

Honolulu, Hawaii
February 28, 2013

RE: H.B. No. 457
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 457 entitled:

"A BILL FOR AN ACT RELATING TO ACT 326, SESSION LAWS OF HAWAII 2012, REPORTING REQUIREMENTS,"

begs leave to report as follows:

The purpose of this measure is to clarify the information that must be provided to the Department of Taxation by the operator of a transient accommodation and to modify the penalties for non-compliance.

The Community Associations Institute, AOA Alii Lani, and numerous individuals testified in support of this measure. The Department of Taxation testified in support of the intent of this measure. Numerous individuals testified in opposition to this measure. The Hawaii Association of Vacation Rental Managers provided comments on this measure.

Your Committee has amended this measure by:

- (1) Adding language that specifies certain criteria for who qualifies as a local contact;
- (2) Changing the penalties for failure to report information required by this measure from a criminal penalty to a civil penalty of \$1,000 that shall be imposed no more than once per year;



- (3) Clarifying that the reporting requirements for condominium and planned community associations that contain transient accommodations extend only to information that is received from operators;
- (4) Changing the effective date to July 1, 2112, to facilitate further discussion; and
- (5) Making technical, nonsubstantive amendments for the purpose of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 457, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 457, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



