

ACT 116

H.B. NO. 915

A Bill for an Act Relating to Conveyance Tax.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to enable the counties to promptly track ownership, encumbrances, restrictions, uses, and sales prices of real property for the purpose of determining real property tax assessments. This Act requires the director of taxation to provide the administrator of each county's real property assessment division with an image of all certificates of conveyances filed with the bureau of conveyances.

SECTION 2. Section 247-6, Hawaii Revised Statutes, is amended to read as follows:

“§247-6 Certificate of conveyance required. (a) Any party, with the exception of governmental bodies, agencies, or officers, to a document or instrument subject to this chapter, or the party's authorized representative, shall file, in the manner and place which the director of taxation shall prescribe, a certificate of conveyance setting forth the actual and full consideration of the property transferred, including any lien or encumbrance on the property, and ~~[such]~~ any other facts as the director may by rules prescribe. The certificate of conveyance shall be verified by a written declaration thereon that the statements made therein are subject to the penalties in section 231-36. The certificate shall be appended to the document or instrument made subject to this chapter and shall be filed with the director simultaneously with the aforementioned document or instrument for the imprinting of the required seal or seals.

(b) No certificate is required to be filed for any document or instrument made exempt by section 247-3, except that in the following situations, a certificate shall be filed in the manner and place ~~[which]~~ that the director shall prescribe, within ninety days after the transaction or prior to the recordation or filing of the document or instrument with the registrar of conveyances or the assistant registrar of the land court or after ~~[such]~~ the ninety-day period, recordation, or filing as the director shall prescribe:

- (1) ~~[In the case of]~~ For any document or instrument described under section 247-3(3), any party to the document or instrument shall file a certificate declaring that the document or instrument merely confirms or corrects a deed, lease, sublease, assignment, transfer, or conveyance previously recorded or filed.
- (2) ~~[In the case of]~~ For any document or instrument described under section 247-3(4), any party to the document or instrument shall file

a certificate declaring the amount of the nominal consideration paid and marital or parental relationship of the parties.

- (3) ~~[In the case of]~~ For any document or instrument described under section 247-3(5), any party to the document or instrument shall file a certificate declaring the reasons why the consideration is \$100 or less.
- (4) ~~[In the case of]~~ For any document or instrument described in section 247-3(6), any party to the document or instrument shall file a certificate declaring that the document or instrument is made pursuant to an agreement of sale, and where applicable, an assignment or assignments of agreements of sale.
- (5) ~~[In the case of]~~ For any document or instrument described under section 247-3(8), any person made a party to the document or instrument as grantee, assignee, or transferee shall file a certificate declaring the full and actual consideration of the property transferred.
- (6) ~~[In the case of]~~ For any document or instrument described under section 247-3(11), any party to the document or instrument shall file a certificate declaring each owner's:
 - (A) Undivided interest in the real property and the value of that interest before partition; and
 - (B) Proportionate interest and the value of that interest after partition.
- (7) ~~[In the case of]~~ For any document or instrument described under section 247-3(12), any party to the document or instrument shall file a certificate declaring that the document or instrument is made pursuant to an order of the court and containing the court case number.
- (8) ~~[In the case of]~~ For any document or instrument described under section 247-3(13), any party to the document or instrument shall file a certificate declaring that the document or instrument conveys real property from a testamentary trust to a trust beneficiary.
- (9) ~~[In the case of]~~ For any document or instrument described under section 247-3(14), any party to the document or instrument shall file a certificate declaring that the document or instrument conveys real property from the grantor to a grantor's revocable living trust or from a grantor's revocable living trust to the grantor.

(c) The form of the certificate and the procedure to be followed for the submission of the certificate shall be prescribed by the director.

(d) Notwithstanding the foregoing, where the director deems it impracticable to require the filing of a certificate or certificates or to obtain the signatures of any or all parties to a certificate or certificates required under this section, the director may, in the director's discretion, waive the requirement of filing the certificate or certificates or of securing the signature of any or all parties to the certificate or certificates.

(e) No document or instrument, on account of which a certificate is required to be filed with the office of the director under this section, shall be accepted for recordation or filing with the registrar of conveyances or the assistant registrar of the land court, unless the certificate has been duly filed.

(f) Within twenty-one business days after the end of each week, or as soon thereafter as possible, the director of taxation shall provide to the administrator of each county's real property assessment division, without charge, an image of all certificates of conveyance that were filed. For each certificate of conveyance, the image shall include the following:

- (1) Document number;
- (2) Date of the filing;
- (3) Name of grantor and grantee;
- (4) Tax map key number;
- (5) Location of the real property by island; and
- (6) Address for real property assessment notice and tax bill.”

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

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

(Approved June 14, 2011.)