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# A BILL FOR AN ACT

RELATING TO THE TAXATION BOARD OF REVIEW.

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

1           SECTION 1. Section 232-6, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§232-6 Taxation board of review; appointment, removal,**  
4 **compensation.** (a) There is created a taxation board of review  
5 for the State.

6           (b) The board shall consist of [~~no more than ten~~] three  
7 salaried members who shall be residents of the State and shall  
8 be appointed for terms of six years each and be removable by the  
9 governor as provided in section 26-34[-]; provided that the  
10 terms of the salaried members first appointed shall end on  
11 June 30, 2025, June 30, 2027, and June 30, 2029, respectively,  
12 as designated by the governor at the time of their appointments.  
13 Notwithstanding section 26-34, no member shall be appointed to  
14 the board for more than three consecutive terms. The governor  
15 shall designate a member of the board to act as its chairperson  
16 [~~thereof.~~], who shall be:



- 1        (1) An attorney at law licensed to practice in all courts  
2                    of the State; or
- 3        (2) A certified public accountant having experience in the  
4                    State.

5            In addition, the governor shall designate a member of the  
6 board to act as vice chairperson who shall serve as the  
7 chairperson of the board during the temporary absence from the  
8 State, temporary inability to act due to recusal, illness, or  
9 disqualification of the chairperson. Any vacancy in the board  
10 shall be filled for the unexpired term. [~~Each member shall~~  
11 ~~receive and be paid out of the treasury compensation for the~~  
12 ~~member's services at the rate of \$10 per day for each day's~~  
13 ~~actual attendance and the member's actual traveling expenses.~~  
14 ~~No officer or employee of the State shall be eligible for~~  
15 ~~appointment to the board.]~~

16            (c) Any vacancy in the board shall not impair the  
17 authority of the remaining members to exercise all the powers of  
18 the board. The governor may appoint, without regard to section  
19 26-34, an acting member of the board during any regular member's  
20 temporary absence from the State, temporary inability to act due  
21 to recusal, disqualification, or illness. An acting member,



1 during the acting member's term of service, shall have the same  
2 powers and duties as the regular member; provided that an acting  
3 member appointed due to a regular member's recusal or  
4 disqualification shall be appointed for the case in which the  
5 recusal or disqualification occurred, and the acting member's  
6 appointment shall terminate when the final decision is filed or  
7 the case is withdrawn.

8 (d) The members shall devote full time to their duties as  
9 members of the board. The chairperson of the board shall be  
10 paid a salary set at \_\_\_\_\_ per cent of the salary of the director  
11 of taxation, and the salary of each of the other members shall  
12 be \_\_\_\_\_ per cent of the chairperson's salary. No member shall  
13 hold any other public office or be in the employment of the  
14 State or a county, or any department or agency thereof, or any  
15 employee organization during the member's term.

16 (e) The board shall be within the department of taxation  
17 for budgetary and administrative purposes. All members of the  
18 board shall be exempt from chapters 76 and 89.

19 (f) At the close of each fiscal year, the board shall  
20 submit a written report to the governor and director of taxation  
21 on its activities, including the cases heard and their



1 dispositions, and the names, duties, and salaries of its  
2 officers and employees; provided that the report shall not  
3 contain any information that is not made public under section  
4 232-7."

5 SECTION 2. Section 232-7, Hawaii Revised Statutes, is  
6 amended as follows:

7 1. By amending subsection (b) to read:

8 "(b) At least [~~three~~] two board members shall be present  
9 at any meeting or proceeding of the board to constitute a  
10 quorum. The board shall validate its actions by a concurrence  
11 of a majority of the members who heard the appeal. The board  
12 shall [~~hold public meetings at some central location in each~~  
13 ~~taxation district at least once annually and shall~~] hear, as  
14 speedily as possible, all appeals presented for each year. Each  
15 appeal shall be considered a contested case hearing under  
16 section 91-9. Written notice of the hearing shall meet the  
17 requirements of section 91-9.5; provided that if the notice is  
18 sent to the taxpayer's last known address, a return receipt  
19 shall not be required and, in lieu of a return receipt, the  
20 board shall post the notice on its website for a minimum of  
21 fifteen consecutive days before the scheduled hearing date and



1 provide confirmation that the notice was mailed. Taxpayers and  
2 others appearing before the board may also participate via  
3 teleconference or any other cost-efficient means of the board's  
4 choosing."

5 2. By amending subsections (d) and (e) to read:

6 "(d) The board shall base its decision solely on the law  
7 and evidence [~~before~~] presented directly to it[~~r~~] by the parties  
8 and, as provided in section 231-20, the assessment made by the  
9 assessor shall be deemed prima facie correct. All decisions of  
10 the board shall be reduced to writing and shall state separately  
11 the board's findings of fact and conclusions of law. The board  
12 shall file with the assessor concerned its decision in writing  
13 on each appeal decided by it, and a certified copy of the  
14 decision shall be furnished by the assessor to the taxpayer  
15 concerned by delivery or by mailing the copy addressed to the  
16 taxpayer's last known place of residence.

17 (e) The board and each member thereof, in addition to all  
18 other powers, shall also have the power to subpoena witnesses,  
19 administer oaths, examine books and records, and hear and take  
20 evidence in relation to any subject [~~pending before the board.~~]  
21 raised by the parties before the board. The tax appeal court



1 shall have the power, upon request of the board, to enforce by  
2 proper proceedings the attendance of witnesses, giving of  
3 testimony by witnesses, and production of books, records, and  
4 papers at the hearings of the board."

5 SECTION 3. Notwithstanding any law to the contrary, the  
6 sitting members of the taxation board of review that were  
7 appointed pursuant to section 232-6, Hawaii Revised Statutes, as  
8 this section read the day before the effective date of section 1  
9 of this Act, may hold over in office until their successors are  
10 appointed and qualified pursuant to section 1 of this Act.

11 SECTION 4. The department of taxation shall establish  
12 three new full-time equivalent (3.0 FTE) taxation board of  
13 review member positions. The department of taxation may  
14 establish two new full-time equivalent (2.0 FTE) positions to  
15 serve as administrative support or legal staff to the taxation  
16 board of review.

17 SECTION 5. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$ or so  
19 much thereof as may be necessary for fiscal year 2022-2023 to  
20 effectuate this Act, including the payment of the salaries of



1 board members, hiring of administrative support or legal staff,  
2 and other associated administrative costs.

3 The sum appropriated shall be expended by the department of  
4 taxation for the purposes of this Act.

5 SECTION 6. This Act does not affect rights and duties that  
6 matured, penalties that were incurred, and proceedings that were  
7 begun before its effective date. This Act also does not affect  
8 the county real property tax appeals and the respective county  
9 boards of review to which they are appealed, nor does this Act  
10 abrogate any county ordinance relating to a county's real  
11 property tax appeal procedures.

12 SECTION 7. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 8. This Act shall take effect on October 18, 2050.



**Report Title:**

Taxation Board of Review; Membership; Composition; Appropriation

**Description:**

Adjusts membership of the state taxation board of review and sets quorum. Requires the chair of the board to have certain qualifications. Authorizes board members to validate board actions by a majority of the members who heard the appeal. Establishes a compensation schedule for board members. Clarifies that board meetings are contested case hearings and provides notice requirements. Clarifies the legal and evidentiary framework the board may use in reaching its decisions. Appropriates funds. Effective 10/18/2050. (HD2)

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

