
A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1 SECTION 1. Section 247-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§247-2 Basis and rate of tax.** The tax imposed by section
4 247-1 shall be based on the actual and full consideration
5 (whether cash or otherwise, including any promise, act,
6 forbearance, property interest, value, gain, advantage, benefit,
7 or profit), paid or to be paid for all transfers or conveyance
8 of realty or any interest therein, that shall include any liens
9 or encumbrances thereon at the time of sale, lease, sublease,
10 assignment, transfer, or conveyance, and shall be at the
11 following rates:

12 (1) Except as provided in paragraph (2):

13 (A) Ten cents per \$100 for properties with a value of
14 less than \$600,000;

15 (B) Twenty cents per \$100 for properties with a value
16 of at least \$600,000, but less than \$1,000,000;



- 1 (C) Thirty cents per \$100 for properties with a value
- 2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) Fifty cents per \$100 for properties with a value
- 4 of at least \$2,000,000, but less than \$4,000,000;
- 5 (E) Seventy cents per \$100 for properties with a
- 6 value of at least \$4,000,000, but less than
- 7 \$6,000,000;
- 8 (F) Ninety cents per \$100 for properties with a value
- 9 of at least \$6,000,000, but less than
- 10 \$10,000,000; and
- 11 (G) One dollar per \$100 for properties with a value
- 12 of \$10,000,000 or greater; [~~and~~]
- 13 (2) For the sale of a condominium or single family
- 14 residence for which the purchaser is ineligible for a
- 15 county homeowner's exemption on property tax:
- 16 (A) Fifteen cents per \$100 for properties with a
- 17 value of less than \$600,000;
- 18 (B) Twenty-five cents per \$100 for properties with a
- 19 value of at least \$600,000, but less than
- 20 \$1,000,000;



- 1 (C) Forty cents per \$100 for properties with a value
2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) Sixty cents per \$100 for properties with a value
4 of at least \$2,000,000, but less than \$4,000,000;
- 5 (E) Eighty-five cents per \$100 for properties with a
6 value of at least \$4,000,000, but less than
7 \$6,000,000;
- 8 (F) One dollar and ten cents per \$100 for properties
9 with a value of at least \$6,000,000, but less
10 than \$10,000,000; and
- 11 (G) One dollar and twenty-five cents per \$100 for
12 properties with a value of \$10,000,000 or
13 greater[~~7~~]; and
- 14 (3) In addition to the rate established by paragraph (1)
15 or (2), for the sale of a condominium or single family
16 residence: One dollar per \$100 for properties with a
17 value of at least \$2,000,000,
- 18 of [~~such~~] the actual and full consideration; provided that in
19 the case of a lease or sublease, this chapter shall apply only
20 to a lease or sublease [~~whose~~] for which the full unexpired term
21 is for a period of five years or more, and in those cases,



1 including (where appropriate) those cases where the lease has
2 been extended or amended, the tax in this chapter shall be based
3 on the cash value of the lease rentals discounted to present day
4 value and capitalized at the rate of six per cent, plus the
5 actual and full consideration paid or to be paid for any and all
6 improvements, if any, that shall include on-site as well as off-
7 site improvements, applicable to the leased premises; and
8 provided further that the tax imposed for each transaction shall
9 be not less than \$1."

10 SECTION 2. Section 247-7, Hawaii Revised Statutes, is
11 amended to read as follows:

12 **"§247-7 Disposition of taxes.** All taxes collected under
13 this chapter shall be paid into the state treasury to the credit
14 of the general fund of the State, to be used and expended for
15 the purposes for which the general fund was created and exists
16 by law; provided that of the taxes collected each fiscal year:

17 (1) Ten per cent of the revenue from the application of
18 the rates established in paragraphs (1) and (2) of
19 section 247-2, or \$6,800,000, whichever is less, shall
20 be paid into the land conservation fund established
21 pursuant to section 173A-5; [~~and~~]



1 (2) Fifty per cent of the revenue from the application of
2 the rates established in paragraphs (1) and (2) of
3 section 247-2, or \$38,000,000, whichever is less,
4 shall be paid into the rental housing revolving fund
5 established by section 201H-202[-]; and

6 (3) One hundred per cent of the revenue generated in each
7 county from the application of the rate established in
8 paragraph (3) of section 247-2 shall be paid into the
9 respective county's affordable housing fund and shall
10 be used only to increase the supply of affordable
11 housing by the following means:

12 (A) The purchase of existing housing units and other
13 interests in real property;

14 (B) The planning, design, or construction of housing
15 units;

16 (C) Making grants or loans to nonprofit
17 organizations, including community land trusts;
18 or

19 (D) Investment in public infrastructure."

20 SECTION 3. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2050, and
2 shall be repealed on June 30, 2023; provided that sections 247-2
3 and 247-7, Hawaii Revised Statutes, shall be reenacted in the
4 form in which they read on the day prior to the effective date
5 of this Act.



Report Title:

Maui County Package; Conveyance Tax; Affordable Housing

Description:

Establishes an additional conveyance tax for the sale of certain condominiums or single family residences. Requires that the revenue collected in each county from the additional conveyance tax be allocated to the respective county's affordable housing fund. Sunsets 6/30/2023. Effective 7/1/2050. (SD3)

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