

Honolulu, Hawaii

MAY 01 2015

RE: S.B. No. 519
S.D. 2
H.D. 3
C.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 519, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose and intent of this measure is to:

- (1) Extend for one additional year the changes adopted by Act 326, Session Laws of Hawaii 2012, which, among other things, established local contact and informational requirements for transient accommodations;
- (2) Require the Department of Taxation to submit an annual report to the Legislature on the implementation of Act 326, Session Laws of Hawaii 2012;



- (3) Authorize the Department of Taxation to enforce civil penalties for operators and plan managers who fail to display certificates of registration and registration identification numbers as required by section 237D-4, Hawaii Revised Statutes; and
- (4) Authorize the deposit of monetary fines into the tax administration special fund.

Your Committee on Conference finds that many residents of Hawaii believe that home-based vacation rentals should be subject to the same transient accommodations tax levied on hotel rooms and time shares. Although many home-based vacation rentals are subject to the same transient accommodations tax levied on hotel rooms and time shares, many operators of transient accommodations and plan managers of resort time share vacation plans have been circumventing the law, creating an unfair advantage over their law-abiding counterparts. In line with public sentiment on this issue, your Committee on Conference finds that action is necessary to correct this situation.

Your Committee on Conference has amended this measure by:

- (1) Deleting the contents of section 1 and inserting legislative findings relating to transient accommodation local contacts;
- (2) Deleting the definition of "transient" and inserting a definition of "local contact";
- (3) Including resort time share vacation interests, units, and plans in the definition of "transient accommodations broker";
- (4) Increasing the balance that may be retained in the tax administration special fund in each fiscal year from \$500,000 to \$700,000;
- (5) Deleting disclosure requirements regarding the transient accommodations tax law;
- (6) Specifying notice requirements relating to local contact information;
- (7) Imposing fines for a violation of the registration and local contact information display or notice requirements, including for advertisements, per transient accommodation



or resort time share vacation unit and staggering the fine amounts to increase for subsequent violations;

- (8) Authorizing conspicuous provision of an electronic link to the registration identification number of an operator or plan manager, in lieu of the actual registration identification number, in an advertisement for a transient accommodation or resort time share vacation interest, plan, or unit;
- (9) Deleting amendments to Act 326, Session Laws of Hawaii 2012;
- (10) Inserting a severability clause;
- (11) Inserting an effective date of January 1, 2016; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 519, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 519, S.D. 2, H.D. 3, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

Tom Bower

TOM BOWER, Co-Chair

Gilbert Kahele

GILBERT KAHELE, Chair

Angus L.K. McKelvey

ANGUS L.K. MCKELVEY, Co-Chair

Rosalyn H. Baker

ROSALYN H. BAKER, Co-Chair

Karl Rhoads

KARL RHOADS, Co-Chair

Gilbert S.C. Keith-Agaran

GILBERT S.C. KEITH-AGARAN, Co-Chair

Scott Y. Nishimoto

SCOTT Y. NISHIMOTO, Co-Chair

Jill N. Tokuda

JILL N. TOKUDA, Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: **SB 519, SD 2, HD 3** *CDT SMA-4* Date/Time: *5/1/2024: 5:52 PM*

The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KAHELE, Gilbert, Chr.	✓				BROWER, Tom, Co-Chr.	✓			
BAKER, Rosalyn H., Co-Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
KEITH-AGARAN, Gilbert S.C., Co-Chr.	✓				RHOADS, Karl, Co-Chr.	✓			
TOKUDA, Jill N., Co-Chr.				✓	NISHIMOTO, Scott Y., Co-Chr.	✓			
SLOM, Sam				✓	OHNO, Takashi	✓			
					WARD, Gene	✓			
TOTAL	3	-	-	2	TOTAL	6	-	-	-

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is:
 Adopted Not Adopted

House Recommendation is:
 Adopted Not Adopted

Senate Lead Chair's or Designee's Signature:
Diana White

House Lead Chair's or Designee's Signature:
Tom Brun

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