

The Judiciary, State of Hawai'i

Testimony to the Thirty-Second State Legislature, 2023 Regular Session

House Committee on Consumer Protection & Commerce Representative Mark M. Nakashima, Chair Representative Jackson D. Sayama, Vice Chair

> February 15, 2023, 2:00 p.m. Conference Room 329 & Via Videoconference

> > By:

Michelle D. Acosta Deputy Chief Court Administrator District Court of the First Circuit

WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 71, Relating to Summary Possession

Purpose: Requires that a current GET license number for any rental income be filed with the complaint to the court for summary possession proceedings. Requires the judiciary to submit an annual list of certain information regarding summary possession cases to the department of taxation.

Judiciary's Position:

The Judiciary takes no position on the intent of House Bill No. 71, but would like to submit testimony on system impacts. The Judiciary's existing case management system (Judiciary Information Management System or "JIMS") does not have a database field or table for General Excise Tax data and changes will require software development time and resources. The required programming is estimated to be a one-time cost of \$25,000. Should the requirement take effect prior to being able to make database changes, the court staff will have to track this data manually, which would greatly impact operations. Therefore, the Judiciary respectfully requests an appropriation amount of \$25,000 and an effective date of January 1, 2024 or later.

Thank you for the opportunity to testify on this measure.

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, GET License Required to Obtain Summary Possession Remedy

BILL NUMBER: HB 71

INTRODUCED BY: MATAYOSHI, NAKASHIMA, NISHIMOTO, ONISHI, PERRUSO, QUINLAN, TAM

EXECUTIVE SUMMARY: Requires that a current GET license number for any rental income be filed with the complaint to the court for summary possession proceedings. Requires the judiciary to submit an annual list of certain information regarding summary possession cases to the department of taxation.

SYNOPSIS: Adds a new section to chapter 666, HRS, providing that the person or entity seeking possession of premises for failure to pay rent shall include in the complaint filed with the court the current general excise tax license number used for rental income earned from the premises. If the complaint does not include that information, then the complaint shall be dismissed.

Requires the judiciary to submit an annual list of summary possession cases filed with the courts to the department of taxation, with specified information.

EFFECTIVE DATE: Upon Approval

STAFF COMMENTS: Requiring a current GET license number to obtain a landlord's remedy appears to be appropriate and easy to comply with.

Digested: 2/13/2023

<u>HB-71</u> Submitted on: 2/13/2023 7:45:19 PM Testimony for CPC on 2/15/2023 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Will Caron | Individual | Support | Written Testimony Only |

Comments:

Please support HB71.

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

<u>HB-71</u>

Submitted on: 2/15/2023 1:05:00 AM Testimony for CPC on 2/15/2023 2:00:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|---------------------------|---------------------------|
| Ruth Love | Individual | Comments | Written Testimony Only |

Comments:

What if it never was a rental but just has squatters they are getting out?