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To: The Honorable David Y. Ige, Chair  
and Members of the Senate Committee on Ways and Means

Date: Wednesday, January 30, 2013  
Time: 9:00 a.m.  
Place: Conference Room 211, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

Re: S.B. 1192 Relating to Collection of Taxes

The Department of Taxation (Department) strongly supports S.B. 1192.

S.B. 1192 increases the amount of time that the Department has within which to sell property that has been seized due to a failure of the taxpayer to pay delinquent taxes. The bill also provides for a tolling of the time period if any party commences an action concerning the seized property. The measure is effective upon approval.

At the present time, the Department has only thirty days to sell property that has been seized for non-payment of taxes. This time frame is unrealistic, as the Department must find an auctioneer or other person to sell the property, properly notice the sale, and make arrangements for safe storage of the seized property.

Moreover, if a party claims to be the true owner of the property and makes a claim to the seized property, a court determination must be made on the matter before any sale can occur. By the time any determination has been made, the time for selling the property under the current law would have passed and the Department would have to start the process all over again. The net result is that seizing and selling property is currently not a viable option for the Department.

Thank you for the opportunity to provide comments.