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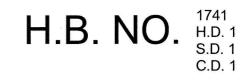
A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1	SECTION 1. The purpose of this Act is to:
2	(1) Temporarily reduce the distribution of portions of the
3	conveyance tax to the rental housing trust fund and
4	the natural area reserve fund; and
5	(2) Increase the rate of the conveyance tax on transfers
6	or conveyances of properties of \$2,000,000 or more and
7	second house purchases.
8	SECTION 2. Section 173A-5, Hawaii Revised Statutes, is
9	amended by amending subsection (d) to read as follows:
10	"(d) [Ten per cent] The appropriate percentage identified
11	under section 247-7 of all taxes imposed and collected [by
12	section 247-1] under chapter 247 shall be deposited in or
13	credited to the fund every <u>fiscal</u> year."
14	SECTION 3. Section 247-2, Hawaii Revised Statutes, is
15	amended to read as follows:
16	"§247-2 Basis and rate of tax. The tax imposed by section
17	247-1 shall be based on the actual and full consideration
18	(whether cash or otherwise, including any promise, act,
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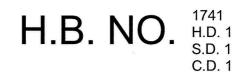
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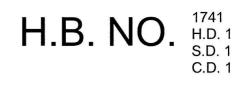
1	forbearance, p	property interest, value, gain, advantage, benefit,	
2	or profit), paid or to be paid for all transfers or conveyance		
3	of realty or any interest therein, that shall include any liens		
4	or encumbrances thereon at the time of sale, lease, sublease,		
5	assignment, ti	cansfer, or conveyance, and shall be at the	
6	following rate	es:	
7	(1) Exce	ept as provided in paragraph (2):	
8	(A)	Ten cents per \$100 for properties with a value of	
9		less than \$600,000;	
10	(B)	Twenty cents per \$100 for properties with a value	
11		of at least \$600,000, but less than \$1,000,000;	
12		[and]	
13	(C)	Thirty cents per \$100 for properties with a value	
14		of <u>at least</u> \$1,000,000 [or greater; and] <u>, but</u>	
15		less than \$2,000,000;	
16	<u>(D)</u>	Fifty cents per \$100 for properties with a value	
17		of at least \$2,000,000, but less than \$4,000,000;	
18	<u>(E)</u>	Seventy cents per \$100 for properties with a	
19		value of at least \$4,000,000, but less than	
20		<u>\$6,000,000;</u>	

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1		(F)	Ninety cents per \$100 for properties with a value
2			of at least \$6,000,000, but less than
3			\$10,000,000; and
4		(G)	One dollar per \$100 for properties with a value
5			of \$10,000,000 or greater; and
6	(2)	For	the sale of a condominium or single family
7		resi	dence for which the purchaser is ineligible for a
8		coun	ty homeowner's exemption on property tax:
9		(A)	Fifteen cents per \$100 for properties with a
10			value of less than \$600,000;
11		(B)	Twenty-five cents per \$100 for properties with a
12			value of at least \$600,000, but less than
13			\$1,000,000; [and]
14		(C)	[Thirty-five] <u>Forty</u> cents per \$100 for properties
15	a T		with a value of <u>at least</u> \$1,000,000 [or greater],
16			but less than \$2,000,000;
17		(D)	Sixty cents per \$100 for properties with a value
18			of at least \$2,000,000, but less than \$4,000,000;
19		<u>(E)</u>	Eighty-five cents per \$100 for properties with a
20			value of at least \$4,000,000, but less than
21			\$6,000,000;





1	<u>(F)</u>	One dollar and ten cents per \$100 for properties
2		with a value of at least \$6,000,000, but less
3		than \$10,000,000; and
4	<u>(G)</u>	One dollar and twenty-five cents per \$100 for
5		properties with a value of \$10,000,000 or
6		greater,
7	of such actual	and full consideration; provided that in the case
8	of a lease or	sublease, this chapter shall apply only to a lease
9	or sublease wh	ose full unexpired term is for a period of five
10	years or more,	and in those cases, including (where appropriate)
11	those cases wh	ere the lease has been extended or amended, the
12	tax in this ch	apter shall be based on the cash value of the
13	lease rentals	discounted to present day value and capitalized at
14	the rate of si	x per cent, plus the actual and full consideration
15	paid or to be	paid for any and all improvements, if any, that
16	shall include	on-site as well as off-site improvements,
17	applicable to	the leased premises; and provided further that the
18	tax imposed fo	r each transaction shall be not less than \$1."
19	SECTION 4	. Section 247-7, Hawaii Revised Statutes, is
20	amended to rea	d as follows:
21	"§247-7	Disposition of taxes. All taxes collected under
22	this chapter s	hall be paid into the state treasury to the credit



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1	of the general fund of the State, to be used and expended for		
2	the purpo	ses for which the general fund was created and exists	
3	by law; p	rovided that of the taxes collected each fiscal year:	
4	(1)	Ten per cent shall be paid into the land conservation	
5		fund established pursuant to section 173A-5;	
6	(2)	[Thirty] Twenty-five per cent from July 1, 2009, until	
7		June 30, 2012, and thirty per cent in each fiscal year	
8		thereafter shall be paid into the rental housing trust	
9		fund established by section 201H-202; and	
10	(3)	[Twenty_five] <u>Twenty per cent from July 1, 2009, until</u>	
11	N.	June 30, 2012, and twenty-five per cent in each fiscal	
12		year thereafter shall be paid into the natural area	
13		reserve fund established by section 195-9; provided	
14		that the funds paid into the natural area reserve fund	
15		shall be annually disbursed by the department of land	
16		and natural resources in the following priority:	
17		(A) To natural area partnership and forest	
18		stewardship programs after joint consultation	
19		with the forest stewardship committee and the	
20		natural area reserves system commission;	
21		(B) Projects undertaken in accordance with watershed	
22		management plans pursuant to section 171-58 or	
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1		watershed management plans negotiated with
2		private landowners, and management of the natural
3		area reserves system pursuant to section 195-3;
4		and
5	(C)	The youth conservation corps established under
6		chapter 193."
7	SECTION 5	. Statutory material to be repealed is bracketed
8	and stricken.	New statutory material is underscored.
9	SECTION 6	. This Act shall take effect on July 1, 2009.



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Report Title: Conveyance Tax; Distribution

Description:

Temporarily reduces the distribution of portions of the Conveyance Tax transferred to the Rental Housing Trust Fund and the Natural Area Reserve Fund. Increases the conveyance tax rate for certain sales. (HB1741 CD1)

