

Honolulu, Hawaii

April 27 , 2012

RE: H.B. No. 2078
H.D. 2
S.D. 2
C.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2078, H.D. 2, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TAXATION,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this bill is to foster consumer protection in the transient accommodation industry and enforce transient accommodations tax compliance by requiring:

- (1) Owners who reside outside of the State or on another island from the location of the transient accommodation to designate an agent residing on the same island as the transient accommodation; and
- (2) All advertisements and solicitations for transient accommodations to display the registration identification



number and name of designated agent for the transient accommodations.

Your Committee has amended this bill by:

- (1) Requiring the designation of a "local contact" for transient accommodations rather than the employment of a "designated agent" for purposes of complying with this measure;
- (2) Deleting certain references and duties pertaining to a "designated agent";
- (3) Deleting references to single owners that differentiated such owners from condominiums or other cooperative associations;
- (4) Changing the term "owner" to "operator" throughout for purposes of consistency with existing relevant statutes;
- (5) Requiring all operators of transient accommodations to designate a local contact;
- (6) Clarifying that a non-governmental entity with covenants, bylaws, and administrative provisions must provide the Department of Taxation with relevant information related to all owners of transient accommodations maintained in its records to avoid penalties;
- (7) Clarifying that only the registration identification numbers for all transient accommodations shall be displayed on web-based advertisements and solicitations;
- (8) Removing the requirement for the Department of Taxation to provide relevant information in relation to operators of transient accommodations on its website for the public;
- (9) Adding a sunset date of December 31, 2015; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

It is not the intent of your Committee on Conference that the term "transient accommodations" include resort time share vacation units and resort time share vacation interests subject to chapter 514E, Hawaii Revised Statutes, relating to time share plans.

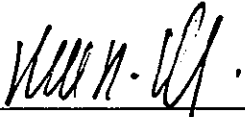


As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2078, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2078, H.D. 2, S.D. 2, C.D. 1.

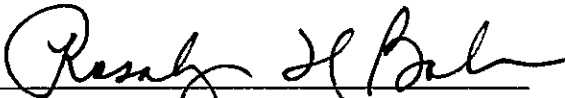
Respectfully submitted on behalf
of the managers:

ON THE PART OF THE SENATE

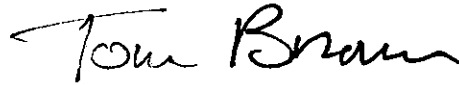
ON THE PART OF THE HOUSE



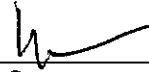
RONALD D. KOUCHI, Chair



ROSALYN H. BAKER, Co-Chair



TOM BROWER, Co-Chair



ROBERT N. HERKE, Co-Chair



JAMES KUNANE TOKIOKA, Co-Chair



