

STAND. COM. REP. NO.

1571

Honolulu, Hawaii

April 10, 2015

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

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

Sir:

Your Committee on Finance, to which was referred S.B. No. 519, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

begs 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) Clarify the definitions of "local contact" and "transient accommodations";
- (3) Require the Department of Taxation to submit an annual report to the Legislature on the implementation of Act 326, Session Laws of Hawaii 2012;
- (4) 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



- (5) Authorize the deposit of monetary fines into the Tax Administration Special Fund.

Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO; Abbey Vacation Rentals; Kona Coast Vacations; West Hawaii Property Services, Inc.; Condominium Rentals Hawaii; Sullivan Properties; Hawaii Association of Vacation Rental Managers; Captain Cook Real Estate; SunQuest Vacations; Hawaiian Dream Properties; Resorticahawaii.com Inc.; and a few individuals supported this measure. Northwest Public Affairs; Big Island Paradise Partnership; Hawaiian Haven, LLC; Timberline Land Co. HI, LLC; Valley Isle Resort Rental Owners Group; Maui Kihei Condo Rentals LLC; South Maui Condos Owner Direct Rental Network; TADA Holdings Ltd.; Bridges to Paradise Rentals Inc.; Maui Island Escape; and numerous individuals opposed this measure. The Department of Taxation; Rentals by Owner Awareness Association; South Kohala Management; Maui Hotel & Lodging Association; Hawaii Lodging & Tourism Association; and numerous individuals commented on this measure.

Your Committee has amended this measure by removing the amendments made to the definition of "local contact" in Act 326, Session Laws of Hawaii 2012. Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

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

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 1571

Record of Votes of the Committee on Finance

Bill/Resolution No.: SB 519, SD2, HD2	Committee Referral: TOU, CPC/JUD, FIN	Date: 4/7/2015		
<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)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)	//			
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.	//			
4. CULLEN, Ty J.K.	//			
5. DeCOITE, Lynn	//			
6. JOHANSON, Aaron Ling	//			
7. JORDAN, Jo	//			
8. KEOHOKALO, Jarrett	//			
9. KOBAYASHI, Bertrand	//			
10. LOWEN, Nicole E.	//			
11. ONISHI, Richard H.K.	//			
12. TOKIOKA, James Kunane	//			
13. YAMASHITA, Kyle T.	//			
14. POUHA, Feki	//			
15. WARD, Gene				/
TOTAL (15)	14			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____				
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