STAND. COM. REP. NO. 172 -22

Honolulu, Hawaii

FEB 10 ' 2022

RE: H.B. No. 2179

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

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 2179 entitled:

"A BILL FOR AN ACT RELATING TO COLLECTION OF DELINQUENT TAXES,"

begs leave to report as follows:

The purpose of this measure is to authorize the Director of Taxation, under certain circumstances, to apply to the circuit court to convert certain tax liens into enforceable civil judgments.

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

Your Committee finds that there are several existing delinquent tax cases that are essentially uncollectible, despite the existence of tax liens. Your Committee further finds that when a tax lien is ignored and remains uncontested, the collection process cannot move forward. This measure would allow for judicial remediation by authorizing the Director of Taxation to seek judicial enforcement of tax liens, which will improve the efficiency of tax administration.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2179 and recommends that it pass Second Reading and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

SEAN OUTNLAN. Chair

State of Hawaii House of Representatives The Thirty-first Legislature

Hara 172-22

Record of Votes of the Committee on Economic Development

Bill/Resolution No.: HB 2179	Committee Referral: ECD, JHA, F	Date:	2/4/22	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. QUINLAN, Sean (C)	V			a dalah meradak dalah sebagai
2. HOLT, Daniel (VC)				
3. BELATTI, Della Au				n ne see ma minimistra ilman esse vest
J. DELIATTI, Delia Au				
4. KOBAYASHI, Dale T.		W 843 V		
5. ONISHI, Richard H.K.				
			<u> </u>	
6. SAYAMA, Jackson D.				
7. TAKAYAMA, Gregg				
7. TAKATAWA, Gregg				
8. OKIMOTO, Val		I		

			:	
TOTAL (8)	1 7			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				