

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 1043
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred H.B. No. 1043, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Replace the tax boards of review with a single tax appeal review panel comprised of members who shall devote full time to their duties; and
- (2) Amend the grounds upon which an appeal to the administrative appeals and dispute resolution program may be made by disallowing appeals of proposed assessments.

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

Your Committee finds that the system of tax boards of review is impractical due to the difficulty of recruiting a sufficient pool of qualified members. Your Committee further finds that a significant number of tax appeals have been unable to be heard or



have been substantially delayed due to the boards' inability to constitute quorum. This measure will replace the tax boards of review system with a single tax appeal review panel comprised of members serving on a full-time basis who are empowered to hear and decide cases individually.

Your Committee has amended this measure by:

- (1) Increasing the term of tax appeal review panel members from two years to five years;
- (2) Authorizing the tax appeal review panel to determine or declare an assessment illegal or void;
- (3) Restoring language requiring the assessor to prepare notices of appeal upon request of the taxpayer;
- (4) Allowing any person who has already filed an appeal with a board of review to choose to either continue their appeal with the board of review or withdraw and re-file their appeal with the tax appeal review panel until January 1, 2021, at which point all remaining appeals before a board of review automatically transfer to the tax appeal review panel; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1043, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1043, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,

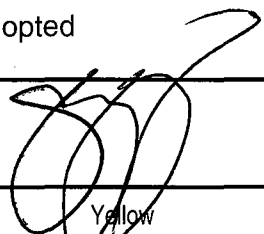


KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary
JDC

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1043, HD1	JDC, WAM	3/19/19		
<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
RHOADS, Karl (C)	✓			
WAKAI, Glenn (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt				✓
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes