



The Judiciary, State of Hawaii

Testimony to the Thirty-First Legislature, Regular Session of 2022

House Committee on Consumer Protection & Commerce
Representative Aaron Ling Johanson, Chair
Representative Lisa Kitagawa, Vice Chair

Tuesday, February 8, 2022, 2:00 p.m.
State Capitol, Conference Room 329
VIA VIDEOCONFERENCE

WRITTEN TESTIMONY ONLY

by

Rodney A. Maile
Administrative Director of the Courts

Bill No. and Title: House Bill No. 1964, 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. 1964, 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. With the current schedule to implement JIMS for Family Civil in April 2022, all development time and resources are dedicated to this effort and will not be available for additional changes until later in the year. 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 impact operations. Therefore, the Judiciary respectfully requests an effective date of January 1, 2023 or later.

Thank you for the opportunity to testify on this measure.

DAVID W.H. CHEE

Attorney at Law
1001 Bishop Street
ASB Tower, Suite 585
Honolulu, Hawaii 96813
Facsimile No. 808-208-8689

David W.H. Chee
Telephone:808-539-1150
mail: dchee@dcheelaw.com

Christine S. Prepose-Ka
Telephone:808-784-4
Email: cprepose@dcheelaw.com

February 7, 2022

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Rep. Aaron Ling Johanson, Chair
Rep. Lisa Kitagawa, Vice Chair

RE: HBI964-RELATED TO SUMMARY POSSESSION

I am an attorney who has been practicing landlord-tenant law for 29 years.

Not allowing a landlord to evict through the courts for lack of a general tax license may have severe negative consequences for tenants. I would expect that, if denied access to the courts, those housing providers that lack a GET license may elect to do self-help evictions without court procedures or protections. This type of evictions are entirely unregulated and can be very harsh.

On the other hand, when evictions are handled through the courts there is a fair process overseen by judges who safeguard the tenants', and the landlords', rights.

In my view, the legislature should be pushing everyone, including those who do not have GET licenses, to evict using the court process.

Additionally, the bill lacks any real enforcement. The Judiciary does not have a way to check each eviction lawsuit to see whether the GET license number is valid. If an eviction lawsuit is filed with an invalid GET license number, there is no way that anyone will know.

If the legislature wants to catch housing providers who may be cheating on their GET, it would make more sense to review court records to see whether the plaintiffs in the eviction lawsuits have GET licenses and are paying their taxes. That would be more direct and would minimize the likelihood of unintended consequences.

Please let me know if you have any questions.

Very truly yours,

/s/ David W. H. Chee

David W. H. Chee

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

LATE

BILL NUMBER: HB 1964

INTRODUCED BY: MATAYOSHI, BELATTI, BRANCO, HASHIMOTO, ICHIYAMA, ILAGAN, JOHANSON, KITAGAWA, MORIKAWA, NAKAMURA, NAKASHIMA, NISHIMOTO, OHNO, ONISHI, TAM, TARNAS, WILDBERGER

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: 2/7/2022