

Honolulu, Hawaii

**March 27**, 2015RE: S.B. No. 519  
S.D. 2  
H.D. 2

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

Sir:

Your Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred S.B. No. 519, S.D. 2, H.D. 1,  
entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

beg leave to report as follows:

The purpose 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 437D-4, Hawaii Revised Statutes; and
- (4) Authorize the deposit of monetary fines into the Tax Administration Special Fund.



The Hawaii Lodging & Tourism Association; Hawaii Association of Vacation Rental Managers; Rental By Owner Awareness Association; Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Outrigger Enterprises Group; Boundless Hawaii, LLC; Abbey Vacation Rentals; Hawaiian Dream Properties; Kohala Coast Properties Inc.; Sullivan Properties, Inc.; SunQuest Vacations; Timberline Land Co. HI, LLC; Kailua Neighborhood Board; and numerous individuals supported this measure. The Department of Taxation; Public Utilities Commission; Maui Hotel & Lodging Association; Condominium Rentals Hawaii; South Kohala Management; Waikaloa Vacation Rental Management; and Captain Cook Real Estate commented on this measure.

Your Committees have amended this measure by:

- (1) Adding new definitions for "transient" and "transient accommodations broker";
- (2) Clarifying the definition of "transient accommodations";
- (3) Clarifying the process for the displaying of registration identification numbers by those that offer transient accommodations;
- (4) Clarifying the definition of "local contact" in Act 326, Session Laws of Hawaii 2012, to not contravene the Landlord Tenant and Real Estate Codes;
- (5) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 519, S.D. 2, H.D. 1, as amended herein, and recommend that it be referred to the Committee on Finance, in the form attached hereto as S.B. No. 519, S.D. 2, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,



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KARL RHOADS, Chair



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ANGUS L.K. MCKELVEY, Chair



**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> <i>SB 519, SD2 HD1</i>	<b>Committee Referral:</b> <i>TOL, CPC/JUD, FIN</i>	<b>Date:</b> <i>03/25/2015</i>
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The committee is reconsidering its previous decision on the measure.

**The recommendation is to:**     
 Pass, unamended (as is)     
 Pass, with amendments (HD)     
 Hold  
 Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	///			
2. WOODSON, Justin H. (VC)	///			
3. BELATTI, Della Au	///			
4. BROWER, Tom	///			
5. CREAGAN, Richard P.	///			
6. HAR, Sharon E.	///			
7. HASHEM, Mark J.	///			/
8. KAWAKAMI, Derek S.K.	///			
9. LEE, Chris	///			
10. NAKASHIMA, Mark M.	///			
11. OSHIRO, Marcus R.	///			
12. SAN BUENAVENTURA, Joy A.	///			
13. TAKAYAMA, Gregg	///			
14. YAMANE, Ryan I.	///			
15. FUKUMOTO CHANG, Beth	///			
16. McDERMOTT, Bob	///			
<b>TOTAL (16)</b>	<b>15</b>			<b>1</b>

**The recommendation is:**     
 Adopted     
 Not Adopted  
If joint referral, \_\_\_\_\_ did not support recommendation.  
committee acronym(s)

**Vice Chair's or designee's signature:** \_\_\_\_\_

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