party to the document or



1 instrument shall file a certificate declaring each
2 owner's:

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

5 (B) Proportionate interest and the value of that
6 interest after partition.

7 (7) In the case of any document or instrument described
8 under section 247-3(12), any party to the document or
9 instrument shall file a certificate declaring that the
10 document or instrument is made pursuant to an order of
11 the court and containing the court case number.

12 (8) In the case of any document or instrument described
13 under section 247-3(13), any party to the document or
14 instrument shall file a certificate declaring that the
15 document or instrument conveys real property from a
16 testamentary trust to a trust beneficiary.

17 (9) In the case of any document or instrument described
18 under section 247-3(14), any party to the document or
19 instrument shall file a certificate declaring that the
20 document or instrument conveys real property from the
21 grantor to a grantor's revocable living trust or from
22 a grantor's revocable living trust to the grantor.



1 (c) The form of the certificate and the procedure to be
2 followed for the submission of the certificate shall be
3 prescribed by the director.

4 (d) Notwithstanding the foregoing, where the director
5 deems it impracticable to require the filing of a certificate or
6 certificates or to obtain the signatures of any or all parties
7 to a certificate or certificates required under this section,
8 the director may, in the director's discretion, waive the
9 requirement of filing the certificate or certificates or of
10 securing the signature of any or all parties to the certificate
11 or certificates.

12 (e) No document or instrument, on account of which a
13 certificate is required to be filed with the office of the
14 director under this section, shall be accepted for recordation
15 or filing with the registrar of conveyances or the assistant
16 registrar of the land court, unless the certificate has been
17 duly filed.

18 (f) Within ten days after the end of each week, or as soon
19 thereafter as possible, the director of taxation shall provide
20 to the administrator of each county's real property assessment
21 division, without charge, an image of all certificates of



1 conveyance that were filed. For each certificate of conveyance,
2 the image shall include the following:
3 (1) Document number;
4 (2) Date of the filing;
5 (3) Name of grantor and grantee;
6 (4) Tax map key number;
7 (5) Location of the real property by island; and
8 (6) Address for real property assessment notice and tax
9 bill."

10 SECTION 3. New statutory material is underscored.

11 SECTION 4. This Act shall take effect upon its approval.

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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.

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