

JAN 22 2007

A BILL FOR AN ACT

RELATING TO VISITOR ACCOMMODATIONS.

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

1 SECTION 1. The legislature finds that there should be a
2 determined finite carrying capacity of accommodations for
3 visitors in the State. Presently, these accommodations include
4 traditional hotels under a single ownership, condominium
5 projects operated as hotels, time-shares, bed-and-breakfasts,
6 and vacation rentals in residential districts throughout the
7 State. Many of these visitor accommodations go unregulated,
8 impact local infrastructure and public services, and operate
9 without being subject to the full measure of the counties' real
10 property tax of the transient accommodations tax.

11 The purpose of this Act is to set a maximum number of
12 visitor accommodations of all kinds in each county and to
13 properly regulate their operations.

14 SECTION 2. Chapter 486K, Hawaii Revised Statutes, is
15 amended by adding a new part to be appropriately designated and
16 to read as follows:

17



1 **"PART II. VISITOR ACCOMMODATIONS**

2 **§486K-A Definitions.** As used in this part, unless the
3 context clearly requires otherwise:

4 "Department" means the department of commerce and consumer
5 affairs.

6 "Director" means the director of commerce and consumer
7 affairs.

8 "Visitor accommodation units" includes transient
9 accommodations, as defined in section 237D-1, time-shares,
10 subject to chapter 514E, and any vacation rentals that rent all
11 or part of a single-family dwelling, condominium or
12 cooperative unit, or apartment for a period of sixty days or
13 less.

14 **§486K-B Maximum number of visitor accommodations units.**

15 In consultation with the director of business, economic
16 development, and tourism and representatives of the visitor
17 industry, the director shall set a maximum number of visitor
18 accommodation units for each county, which maximum number for
19 each county, at minimum, shall include all hotel units presently
20 subject to license issued pursuant to section 445-2.

21 **§486K-C License to operate visitor accommodation units;**

22 **fee; penalty.** (a) Each operator of a visitor accommodation unit



1 shall apply for a license from the department to operate a
2 visitor accommodation unit. The application shall be in the
3 form and contain such information as prescribe by the director.

4 A license issued by the department shall include:

- 5 (1) The name and address of the operator;
- 6 (2) The name and address of the visitor accommodations;
- 7 (3) The type of visitor accommodation unit that is subject
8 to the license; and
- 9 (4) The number of visitor accommodation units allowed
10 under the license.

11 (b) The annual fee for the license shall be \$ per
12 unit.

13 (c) The license shall be posted at all times in a
14 conspicuous, clear, and unobstructed place where a visitor will
15 register for the visitor accommodation unit.

16 (d) Any person that operates a visitor accommodation unit
17 without a license for the visitor accommodation unit or fails to
18 observe any of the requirements of this part shall be fined not
19 less than \$500 nor more than \$2,000 per day per unit not
20 licensed pursuant to this section.

21 **§486K-D Transfer of license.** (a) A license to operate a
22 visitor accommodation unit shall be nontransferable by a



1 licensee. Any transfer of a license, directly or indirectly, by
2 a licensee shall be void and the license forfeited.

3 (b) In the event that an operator holding a license to
4 operate a visitor accommodation unit shall cease to operate the
5 visitor accommodation unit, the operator shall return the
6 license to the department, which shall from time to time hold a
7 public sale, by sealed bid or public auction, to issue a new
8 license to include the number of units contained in the
9 surrendered license. The proceeds of any public sale, less
10 administration costs of the public sale, shall inure to the
11 person surrendering the license.

12 **§486K-E Increase in number of visitor accommodation units.**

13 At the discretion of the director, but not less than once every
14 two years, in consultation with the department of business,
15 economic development, and tourism and representatives of the
16 visitor industry, the director shall determine whether a need
17 exists to raise or lower the maximum number of visitor
18 accommodation units for each county. Any raising or lowering of
19 the maximum number of visitor accommodation units in any county
20 shall be accomplished through rulemaking.

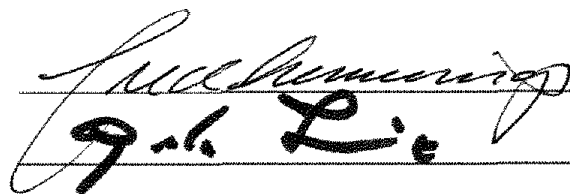
21 **§486K-F Rules.** The director, pursuant to chapter 91,
22 shall adopt rules to implement this part."



1 SECTION 3. In codifying the new sections added by section
2 2 of this Act, the revisor of statutes shall substitute
3 appropriate section numbers for the letters used in designating
4 the new sections in this Act.

5 SECTION 4. This Act shall take effect upon its approval.
6

INTRODUCED BY:



Report Title:

Visitor Accommodations; Department of Commerce and Consumer Affairs

Description:

Establishes a maximum number of visitor accommodation units in each county; requires license from DCCA to operate visitor accommodation units; provides for public sale of licenses surrendered.

