

Honolulu, Hawaii

February 16, 2018

RE: H.B. No. 2605
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 2605 entitled:

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

begs leave to report as follows:

The purpose of this measure is to assist counties in enforcing transient accommodations and short-term vacation rental ordinances by:

- (1) Establishing a one-year temporary program whereby a county can qualify to receive up to \$1,000,000 in transient accommodations tax revenues, if it passes ordinances relating to transient accommodations and short-term vacation rentals that establish specified real property taxes, and expedited special use permit processing, violation processing, and appeal processing, and complies with notification requirements; and
- (2) Appropriating \$4,000,000 of transient accommodations tax revenues to assist the counties in enforcing the required transient accommodations ordinances.

The Council Chair of the Hawaii County Council, two Councilmembers representing Council Districts 3 and 4 of the Hawaii County Council, Council Chair of the Maui County Council,



and Councilmember representing East Maui of the Maui County Council testified in support of this measure. The Department of Planning and Permitting of the City and County of Honolulu and Hawaii Lodging and Tourism Association testified in support of the intent of this measure. The Department of Budget and Finance, Department of the Attorney General, Office of Hawaiian Affairs, Mayor of the County of Hawaii, Tax Foundation of Hawaii, and Airbnb provided comments.

Your Committee has amended this measure by:

- (1) Changing the length of stay at a short-term vacation rental which a county must enact ordinances to regulate in order to receive transient accommodations tax revenues for enforcement from thirty days to one-hundred eighty days;
- (2) Inserting language establishing reporting requirements for a county receiving funds for the enforcement of all applicable laws and ordinances relating to transient accommodations and short-term vacation rentals; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2605, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2605, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Tourism,


RICHARD H.K. ONISHI, Chair



