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# A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

2 SECTION 1. A recent study showed that there are  
3 approximately twenty two thousand vacation rentals around the  
4 State, most of which are illegal. The legislature finds that  
5 some of these vacation rentals may have an impact on residential  
6 communities, especially those without adequate infrastructure to  
7 accommodate additional tourists.

8 Some counties, such as the city and county of Honolulu, are  
9 debating whether to permit or restrict vacation rentals to  
10 address their adverse impact on communities. The legislature  
11 finds that while counties determine how to address the growth of  
12 illegal vacation rentals, the State should collect transient  
13 accommodations tax revenue from them to help pay for additional  
14 community services associated with vacation rentals and reduce  
15 the tax burden on local residents.

16 The legislature further finds that counties need assistance  
17 with identifying and keeping track of illegal vacation rentals



1 to obtain accurate data to help the counties decide how to  
2 handle the growth of illegal vacation rentals.

3 Accordingly, the purpose of this part is to reduce the tax  
4 burden on local residents and assist the counties with  
5 identifying illegal vacation rentals by:

6 (1) Assessing the transient accommodations tax on single  
7 family dwellings used as vacation rentals to help pay  
8 for additional, associated community services; and

9 (2) Requiring the department of taxation to create and  
10 manage a public, online database of all operators of  
11 vacation rentals that receive a certificate of  
12 registration for transient accommodations tax  
13 purposes, and subject to penalties for noncompliance.

14 SECTION 2. Section 237D-1, Hawaii Revised Statutes, is  
15 amended by amending the definition of "transient accommodations"  
16 to read as follows:

17 "Transient accommodations" means the furnishing of a room,  
18 apartment, suite, single family dwelling, or the like which is  
19 customarily occupied by a transient for less than one hundred  
20 eighty consecutive days for each letting by a hotel, apartment  
21 hotel, motel, condominium property regime or apartment as



1 defined in chapter 514A or unit as defined in chapter 514B,  
2 cooperative apartment, or rooming house that provides living  
3 quarters, sleeping, or housekeeping accommodations, or other  
4 place in which lodgings are regularly furnished to transients  
5 for consideration."

6 SECTION 3. Section 237D-4, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "§237D-4 Certificate of registration[-]; public database.

9 (a) Each operator or plan manager as a condition precedent to  
10 engaging or continuing in the business of furnishing transient  
11 accommodations or in business as a resort time share vacation  
12 plan shall register with the director the name and address of  
13 each place of business within the State subject to this chapter.  
14 The operator or plan manager shall make a one-time payment as  
15 follows:

- 16 (1) \$5 for each registration for transient accommodations  
17 consisting of one to five units;
- 18 (2) \$15 for each registration for transient accommodations  
19 consisting of six or more units; and
- 20 (3) \$15 for each resort time share vacation plan within  
21 the State;



1 upon receipt of which the director shall issue a certificate of  
2 registration in such form as the director determines, attesting  
3 that the registration has been made. The registration shall not  
4 be transferable and shall be valid only for the operator or plan  
5 manager in whose name it is issued and for the transaction of  
6 business at the place designated therein.

7 The registration, or in lieu thereof a notice stating where  
8 the registration may be inspected and examined, shall at all  
9 times be conspicuously displayed at the place for which it is  
10 issued. Acquisition of additional transient accommodation units  
11 after payment of the one-time fee shall not result in additional  
12 fees.

13 The registration provided for by this section shall be  
14 effective until canceled in writing. Any application for the  
15 reissuance of a previously canceled registration identification  
16 number shall be regarded as a new registration application and  
17 shall be subject to the payment of the one-time registration  
18 fee. The director may revoke or cancel any license issued under  
19 this chapter for cause as provided by rule under chapter 91.

20 (b) If the license fee is paid, the department shall not  
21 refuse to issue a registration or revoke or cancel a



1 registration for the exercise of a privilege protected by the  
2 First Amendment of the Constitution of the United States, or for  
3 the carrying on of interstate or foreign commerce, or for any  
4 privilege the exercise of which, under the Constitution and laws  
5 of the United States, cannot be restrained on account of  
6 nonpayment of taxes, nor shall section 237D-14 be invoked to  
7 restrain the exercise of such a privilege, or the carrying on of  
8 such commerce.

9 (c) The department shall create and manage a public,  
10 online database of all operators and plan managers that receive  
11 a certificate of registration pursuant to subsection (a). The  
12 database shall enable a user to:

13 (1) Search the database by property address to determine  
14 whether that property is managed by an operator or a  
15 plan manager who has received a certificate of  
16 registration;

17 (2) Enter the name of an operator or plan manager to  
18 determine whether the operator or plan manager has  
19 received a certificate of registration;



1        (3) Enter the name of an operator to determine the address  
2        of every transient accommodation managed by that  
3        operator; and

4        (4) Enter the name of a plan manager to determine the  
5        address of every resort time share vacation unit  
6        subject to a resort time share vacation plan managed  
7        by the plan manager.

8        [~~e~~] (d) Any person who may lawfully be required by the  
9 State, and who is required by this chapter, to register as a  
10 condition precedent to engaging or continuing in the business of  
11 furnishing transient accommodations or as a plan manager subject  
12 to taxation under this chapter, who engages or continues in the  
13 business without registering in conformity with this chapter,  
14 shall be guilty of a misdemeanor. Any director, president,  
15 secretary, or treasurer of a corporation who permits, aids, or  
16 abets such corporation to engage or continue in business without  
17 registering in conformity with this chapter, shall likewise be  
18 guilty of a misdemeanor. The penalty for the misdemeanors shall  
19 be that prescribed by section 231-34 for individuals,  
20 corporations, or officers of corporations, as the case may be,  
21 for violation of that section."



## 1 PART II

2 SECTION 4. Section 237D-6, Hawaii Revised Statutes, is  
3 amended by amending subsection (a) to read as follows:

4 "(a) On or before the twentieth day of each calendar  
5 month, every operator taxable, or plan manager liable under this  
6 chapter during the preceding calendar month shall file a sworn  
7 return with the director in such form as the director shall  
8 prescribe together with a remittance for the amount of the tax  
9 in the form required by section 237D-6.5 [-]; provided that such  
10 form shall require the filer to indicate the amount of transient  
11 accommodations tax revenues collected, aggregated by zip codes  
12 of transient accommodations from which the revenues were  
13 derived. Sections 237-30 and 237-32 shall apply to returns and  
14 penalties made under this chapter to the same extent as if the  
15 sections were set forth specifically in this section."

16 SECTION 5. Section 237D-7, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "§237D-7 Annual return. On or before the twentieth day of  
19 the fourth month following the close of the taxable year, every  
20 person who has become liable for the payment of the taxes under  
21 this chapter during the preceding tax year shall file a return



1 summarizing that person's liability under this chapter for the  
2 year, in such form as the director prescribes[-]; provided that  
3 such form shall require each filer to include the number of the  
4 filer's certificate of registration issued pursuant to section  
5 237D-4. The operator or plan manager shall transmit with the  
6 return a remittance covering the residue of the tax chargeable  
7 to the operator or plan manager, if any, to the office of the  
8 appropriate state district tax assessor designated in section  
9 237D-8. The return shall be signed by the taxpayer, if made by  
10 an individual, or by the president, vice-president, secretary,  
11 or treasurer of a corporation, if made on behalf of a  
12 corporation. If made on behalf of a partnership, firm, society,  
13 unincorporated association, group, hui, joint adventure, joint  
14 stock company, corporation, trust estate, decedent's estate,  
15 trust, or other entity, any individual delegated by the entity  
16 shall sign the same on behalf of the taxpayer. If for any  
17 reason it is not practicable for the individual taxpayer to sign  
18 the return, it may be done by any duly authorized agent. The  
19 department, for good cause shown, may extend the time for making  
20 the return on the application of any taxpayer and grant such





1 reasonable additional time within which to make the return as  
2 the department may deem advisable.

3 Section 232-2 applies to the annual return, but not to a  
4 monthly return."

5 PART III

6 SECTION 6. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 7. This Act shall take effect on July 1, 2015, and  
9 shall apply to taxable years beginning after December 31, 2015.

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INTRODUCED BY:

*[Signature]*  
*Guthrie Hicken*  
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# H.B. NO. 1288

**Report Title:**

Transient Accommodations; Registration; Public Database;  
Department of Taxation

**Description:**

Amends the definition of "transient accommodations" to include single family dwellings. Requires the department of taxation to manage a public database of all registered transient accommodation and resort time share vacation plan businesses. Requires filers of transient accommodations tax to include the amount of transient accommodations tax revenues collected by zip code and certificate of registration number on annual tax return.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

