HOUSE OF REPRESENTATIVES THE THIRTY-FIRST LEGISLATURE REGULAR SESSION OF 2021

COMMITTEE ON FINANCE

Rep. Sylvia Luke, Chair Rep. Ty J.K. Cullen, Vice Chair

Rep. Patrick Pihana Branco Rep. Stacelynn K.M. Eli Rep. Daniel Holt Rep. Greggor Ilagan Rep. Bertrand Kobayashi Rep. Lisa Marten Rep. Scott Y. Nishimoto Rep. Amy A. Perruso Rep. Jackson D. Sayama Rep. Adrian K. Tam Rep. Tina Wildberger Rep. Kyle T. Yamashita Rep. Bob McDermott

NOTICE OF HEARING

DATE: Thursday, April 1, 2021 TIME: 1:30 p.m. PLACE: VIA VIDEOCONFERENCE Conference Room 308 State Capitol 415 South Beretania Street

THE STATE CAPITOL IS CLOSED TO THE PUBLIC DURING THE ONGOING COVID-19 PANDEMIC

Please note that the committee members will participate remotely via videoconference. Click <u>here</u> to submit testimony and to testify remotely.

A live stream link of all House Standing Committee meetings will be available online shortly before the scheduled start time.

Click <u>here</u> for the live stream of this meeting via YouTube. Click <u>here</u> for select hearings broadcast live on 'Ōlelo Community Media for cable TV.

<u>A G E N D A #1</u>

<u>SB 973, SD1, HD2</u> (<u>HSCR1510)</u> <u>Status</u> RELATING TO HAWAII MONEY TRANSMITTER ACT.

ECD, CPC, FIN

Amends the Money Transmitters Act. Incorporates definitions of key terms provided in the Model Money Services Business Law. Adds supporting documentation required to be submitted by an applicant for licensure. Extends the period of an applicant's litigation and criminal conviction history review from five years to ten years from the date of the application. Requires an applicant to submit information concerning any bankruptcy or receivership proceedings. Clarifies the authority of the commissioner of financial institutions to examine and investigate licensees and participate in nationwide protocols for licensing cooperation. Effective 1/1/2050. (HD2)

| <u>SB 1204, SD2, HD2</u> (<u>HSCR1445)</u> <u>Status</u> | RELATING TO TAX APPEALS. Replaces the four district tax boards of review with a single statewide taxation board of review appointed by the governor, consisting of ten members with three required for quorum. Authorizes taxpayers and others appearing before the board to participate using cost-efficient means such as teleconferencing. Effective 7/1/3021. (HD2) | ECD, JHA, FIN |
|---|--|---------------|
| <u>SB 1196, SD2</u> (<u>HSCR1232</u>) <u>Status</u> | RELATING TO WITHHOLDING TAX. Amends the due date for employers to file the wage and tax statement from the last day of February to January 31 following the close of the calendar year. Imposes a penalty on employers that fail to timely furnish and file the wage and tax statement. Effective 7/1/2050. (SD2) | ECD, FIN |
| <u>SB 1198, SD2, HD1</u> (<u>HSCR1233)</u> <u>Status</u> | RELATING TO TAX ADMINISTRATION. Allows the department of taxation to mandate the electronic filing of certain partnership, S-corporation, and individual tax returns. Requires certain tax return preparers to file returns electronically. Amends the rules for filing and payment of taxes by electronic funds transfer. Requires electronic funds transfers for tax return preparers and any person subject to mandatory electronic filing. Removes the timeliness requirement from the electronic funds transfer penalty. Removes the authority of the department of taxation to charge for certified copies of tax clearances. Authorizes the limited disclosure of liquor licensees' tax clearances. Clarifies the interest rate for payments made to taxpayers out of the litigated claims fund. Expands the permissible uses of the tax administration special fund. Effective 7/1/2050. (HD1) | ECD, FIN |
| <u>SB 1202, SD1, HD2</u> (<u>HSCR1428)</u> <u>Status</u> | RELATING TO TAXATION. Makes various technical amendments to fuel, liquor, cigarette, and tobacco tax laws. Effective 1/1/2050. (HD2) | ECD, CPC, FIN |
| <u>SB 1203, SD1, HD1</u> (<u>HSCR987)</u> <u>Status</u> | RELATING TO TITLE 14, HAWAII REVISED STATUTES. Amends title 14, Hawaii Revised Statutes, to make nonsubstantive | ECD, FIN |
| | changes for clarity and to delete obsolete provisions. (HD1) | |
| <u>SB 167, SD1, HD2</u> (<u>HSCR1368)</u> <u>Status</u> | | GVR, EEP, FIN |

| <u>SB 1035, SD2, HD1</u> (<u>HSCR1505)</u> <u>Status</u> | RELATING TO PROCUREMENT. Establishes and appropriates moneys from the state procurement automation system special fund to fund the project management of the procurement automation system. Allows the state procurement administrator to set procedures for final decisions on investigations of procurement policy and compliance. Authorizes the state procurement administrator to assess and collect an administrative fee pursuant to chapter 91, Hawaii Revised Statutes, to cover the costs of the procurement automation system. Effective 7/1/2112. (HD1) | GVR, CPC, FIN |
|---|---|---------------|
| <u>SB 406, SD1, HD1</u> (<u>HSCR1438)</u> <u>Status</u> | RELATING TO CAMPAIGN SPENDING COMMISSION STAFF. Clarifies that the campaign spending commission may employ or contract with persons for the performance of day-to-day functions of the commission. Clarifies that persons employed or contracted by the campaign spending commission shall have the authority to perform day-to-day functions of the commission without further commission action. Requires a complaint initiated by the staff of the campaign spending commission to be in writing and signed by the executive director of the commission. Effective 7/1/2112. (HD1) | GVR, JHA, FIN |
| <u>SB 405, SD1, HD1</u> (<u>HSCR1496)</u> <u>Status</u> | RELATING TO CAMPAIGN CONTRIBUTIONS. Provides that excess contributions by nonresident contributors shall escheat to the Hawaii election campaign fund if not returned to the contributor within thirty days of the end of the election period. Allows the candidate, candidate committee, or noncandidate committee to choose which excess contributions by nonresident contributors to return. Effective 7/1/2112. (HD1) | GVR, JHA, FIN |
| <u>SB 402, HD1</u> (<u>HSCR1437)</u> <u>Status</u> | RELATING TO REIMBURSEMENTS FOR EXPENDITURES BY COMMITTEES. Provides that expenditures by candidate committees may be made to reimburse other individuals for expenditures advanced by those individuals, in addition to those advanced by the candidate. Deletes candidate reimbursements from the category of expenditures that noncandidate committees must itemize in their reports, since noncandidate committees are not allowed to receive or make loans under existing law. Effective 7/1/2112. (HD1) | GVR, JHA, FIN |
| <u>SB 400, SD1, HD1</u> (<u>HSCR1452)</u> <u>Status</u> | RELATING TO CAMPAIGN FINANCE REPORTS. Clarifies that increased fines may apply if a candidate committee or noncandidate committee fails to timely file the preliminary primary or preliminary general report due in an unspecified number of calendar days before a primary or general election. Effective 7/1/2112. (HD1) | GVR, JHA, FIN |
| <u>SB 401, HD1</u> (<u>HSCR1436)</u> <u>Status</u> | RELATING TO VIOLATIONS OF CAMPAIGN FINANCE LAW. Increases the amount of the fine for campaign spending law violations that may be assessed against a noncandidate committee making only independent expenditures and that has received at least one contribution of more than \$10,000, or spent more than \$10,000, in an election period. Allows the campaign spending commission to order that the payment of a fine assessed against a noncandidate committee, or any portion of the fine, be paid from the personal funds of an officer of the noncandidate committee. Effective 7/1/2112. (HD1) | GVR, JHA, FIN |

| <u>SB 560, HD2</u> (<u>HSCR1497)</u> <u>Status</u> | RELATING TO RANKED CHOICE VOTING. Establishes ranked-choice voting for special federal elections and special elections of vacant county council seats. Effective 7/1/2112. (HD2) | GVR, JHA, FIN |
|--|--|----------------------|
| <u>SB 421, SD1, HD1</u> (<u>HSCR1339)</u> <u>Status</u> | RELATING TO VACANCIES. Requires vacancies in the offices of United States Senator, United States Representative, State Senator, and State Representative to be filled by special election. (HD1) | JHA, FIN |
| <u>SB 159, SD1, HD1</u> (<u>HSCR1471)</u> <u>Status</u> | RELATING TO VOTING. Makes an application for voter registration part of all state identification card or driver's license applications. Requires applicants to choose to be registered to vote or make changes to the applicant's voter registration information. Requires the sharing of certain information among the counties, department of transportation, election personnel, and online voter registration system. Effective 7/1/3021. (HD1) | JHA, FIN |
| <u>SB 548, SD1, HD1</u> (<u>HSCR1340)</u> <u>Status</u> | RELATING TO ELECTIONS BY MAIL. Amends various statutory provisions to clarify and improve the administration of elections by mail. Establishes voters with special needs advisory committees at the state and county levels. Requires PSD and the Hawaii paroling authority to inform individuals on parole or probation of their right to vote and provide them with voting information. Requires the office of elections and the county clerks to make a determination, as soon as practicable, of the optimal number and placement of voter service centers. (HD1) | JHA, FIN |
| <u>SB 225, SD1, HD1</u> (<u>HSCR1383)</u> <u>Status</u> | RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS. Specifies that the cost of regional infrastructure improvements made by the Hawaii housing finance and development corporation may be assessed against transit-oriented development projects specially benefiting from the improvements, as determined by the corporation. Requires the Hawaii interagency council for transit-oriented development to review and make recommendations on applications for subaccount funds for infrastructure projects related to transit-oriented development. Effective 7/1/2050. (HD1) | HSG/TRN, WAL, FIN |
| <u>SB 659, SD2, HD2</u> (<u>HSCR1412)</u> <u>Status</u> | RELATING TO LOW-INCOME HOUSING TAX CREDIT. Allows the low-income housing tax credit to be allocated among the partners or members of the partnership or limited liability company earning the credit in any manner agreed to by the partners or members. Requires Form 8609 to be included for taxpayers claiming the low- income housing tax credit. Specifies other restrictions and clarifies the effect of other tax provisions for buildings placed in service after 12/31/2020. Extends the increases made to the low-income housing tax credit from 12/31/2021 to an unspecified date. Applies to taxable years beginning after 12/31/2020. Effective 12/1/2050. (HD2) | HSG, CPC, FIN |

DECISION MAKING TO FOLLOW

Persons wishing to offer comments should submit testimony at least <u>24 hours</u> prior to the hearing. Testimony received after this time will be stamped late and left to the discretion of the chair to consider. While every effort will be made to incorporate all testimony received, materials received on the day of the hearing or improperly identified or directed, may not be processed.

Testimony submitted will be placed on the legislative website. This public posting of testimony on the website should be considered when including personal information in your testimony.

The chair may institute a per-testifier time limit.

Committees meeting in the morning must adjourn prior to the day's Floor Session. Therefore, due to time constraints, not all testifiers may be provided an opportunity to offer verbal comments. However, remote testifiers' written submissions will be considered by the committee.

Please refrain from profanity or uncivil behavior. Violations may result in ejection from the hearing without the ability to rejoin.

The House will not be responsible for bad connections on the testifier's end.

For general help navigating the committee hearing process, please contact the Public Access Room at (808) 587-0478 or par@capitol.hawaii.gov.

The cable TV broadcast and/or live stream of this meeting will include closed captioning. If you require other auxiliary aids or services to participate in the public hearing process (i.e. interpretive services (oral or written) or ASL interpreter) or are unable to submit testimony via the website due to a disability, please contact the committee clerk at least 24 hours prior to the hearing so that arrangements can be made.

Click here for a complete list of House Guidelines for public testimony.

For more information, please contact the Committee Clerk at 586-6200

Rep. Sylvia Luke Chair