

Honolulu, Hawaii
, 2022

FEB 18

RE: H.B. No. 2176
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2176, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE STATE TAXATION BOARD OF REVIEW,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Taxation Board of Review (Board) to validate its actions by a concurrence of a majority of the members who heard the appeal;
- (2) Eliminate the requirement that the Board meet in each taxation district at least once annually;
- (3) Clarify the notice requirements for hearings by the Board; and
- (4) Clarify the legal and evidentiary framework the Board utilizes to reach decisions.

Your Committee received testimony in support of this measure from the Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the existing law is silent on the number of Board members necessary to validate an action of the Board, such as issuing an official decision. As a result, the Board must follow section 92-15, Hawaii Revised Statutes, which provides that validation requires a majority of all the members to which the Board is entitled. However, this establishes an unusual dilemma in which only three members must be present for quorum, but six members are needed to validate Board actions. By clarifying the requisite number of members need to validate a Board action as a majority of all members present and constituting quorum, as this measure proposes, tax appeals will be heard and resolved more expeditiously.

Your Committee additionally finds that further clarifications in the legal and evidentiary framework are needed to improve efficiencies in the appeals system.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2176, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



MARK M. NAKASHIMA, Chair



