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# A BILL FOR AN ACT

RELATING TO TAX APPEALS.

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

1 SECTION 1. Section 232-5, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§232-5 Small claims. (a) The tax appeal court shall  
4 establish by rule a small claims procedure that, to the greatest  
5 extent practicable, shall be informal[-]; provided that:

6 (1) No pretrial discovery shall be allowed without the  
7 prior written approval of the court; and

8 (2) Costs and fees awarded to the prevailing party shall  
9 be limited to fees paid directly to the court in the  
10 course of conducting the tax appeal at issue.

11 (b) Any protesting taxpayer who would incur a total tax  
12 liability, not including penalties and interest, of less than  
13 \$1,000, by reason of the protested assessment or payment in  
14 question, may elect to employ the procedure established by this  
15 section upon:

16 (1) Payment per taxpayer of a non-refundable filing fee  
17 set pursuant to rules adopted by the supreme court,  
18 which shall not exceed \$25; and



1 (2) Filing with the tax appeal court a written statement  
2 of the facts in the case, together with a waiver of  
3 the right to further appeal.

4 The tax appeal court shall cause a notice of the appeal and a  
5 copy of the statement to be served on the director of  
6 taxation[-] and in the case of an appeal from a decision  
7 involving a county as a party, the real property assessment  
8 division of the county involved."

9 SECTION 2. This Act does not affect rights and duties that  
10 matured, penalties that were incurred, and proceedings that were  
11 begun before its effective date.

12 SECTION 3. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2011.



**Report Title:**

Tax Appeals; Small Claims

**Description:**

Allows discovery with court approval, limits the award of costs in controversies involving small claim tax appeals, and requires notice to the Director of Taxation and the county real property assessment division. (CD1)

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

