

Honolulu, Hawaii

APR 05 2019

RE: H.B. No. 419
H.D. 2
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 419, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish various provisions relating to transient accommodations.

Specifically, this measure:

- (1) Authorizes the allocation of an unspecified amount of transient accommodations tax revenues to the counties to enforce applicable laws and ordinances relating to transient accommodations and short-term vacation rentals, provided that certain requirements are met;
- (2) Amends the definition of "transient accommodations" in the transient accommodations tax law to include other forms of transient accommodations and other terms as may be defined by the counties;
- (3) Prohibits a hosting platform from providing, and collecting a fee for, booking services in connection with transient accommodations located in the State if



the operator or plan manager is not registered with the Director of Taxation;

- (4) Requires transient accommodations brokers, hosting platforms, and booking services to submit periodic reports of transient accommodations listings to the Department of Business, Economic Development, and Tourism;
- (5) Enables a transient accommodations broker to register as a tax collection agent with respect to transient accommodations taxes and general excise taxes for the broker's operators and plan managers; and
- (6) Requires operators and plan managers to remove transient accommodation advertisements upon notice that the corresponding properties are not in compliance with state law or county ordinance.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Department of Planning, County of Maui; Department of Planning and Permitting, City and County of Honolulu; Department of Planning, County of Kauai; Chair of the Maui County Council; Kohala Coast Resort Association; Maui Hotel and Lodging Association; and Hawaii Lodging and Tourism Association.

Your Committee received written comments in opposition to this measure from Airbnb and sixteen individuals.

Your Committee received written comments on this measure from the Department of Taxation; Office of the Mayor, County of Hawaii; Rental By Owner Awareness Association; Tax Foundation of Hawaii; Expedia Group; and one individual.

Your Committee finds that, as the transient accommodations industry evolves, the laws relating to transient accommodations should be amended to ensure that accommodations are properly regulated.

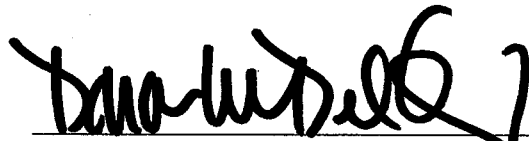
Your Committee has amended this measure by deleting its contents and inserting language to establish a new chapter within the Hawaii Revised Statutes that:



- (1) Authorizes transient accommodations in the State, subject to certain requirements, including compliance with transient accommodations tax law, general excise tax law, and permitting requirements;
- (2) Requires operators, plan managers, and their respective properties to be listed on registries that shall be created by each county;
- (3) Subjects hosting platforms to certain requirements, including the collection and remittance of transient accommodations taxes and general excise taxes and the disclosure of certain information relating to transient accommodation listings;
- (4) Authorizes the Department of Taxation to adopt rules and fees for the purposes of the new statutory chapter;
- (5) Establishes penalties and other enforcement provisions for violations of the new statutory chapter; and
- (6) Provides that the new statutory chapter shall not be construed to prohibit local governments from adopting, monitoring, and enforcing local land use ordinances, or to transfer the authority to monitor and enforce those ordinances away from the counties.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 419, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 419, H.D. 2, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
<i>HB419 HD2 SD1</i>	<i>EET/PSM, WAM</i>	<i>4/3/19</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	10			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<i>[Signature]</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes