

STAND. COM. REP. NO.

418

Honolulu, Hawaii

FEB 11, 2025

RE: H.B. No. 979
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 979 entitled:

"A BILL FOR AN ACT RELATED TO SUMMARY POSSESSION,"

begs leave to report as follows:

The purpose of this measure is to require landlords, lessors,
or plaintiffs in a summary possession action to submit a general
excise tax license in good standing as a condition to the issuance
of a writ of possession.

Your Committee received testimony in support of this measure
from the Hawaii Appleseed Center for Law & Economic Justice. Your
Committee received comments on this measure from the Judiciary;
Department of Taxation; and Tax Foundation of Hawaii.

Your Committee finds that the revenue generated from the
leasing of real property is subject to the general excise tax.
Your Committee further finds that, while residential rental
properties serve a valuable role of providing housing, landlords
should also fulfill their tax obligations. This measure imposes a
requirement for the landlord to provide proof of compliance with
the landlord's general tax obligations to prior to availing the
landlord with the remedy of summary possession.

2025-1421 HB979 HD1 HSCR HMSO

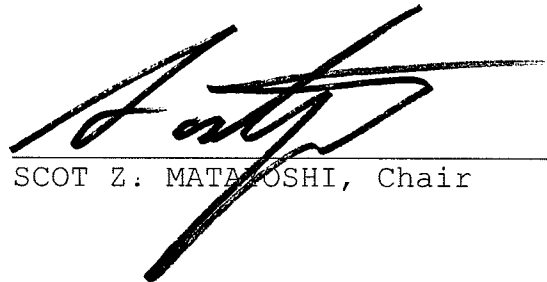


Your Committee has amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

Your Committee notes that the Judiciary, in its written testimony to your Committee, raised concerns that the measure would require the Judiciary to develop system modifications to its existing case management system to account for the general excise tax license information. As such, the Judiciary requested that the measure be effective no sooner than July 1, 2026, to allow for these necessary systems modifications.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 979, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 979, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATSUMOTO, Chair



MSR 418

| Bill/Resolution No.: HB 979 | Committee Referral: CPC, JHA | Date: 2/4/25 | | |
|--|--|------------------------|------|---------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure. | | | | |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) | | | | |
| CPC Members | Ayes | Ayes (WR) | Nays | Excused |
| 1. MATAYOSHI, Scot Z. (C) | ✓ | | | |
| 2. CHUN, Cory M. (VC) | ✓ | | | |
| 3. ILAGAN, Greggor | ✓ | | | |
| 4. ICHIYAMA, Linda | ✓ | | | |
| 5. IWAMOTO, Kim Coco | ✓ | | | |
| 6. KONG, Sam Satoru | | | | ✓ |
| 7. LOWEN, Nicole E. | | | | ✓ |
| 8. MARTEN, Lisa | ✓ | | | |
| 9. TAM, Adrian K. | ✓ | | | |
| 10. PIERICK, Elijah | ✓ | | | |
| TOTAL (10) | 8 | | | 2 |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s) | | | | |
| Vice Chair's or designee's signature: _____ | | | | |
| Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO | | | | |