

STAND. COM. REP. NO.

1234

Honolulu, Hawaii

March 23, 2017

RE: S.B. No. 704
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred S.B. No. 704, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO VACATION RENTALS,"

begs leave to report as follows:

The purpose of this measure, as received by your Committee, is to establish an online vacation rental working group to better understand the issues and impacts related to online vacation rentals of residential properties and develop strategies to mitigate any adverse impacts caused by this industry.

The Hawaii Tourism Authority, Department of Planning and Permitting of the City and County of Honolulu, Hawaii Appleseed Center for Law & Economic Justice, Expedia, Inc., International Longshore and Warehouse Union Local 142, Rental By Owner Awareness Association, Unite Here Local 5, Save Oahu's Neighborhoods, North Shore Neighbors, and several concerned individuals supported this measure. The Department of Taxation, Department of Business, Economic Development and Tourism, Hawaii Association of REALTORS, American Hotel and Lodging Association, Airbnb, and a concerned individual offered comments.

Your Committee has amended this measure by deleting its contents and inserting the substantive provisions of House Bill

SB704 HD1 HSCR TOU HMS 2017-3136



No. 1471, H.D. 1, which was heard by your Committee earlier this session. As amended, this measure recognizes the dynamic changes occurring in the vacation rental sector by:

- (1) Promoting ease and efficiency in the collection of transient accommodations and general excise taxes by establishing a framework allowing transient accommodations brokers to register as tax collection agents for the collection and remittance of general excise and transient accommodations taxes owed by transient accommodations operators and plan managers using the brokers' services; and
- (2) Allocating transient accommodations tax revenues to the counties for fiscal year 2017-2018 for compliance and enforcement of the transient accommodations tax.

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 S.B. No. 704, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 704, S.D. 2, 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



