



GOV. MSG. NO. 1179

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

JUN 17 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on **JUN 17 2022**, the following bill was signed into law:

SB2379 SD2 HD2 CD1

RELATING TO THE SPECIAL ENFORCEMENT
SECTION.
ACT 079

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO THE SPECIAL ENFORCEMENT SECTION.

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

1 SECTION 1. Section 231-81, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "[~~f~~] §231-81 [~~+~~] Special enforcement section; created.

4 [~~f~~] (a) [~~+~~] There is created within the department of taxation
5 the special enforcement section to carry out civil enforcement
6 efforts as directed by the director of taxation. The director
7 may staff the section as the exigencies of the public service
8 may require.

9 (b) The special enforcement section may:

10 (1) Examine any sector of the State's economy;

11 (2) Initiate civil investigations to ensure that each
12 taxpayer pays all taxes that the taxpayer is required
13 to pay; and

14 (3) Use enforcement and education to deter and prevent
15 non-compliance with state taxation laws.

16 [~~+(b)+~~] (c) The department of taxation shall report to the
17 legislature no later than thirty days prior to the convening of
18 each regular session the state resources committed to



1 implementing [÷]Act 134, Session Laws of Hawaii 2009[÷] and the
2 additional revenues raised therefor."

3 SECTION 2. Section 231-82, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "[÷]§231-82[÷] Special enforcement section; functions,
6 powers, and duties. The special enforcement section shall have
7 the following functions, powers, and duties:

8 (1) Investigate reported or suspected violations of tax
9 laws for civil enforcement purposes, including through
10 covert means [~~, with a stated priority of investigating~~
11 ~~cash-based businesses as defined in section 231-93~~];

12 (2) Enforce the tax laws by issuing, enforcing, or
13 executing citations, fines, infractions, assessments,
14 liens, levies, writs, warrants, injunctions, or other
15 process;

16 (3) Serve as fraud referral specialists to assist in the
17 development and review of fraud cases for appropriate
18 disposition of potentially fraudulent activities,
19 including referral to criminal investigators and
20 assessment of civil fraud penalties; provided that



1 personnel assigned to the special enforcement section
2 may not participate in any criminal investigation;

3 (4) Organize and hold public informational meetings on
4 issues of tax laws, including compliance deficiencies
5 in segments of the economy, and undertake any other
6 activities to encourage taxpayers, practitioners, or
7 others to maintain responsibility and compliance with
8 their tax obligations;

9 (5) Coordinate with other sections or divisions within the
10 department of taxation, other departments or branches
11 of the state government, any branches of the county
12 government, or the federal government on matters
13 relating to civil enforcement of the tax laws,
14 including joint investigations, information-sharing
15 arrangements, or concurrent collection efforts;
16 provided that personnel assigned to the special
17 enforcement section [~~may~~] shall not participate in any
18 criminal investigation;

19 (6) Compile information received by third parties,
20 including taxpayers, competitors, government agencies,
21 confidential sources, or public sources and delegate



1 this information within the department for proper
2 handling. Proper handling may include referral
3 internally to other civil or criminal enforcement
4 sections;

5 (7) Conduct investigations, research, and studies of
6 matters relevant to the complex or sensitive civil
7 enforcement of the tax laws; ~~and~~

8 (8) Refer and recommend cases regarding, or examination
9 of, any segment of the economy to appropriate auditors
10 within the department for auditing; and

11 ~~(8)~~ (9) Perform ~~such~~ any other acts as may be
12 incidental to the exercise of the functions, powers,
13 and duties set forth in this section or as otherwise
14 directed by the director of taxation."

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

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



S.B. NO. 2379
S.D. 2
H.D. 2
C.D. 1

APPROVED this 17 day of June , 2022

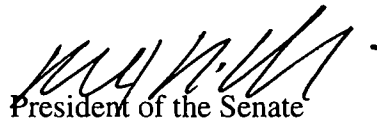
A handwritten signature in black ink, appearing to read "David I. Ige". The signature is fluid and cursive, with a large, sweeping flourish at the end.

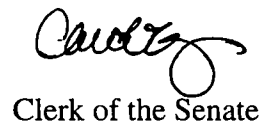
GOVERNOR OF THE STATE OF HAWAII

THE SENATE OF THE STATE OF HAWAI‘I

Date: May 3, 2022
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2022.


President of the Senate


Clerk of the Senate

SB No. 2379, SD 2, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 3, 2022
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2022.



Scott K. Saiki
Speaker
House of Representatives



Brian L. Takeshita
Chief Clerk
House of Representatives