

STAND. COM. REP. NO. 562

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 1204  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-First State Legislature  
Regular Session of 2021  
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.B. No. 1204 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 four taxation district boards of review with a single statewide Taxation Board of Review appointed by the Governor, consisting of ten members with three required for quorum;
- (2) Clarify that any vacancy in the Taxation Board of Review would not impair the authority of the remaining member to exercise their powers, provided that there is quorum;
- (3) Authorize the Governor to appoint acting members to the Taxation Board of Review to temporarily fill vacancies created by a current member's illness, recusal from a case, or temporary absence from the State;
- (4) Require at least one board member to be physically present at each meeting;
- (5) Authorize board members and taxpayers to appear and conduct official business using cost-saving measures;



- (6) Require all decisions of the Taxation Board of Review to be in writing and state the Board's findings of fact and conclusions of law;
- (7) Clarify the conditions of a timely notice of appeal to the Taxation Board of Review; and
- (8) Remove the requirement for an assessor to prepare a notice of appeal upon request of the taxpayer and the assumption that the notice prepared is sufficient.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Office of Information Practices.

Your Committee finds that the laws regarding the boards of review for each taxation district have inadvertently rendered the taxation appeal process practically inoperable. Your Committee further finds that replacing the four district boards of review with a single, statewide Taxation Board of Review will address and solve the existing boards' current inability to achieve regular and consistent quorum and increase the limited pool of candidates who are qualified and willing to serve. According to testimony received by your Committee, the provisions proposed in this measure requiring at least one board member to be physically present at each meeting and authorizing board members to appear and conduct official business using cost-saving measures, such as teleconferencing, are in conflict with the state Sunshine Laws.

Your Committee has amended this measure by:

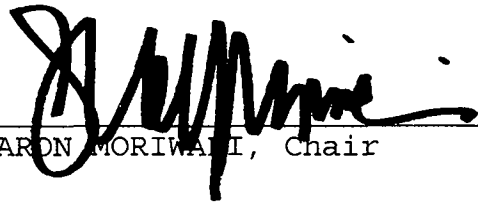
- (1) Removing language that would have:
  - (A) Required at least one member of the Taxation Board of Review to be physically present at each meeting; and
  - (B) Authorized Board members to appear and conduct official business using cost-saving measures, such as teleconferencing; and



- (2) 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 Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1204, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1204, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on  
behalf of the members of the  
Committee on Government  
Operations,



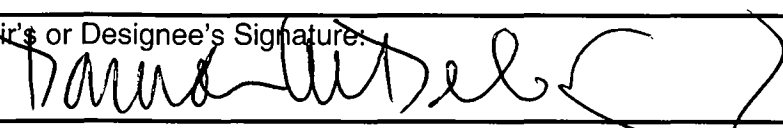
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SHARON MORIWAI, Chair



The Senate  
Thirty-First Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Government Operations**  
**GVO**

|   |   |                                       |                                  |         |
|---|---|---------------------------------------|----------------------------------|---------|
| Bill / Resolution No.:*   | Committee Referral:   | Date:                                 |                                  |         |
| SBI204  | GVO, WAM/JDC  | 8/9/21                                |                                  |         |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure.<br>If so, then the previous decision was to: _____ |   |                                       |                                  |         |
| The Recommendation is:  |   |                                       |                                  |         |
| <input type="checkbox"/> Pass, unamended<br>2312  | <input checked="" type="checkbox"/> Pass, with amendments<br>2311 | <input type="checkbox"/> Hold<br>2310 |                                  |         |
| <input type="checkbox"/> Recommit<br>2313   |   |                                       |                                  |         |
| Members   | Aye   | Aye (WR)                              | Nay                              | Excused |
| MORIWAKI, Sharon Y. (C)   | /   |                                       |                                  |         |
| DELA CRUZ, Donovan M. (VC)  | /   |                                       |                                  |         |
| CHANG, Stanley  | /   |                                       |                                  |         |
| GABBARD, Mike   | /   |                                       |                                  |         |
| FEVELLA, Kurt   | /   |                                       |                                  |         |
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| <b>TOTAL</b>  | 5   |                                       |                                  |         |
| Recommendation:   |   |                                       |                                  |         |
| <input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>                         |   |                                       |                                  |         |
| Chair's or Designee's Signature:  |   |                                       |                                  |         |
|   |   |                                       |                                  |         |
| Distribution:   |   |                                       |                                  |         |
| Original<br>File with Committee Report  | Yellow<br>Clerk's Office  | Pink<br>Drafting Agency               | Goldenrod<br>Committee File Copy |         |

\*Only one measure per Record of Votes