STAND. COM. REP. NO. 59

Honolulu, Hawaii

FEB 2 2 2021

S.B. No. 148 RE: S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committee on Judiciary, to which was referred S.B. No. 148 entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs leave to report as follows:

The purpose and intent of this measure is to require certain landlords, lessors, or plaintiffs in a summary possession action to provide proof of payment of taxes due to the State as a condition of the issuance of a writ of possession.

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

Your Committee finds that under current law, it is possible for landlords in irregular landlord-tenant arrangements, such as work-for-room-and-board or rent-to-own arrangements, to take advantage of summary possession proceedings instead of foreclosure actions without paying the taxes required in normal long- or short-term lease situations. Your Committee acknowledges that tax returns indicate the amount of income reported and the amount of tax owed but do not indicate the actual source of income. However, your Committee further finds that demonstrating general

excise tax licensure in good standing can be an indicator of compliance with state general excise tax laws in general.

Your Committee has amended this measure by:

- (1)Requiring only a general excise tax license in good standing as a condition to the issuance of a writ of possession; and
- (2) Inserting an effective date of May 6, 2137, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 148, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 148, S.D. 1, and be placed on the calendar for Third Reading.

> Respectfully submitted on behalf of the members of the Committee on Judiciary,

KARL RHOADS, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:		Da	Date:		
SB 148	JDC			2/9/2021		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (WR)	Nay	Excused	
RHOADS, Karl (C)		4				
KEOHOKALOLE, Jarrett (VC)		✓				
ACASIO, Laura		\				
GABBARD, Mike		✓ ✓				
KIM, Donna Mercado		\				
LEE, Chris		J				
FEVELLA, Kurt			-			
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TOTAL		6	1	0	0	
Recommendation:						
Adopted			Not Adopted			
Chair's or Designee's Signature:						
Distribution: Original File with Committee Re			Pink Goldenrod Drafting Agency Committee File Copy			

*Only one measure per Record of Votes