
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 Act 326, Session
2 Laws of Hawaii 2012, requires associations to collect
3 information from operators of transient accommodations, maintain
4 the information in their records, and provide that information
5 to the department of taxation. However, Act 326 can be read to
6 require an association to report more information than is
7 actually collected and can penalize the association up to
8 \$100,000 for failure to report even when the owner of a
9 transient accommodation refuses or fails to provide relevant
10 information or the name, address, and contact information of a
11 local contact to the association.

12 Therefore, the purpose of this Act is to clarify that:

13 (1) An association's duty to report to the department of
14 taxation is limited to the relevant information and
15 the name, address, and contact information of a local
16 contact an association actually receives from a
17 transient accommodation operator; and



1 (2) The fines imposed on an association or an operator
2 shall be limited to civil penalties imposed no more
3 than once a year.

4 SECTION 2. Act 326, Session Laws of Hawaii 2012, is
5 amended by amending section 2 to read as follows:

6 "SECTION 2. Chapter 237D, Hawaii Revised Statutes, is
7 amended by adding a new section to be appropriately designated
8 and to read as follows:

9 "§237D- Local contact; relevant information;

10 advertisements; transient accommodations. (a) Any operator [~~of~~
11 ~~a transient accommodation~~] shall designate a local contact
12 residing or having a principal place of business on the same
13 island where the transient accommodation is located.

14 (b) The operator shall furnish relevant information and
15 the name, address, and contact information of the local contact
16 to any association of homeowners, community association,
17 condominium association, cooperative, or any other
18 nongovernmental entity with covenants, bylaws, and
19 administrative provisions with which the operator's compliance
20 is required for the property where the transient accommodation
21 is located. The operator shall notify and provide updated
22 information to that association or nongovernmental entity within



1 sixty calendar days of any change in the relevant information or
2 the name, address, and contact information of the local contact.

3 Any person or entity who wilfully fails to supply
4 information required under this subsection shall ~~[be subject to~~
5 ~~the penalties under section 231-35; provided that a person or~~
6 ~~entity shall not be subject to any term of imprisonment or~~
7 ~~probation under section 231-35.]~~ pay a civil penalty of \$1,000.
8 The penalty shall be imposed no more than once per year.

9 (c) Any nongovernmental entity with covenants, bylaws, and
10 administrative provisions which is formed pursuant to chapter
11 514A, 514B, or 421J, shall provide the department with all
12 relevant information~~[,~~ received from operators and the name,
13 address, and contact information of local contacts designated by
14 operators and maintained in its records~~[, related to all~~
15 ~~operators who may be leasing their property as transient~~
16 ~~accommodations]~~ by December 31 of each year, or within sixty
17 calendar days of any change in the relevant information,
18 operation, or ownership of the transient accommodation~~[,~~];
19 provided that a nongovernmental entity's duty to report under
20 this section shall be limited to relevant information and the
21 name, address, and contact information of local contacts, if
22 any, received from operators. Any person or entity who wilfully



1 fails to supply information required under this subsection shall
2 ~~[be subject to the penalties under section 231-35; provided that~~
3 ~~a person or entity shall not be subject to any term of~~
4 ~~imprisonment or probation under section 231-35.]~~ pay a civil
5 penalty of \$1,000. The penalty shall be imposed no more than
6 once per year.

7 (d) Each county shall provide the department with
8 information necessary to enforce this section. Notwithstanding
9 any provision of title 14 to the contrary, the department shall
10 provide the counties with information necessary for the
11 enforcement of county real property tax laws.

12 (e) The name and phone number of the local contact for
13 each transient accommodation shall be included in any transient
14 accommodation contract or written rental agreement and shall be
15 prominently posted in the transient accommodation. The local
16 contact shall reside or have a principal place of business on
17 the same island as the transient accommodation, and shall meet
18 all other requirements under subsection (a). Any person or
19 entity who wilfully fails to supply information required under
20 this subsection shall ~~[be subject to the penalties under section~~
21 ~~231-35; provided that a person or entity shall not be subject to~~
22 ~~any term of imprisonment or probation under section 231-35.]~~ pay



1 a civil penalty of \$1,000. The penalty shall be imposed no more
2 than once per year.

3 (f) The registration identification number issued pursuant
4 to section 237D-4 shall be provided on a website or by online
5 link and displayed in all advertisements and solicitations on
6 websites regarding transient accommodations for which the
7 registration number is issued.

8 (g) The payment of any penalty assessed under this section
9 against an operator shall be in addition to the requirements
10 under section 237D-9.

11 (h) For the purposes of this section:

12 "Local contact" means an individual or company contracted
13 by the operator [~~of the transient accommodation~~] to provide
14 services required by this section. Nothing in this section
15 shall be deemed to create an employer-employee relationship
16 between an operator and its local contact.

17 "Relevant information" means the operator's name, address,
18 contact information, registration identification number issued
19 pursuant to section 237D-4, and website address if advertising
20 or soliciting the transient accommodation on the Internet.""

21 SECTION 3. Statutory material to be repealed is bracketed
22 and stricken. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Transient Accommodations; Owners and Operators; Reporting Requirements; Penalties

Description:

Clarifies that an association's duty to report to DOTAX is limited to the relevant information and the name, address, and contact information of a local contact an association actually receives from a transient accommodation operator. Clarifies that the fines imposed for wilfully failing to supply required information shall be limited to civil penalties imposed no more than once a year. Effective 07/01/2050. (SD2)

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