

JAN 27 2016

A BILL FOR AN ACT

RELATING TO TRANSIENT VACATION RENTALS.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 TRANSIENT VACATION RENTALS

6 § -1 Definitions. As used in this chapter:

7 "Department" means the department of commerce and consumer
8 affairs.

9 "Director" means the director of commerce and consumer
10 affairs.

11 "Dwelling unit" means a structure, or part of a structure,
12 for lease or rent which provides shelter.

13 "Transient vacation rental" means a single-family dwelling
14 unit, a multi-family dwelling unit, guest house, bed and
15 breakfast establishment, room, apartment, or the like which is
16 occupied for a fee by a transient occupant for less than one
17 hundred eighty consecutive days.



1 § -2 Powers and duties of the director. In addition to
2 any other powers and duties authorized by law, the director
3 shall:

4 (1) Grant certificates of registration to legal transient
5 vacation rental owners pursuant to this chapter;

6 (2) Adopt, amend, or repeal rules pursuant to chapter 91
7 as the director may deem proper to fully effectuate
8 this chapter;

9 (3) Enforce this chapter and the rules adopted pursuant
10 thereto;

11 (4) Fine, suspend, terminate, or revoke any registration
12 for any cause prescribed by this chapter, or for any
13 violation of the rules, and refuse to grant any
14 registration for any cause that would be grounds for
15 revocation, termination, or suspension of a
16 registration; and

17 (5) Investigate the actions of any person or agency acting
18 or alleged to be acting in the capacity of a
19 registrant under this chapter.

20 § -3 Registration required. (a) No transient vacation
21 rental shall operate or do business in this State without first



1 registering with the director under this chapter and fulfilling
2 all county requirements.

3 (b) Registration shall include:

4 (1) The name, address, and contact information of the
5 owner of the legal transient vacation rental;

6 (2) A description of the property, including the tax map
7 key number, street address, and name the property is
8 known by, whether a unique name for the property or an
9 association or building name;

10 (3) Submission of a complete application for registration;

11 (4) Submission of a:

12 (A) Certificate of good standing or a certificate of
13 authority from the department's business
14 registration division;

15 (B) General excise tax license issued pursuant to
16 chapter 237; and

17 (C) Transient accommodations tax registration number
18 issued pursuant to chapter 237D;

19 (5) Submission of:

20 (A) A written agreement describing the manner in
21 which rent is collected, including but not



1 limited to merchant accounts, an auto-debit
2 transaction, bank transfer, check as defined in
3 section 480F-1, electronic funds transfer, or a
4 local agent; and

5 (B) The name, phone number, and address of the local
6 agent, who shall be available twenty-four hours a
7 day, seven days a week;

8 (6) Proof of compliance with the requirements of sections
9 237-30.5 and 237D-8.5;

10 (7) Proof of compliance with any county ordinances
11 relating to the regulation of vacation rentals;

12 (8) If required, a nonconforming use certificate issued
13 pursuant to section -6; and

14 (9) Payment of appropriate fees.

15 (c) No registration may be assigned, sold, leased,
16 encumbered, or otherwise transferred, except upon the written
17 application to and approval by the director.

18 § -4 **Application for registration.** The director shall
19 prescribe the form of the application for registration. Each
20 application shall be accompanied by the appropriate fees.



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1 § -5 **Certificate of registration.** Each certificate of
2 registration shall be in a form prescribed and signed by the
3 director and issued in the name of the department.

4 § -6 **Nonconforming uses.** (a) Any legal transient
5 vacation rental existing on January 1, 2017, may be continued;
6 provided that no nonconforming use shall be expanded, replaced,
7 reconstructed, or changed. When a legal transient vacation
8 rental that is a nonconforming use is discontinued or held in
9 abeyance for a period of one year, the further continuation of
10 the use shall be prohibited.

11 (b) To qualify as a nonconforming use under this section,
12 the owner of the legal transient vacation rental shall submit to
13 the director:

14 (1) Proof of payment of general excise taxes on the gross
15 rents collected from the transient vacation rental for
16 the past seven years; and

17 (2) Proof of payment of transient accommodations taxes on
18 the gross rents collected from the transient vacation
19 rental for the past seven years.

20 § -7 **Prohibited acts.** No owner of a transient vacation
21 rental shall:



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1 (1) Sell or advertise a transient vacation rental without
2 first registering with the director under this
3 chapter; or

4 (2) Otherwise violate any of the provisions of this
5 chapter or rules adopted pursuant to this chapter.

6 § -8 Penalty. (a) Any owner of a transient vacation
7 rental who fails to comply with this chapter shall pay a civil
8 penalty of \$ for each separate offense; provided that
9 following a warning issued by the director or an agent charged
10 with the enforcement of this chapter, the owner shall be subject
11 to a fine of \$ for each separate offense.

12 (b) All fines shall be paid to the department and
13 deposited into the compliance resolution fund under section
14 26-9(o).

15 § -9 County authority. The several counties through
16 rules adopted pursuant to chapter 91 or ordinance may establish
17 additional regulations for transient vacation rentals."

18 SECTION 2. This Act shall take effect on January 1, 2017.

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S.B. NO. 2974

Report Title:

Transient Vacation Rentals; Registration; Department of Commerce and Consumer Affairs; Compliance Resolution Fund

Description:

Requires registration of transient vacation rentals with the director of commerce and consumer affairs prior to operating or doing business in the State. Permits certain nonconforming uses of transient vacation rentals. Establishes penalties for noncompliance with registration requirements and allocates associated fines to the compliance resolution fund. Authorizes the counties to impose additional regulations. Registration requirements effective January 1, 2017.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

