

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 500
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 500, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to improve the administration of the transient accommodations tax.

More specifically, this measure:

- (1) Clarifies that a community or homeowner association's duty to report to the Department of Taxation is limited to the relevant information and the name, address, and contact information of a local contact the association actually receives from a transient accommodation operator; and
- (2) Amends the fine imposed on an association or an operator for failure to provide the information to a civil penalty of \$1,000 imposed no more than once a year.

Your Committee received written comments in support of this measure from the Department of Taxation and the Department of Planning and Permitting, City and County of Honolulu.

Your Committee finds that Act 326, Session Laws of Hawaii 2012, requires community or homeowner associations to collect information from operators of transient accommodations, maintain



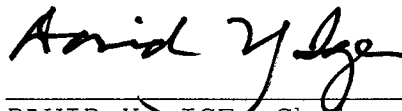
the information in their records, and provide that information to the Department of Taxation. Your Committee also finds that Act 326 can be read to require an association to report more information than is actually collected and can penalize the association up to \$100,000 for failure to report, even in situations where the owner of a transient accommodation refuses or fails to provide relevant information or the name, address, and contact information of a local contact to the association. Your Committee further finds that this measure clarifies an association's duty to collect information and modifies the penalties imposed for failure to report.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 500, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 500, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



