

Honolulu, Hawaii

APR 05

, 2019

RE: S.B. No. 1292  
S.D. 2  
H.D. 3

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1292, S.D. 2, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Amend the definition of "transient accommodations" to include other forms of transient accommodations and other terms that the counties may have defined for regulation as such;
- (2) Make any person who fails to register prior to engaging or continuing in the business of furnishing transient accommodations subject to a citation process and civil monetary fines, rather than a misdemeanor offense;
- (3) Make any person who enters into an agreement to furnish transient accommodations without registering subject to a citation process and monetary fines; and
- (4) Require hosting platforms that collect fees for booking services to register as tax collection agents on behalf of their operators and plan managers for purposes of



collecting general excise taxes and transient accommodations taxes.

The Hawai'i Tourism Authority, Council Chair of the Maui County Council, Maui Chamber of Commerce, Maui Hotel and Lodging Association, Kohala Coast Resort Association, and The Fairmont Orchid supported this measure. Airbnb and NetChoice opposed this measure. The Department of the Attorney General, Department of Taxation, Department of Planning of the County of Kaua'i, Department of Planning of the County of Maui, Department of Planning and Permitting of the City and County of Honolulu, Tax Foundation of Hawaii, Hawai'i Lodging and Tourism Association, Rental By Owner Awareness Association, and Expedia Group provided comments.

Your Committee has amended this measure by:

- (1) Clarifying the tax liability of tax collection agents for the taxes due and collected on behalf of operators and plan managers of transient accommodations;
- (2) Specifying the relevant contents of each annual return filed by tax collection agents with the Department of Taxation;
- (3) Removing the provisions that required the Director of Taxation to provide each county the minimal amount of data necessary to provide meaningful enforcement of its ordinances and rules; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1292, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1292, S.D. 2, H.D. 3.



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



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SYLVIA LUKE, Chair



