
A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS.

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

1 SECTION 1. The legislature finds that due to a combination
2 of market demand, Internet facilitated marketing and reservation
3 systems, and minimal county enforcement, there has been a sharp
4 increase in the number of vacation rental homes and bed and
5 breakfast facilities. Many are located outside of designated
6 resort areas or hotel zones, and have created mini-tourist areas
7 within residential neighborhoods. Many are unregistered and
8 unlicensed to do business. These illegal businesses are
9 diverting residential housing stock that would otherwise be
10 available to local residents. In addition, allowing operators
11 of bed and breakfast and transient residential vacation rental
12 operations to continue operating without penalty when they have
13 not obtained the required permits, or paid the applicable taxes,
14 diminishes respect for the law and results in decreased funding
15 for the convention center, tourism, state parks, and Hawaii
16 statewide trail and access program, which are funded by the
17 transient accommodations tax.



- 1 The purpose of this Act is to require the counties to:
- 2 (1) Assess the status of illegal bed and breakfasts and
3 transient vacation rentals;
- 4 (2) Create a county-wide plan and policies to be adopted
5 by the county to effectively deal with illegal bed and
6 breakfast and vacation rental operations; and
- 7 (3) Increase enforcement efforts to identify illegal bed
8 and breakfast and vacation rental operations and bring
9 them into compliance with the applicable laws.

10 SECTION 2. Each county shall submit a report to the
11 legislature no later than twenty days prior to the convening of
12 the regular session of 2008 on:

- 13 (1) The status of illegal bed and breakfasts and transient
14 vacation rentals, including but not limited to:
- 15 (A) The number of bed and breakfasts and vacation
16 rental properties within the county and the
17 compliance rates; and
- 18 (B) Identification of the areas affected by illegal
19 bed and breakfasts and vacation rentals;
- 20 (2) A county-wide plan on how to effectively deal with
21 illegal bed and breakfast and vacation rental
22 operations; and



1 (3) Policies on how to implement the county-wide plan.

2 The director of finance shall immediately withhold any
3 transient accommodations tax amounts that are to be transferred
4 to the county under section 237D-6.5(b) (3), Hawaii Revised
5 Statutes, upon a county's failure to submit the report within
6 the prescribed time, until the county submits the report to the
7 legislature.

8 SECTION 3. The counties shall increase efforts to enforce
9 applicable state and county laws and ordinances, including but
10 not limited to zoning, tax, licensing, and registration laws,
11 applicable to bed and breakfast and vacation rental operations,
12 and shall bring the operations into compliance.

13 SECTION 4. This Act shall take effect upon its approval.

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[Signature]

Report Title:

Vacation rentals; Illegal activity

Description:

Requires each county to assess the extent of proliferation of illegal bed and breakfast establishments and other illegal transient vacation rentals within its county, create a countywide plan and policies to deal with the illegal activity, and report to the Legislature. Also requires the counties to increase enforcement.

