

JAN 19 2024

A BILL FOR AN ACT

RELATING TO PROPERTY.

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 title 26 to be appropriately designated
3 and to read as follows:

4 "CHAPTER

5 SHORT-TERM RENTALS; HOSTING PLATFORMS

6 § -A Definitions. For the purposes of this chapter,
7 unless the context otherwise requires:

8 "Application program interface" means a software
9 intermediary that makes it possible for application programs to
10 interact with each other and share data or successor
11 technologies.

12 "Class A multiple dwelling" means a multiple dwelling that
13 is occupied for permanent residence purposes.

14 "Class B multiple dwelling" means a multiple dwelling that
15 is occupied transiently as the temporary abode of individuals or
16 families who are lodged with or without the provision of meals.

17 "Class B multiple dwelling" includes hotels, lodging houses,



1 rooming houses, boarding houses, boarding schools, furnished
2 room houses, lodgings, club houses, and college and school
3 dormitories.

4 "Department" means the department of commerce and consumer
5 affairs.

6 "Division" means the business registration division of the
7 department.

8 "Dwelling unit" means any residential accommodation in a
9 multiple dwelling or private dwelling.

10 "Electronic verification system" means a system created and
11 maintained by the division pursuant to section -G.

12 "Hosting platform" means a person that directly or
13 indirectly:

14 (1) Provides one or more online, computer or
15 application-based platforms that individually or
16 collectively can be used to:

17 (A) List or advertise offers for short-term rentals;
18 and

19 (B) Either accept the offers, or reserve or pay for
20 the rentals; and



1 (2) Charges, collects or receives a fee for the use of the
2 platform or for provision of any service in connection
3 with a short-term rental.

4 "Hosting platform" does not include:

5 (1) Any platform that solely lists or advertises offers
6 for short-term rentals; or

7 (2) Any registered host.

8 "Listing" means an advertisement on a hosting platform that
9 offers a short-term rental.

10 "Multiple dwelling" means a dwelling that is rented,
11 leased, let, or hired out for the purpose of being occupied as
12 the residence or home of three or more families living
13 independently of each other.

14 "Private dwelling" means any building or structure designed
15 and occupied for residential purposes by not more than two
16 families.

17 "Registered host" means a natural person who:

18 (1) Is an owner and permanent occupant of a dwelling unit;
19 and

20 (2) Has applied for and holds a valid registration for the
21 dwelling unit pursuant to this chapter.



1 "Rooming unit" means one or more living rooms arranged to
2 be occupied as a unit separate from all other living rooms,
3 and that does not have both lawful sanitary facilities and
4 lawful cooking facilities for the exclusive use of the family
5 residing in the unit.

6 "Short-term rental" means a rental for fewer than thirty
7 consecutive days of a dwelling unit within a private dwelling or
8 class A multiple dwelling, or in the case of a mixed use
9 building, a rental of a class A dwelling unit therein for fewer
10 than thirty consecutive days.

11 "Short-term rental registration number" means a
12 registration number issued in accordance with a short-term
13 rental registration of a dwelling unit pursuant to this chapter.

14 § -B Limitation of applicability. This chapter shall
15 not apply to:

- 16 (1) The short-term rental of class B multiple dwellings or
17 class B dwelling units within mixed use buildings;
- 18 (2) Short-term rentals for dwelling units that were
19 regulated by any county before the effective date of
20 Act , Session Laws of Hawaii 2024; or
- 21 (3) Vacation rentals regulated by chapter 514E.



1 § -C Short-term rental registration. (a) No person who
2 owns, manages, occupies or otherwise controls a dwelling unit
3 shall:

4 (1) Offer, manage, or administer the short-term rental of
5 the dwelling unit unless the dwelling unit has been
6 registered pursuant to this chapter, has been issued a
7 unique short-term rental registration number, and the
8 registration is currently valid; or

9 (2) Falsely represent or falsely advertise a dwelling unit
10 as registered for short-term rental pursuant to this
11 chapter if the dwelling unit is not registered
12 pursuant to this chapter.

13 (b) The form and manner of applying for a short-term
14 rental registration or renewal thereof shall be established by
15 the division.

16 (c) No short-term rental registration shall be issued
17 unless:

18 (1) The applicant is a natural person who is an owner and
19 permanent occupant of the dwelling unit;

20 (2) The applicant has described, in a form acceptable to
21 the division, any parts of the premises containing the



1 unit or accommodation that a person occupying a
2 short-term rental at the unit or accommodation will be
3 allowed to occupy or use;

4 (3) The applicant certifies in a form and manner to be
5 specified by the division that the applicant
6 understands and agrees to comply with this chapter,
7 any rules adopted thereto, and other applicable laws
8 relating to the short-term rental of dwelling units in
9 private dwellings and class A multiple dwellings, or
10 in class A dwelling units within mixed use buildings;

11 (4) The division has determined that the dwelling unit is
12 safe for occupants;

13 (5) The division has verified the occupancy classification
14 of the building, or with respect to a mixed use
15 building, the occupancy classification of the dwelling
16 unit to be occupied as a short-term rental;

17 (6) The division has verified that the building does not
18 appear on the prohibited buildings list published
19 pursuant to this section;

20 (7) Where the applicant uses a hosting platform, the
21 applicant has provided the uniform resource locator or

1 listing identifier and the associated hosting platform
2 name for all existing listings of the dwelling unit
3 and agrees that any listing of the dwelling unit with
4 a hosting platform shall be reported to the division
5 prior to the listing being used to make an agreement
6 for a short-term rental; and

7 (8) The applicant has paid an application or renewal fee
8 in an amount to be established by rules adopted
9 pursuant to chapter 91.

10 (d) No short-term rental registration shall be issued for
11 a dwelling unit in public housing.

12 (e) No short-term rental registration shall be issued for
13 a rooming unit.

14 (f) Issuance of a registration for a dwelling unit
15 pursuant to this chapter shall not be construed as permission
16 for or approval of the use of the dwelling unit for any
17 occupancy that would be in violation of cooperative bylaws;
18 condominium association declarations, bylaws, rules, or
19 regulations; zoning laws; construction codes; or any other
20 applicable laws or rules.



1 (g) A short-term rental registration or renewal thereof
2 shall be valid for a period established by the division.

3 (h) A short-term rental registration or renewal thereof is
4 not transferable.

5 (i) If the information provided by an applicant in
6 connection with an application for a short-term rental
7 registration or renewal thereof changes before the expiration of
8 such registration or renewal thereof, the applicant shall submit
9 the changes to the division in a time, form and manner
10 established by the division.

11 (j) Upon receipt of a complete initial application, the
12 division shall notify the owner of record of the dwelling unit
13 and of the building, which shall state that an application for a
14 short-term rental registration has been received.

15 (k) The division shall create and maintain a prohibited
16 buildings list of all addresses whose owner, including any
17 applicable board of a condominium or homeowner association or
18 its managers and agents, has notified the division in a form and
19 manner to be specified by the division that no short-term rental
20 of any dwelling unit therein is permitted. The division shall
21 adopt rules pursuant to chapter 91 relating to applications for



1 inclusion on the prohibited buildings list, including rules
2 requiring building owners to certify that leases and other
3 occupancy agreements for dwelling units within the building
4 prohibit short-term rentals and rules relating to removing
5 buildings from the prohibited building list. Where all dwelling
6 units in a building are prohibited pursuant to subsection (d),
7 the buildings shall also be included on the prohibited building
8 list. The division shall publish the prohibited buildings list
9 on its website.

10 (1) For each hosting platform disclosed by the registrant
11 as having a listing for the registered dwelling unit, the
12 division, as soon as practicable, shall notify the hosting
13 platform of any revocation of a short-term rental registration.

14 § -D Short-term rental; registered host premises
15 required. The registered host of a dwelling unit shall be
16 present on the premises of the dwelling unit for the duration of
17 any short-term rental of the unit.

18 § -E Posting and advertising. (a) A registered host of
19 a dwelling unit shall conspicuously post and maintain within the
20 dwelling unit, during each short-term rental thereof:



1 (1) A diagram indicating normal and emergency egress
2 routes from such unit and the building containing such
3 unit, in a form and manner established by division;
4 and

5 (2) A copy of the short-term rental registration
6 certificate for the unit, which shall include the
7 registration number.

8 (b) A registered host shall include in any advertisement
9 or other offer for the short-term rental of a dwelling unit the
10 short-term registration number for the unit.

11 (c) A registered host shall maintain, for at least seven
12 years after each short-term rental, a record of the short-term
13 rental in a manner established by the division and containing
14 information as the division shall prescribe. The records shall
15 be provided to the division pursuant to applicable law and rules
16 adopted by the division pursuant to chapter 91.

17 § -F Reporting. (a) The division shall make the
18 following information on each short-term rental registration
19 available on its website in as close to real time as
20 practicable:

21 (1) Registration number;



1 (2) Uniform resource locators associated with such
2 registration;

3 (3) Address and unit number of the dwelling unit,
4 including latitude and longitude;

5 (4) Status of the registration, including active or
6 revoked; and

7 (5) Expiration date of registration.

8 (b) The division shall provide a website where members of
9 the public may submit a registration number or uniform resource
10 locator that will return associated information provided in
11 subsection (a) and instructions on how to file a complaint
12 related to unregistered activity.

13 (c) The division shall submit to the governor and the
14 legislature, and post on the division's website, no later than
15 twenty days prior to the convening of each regular session, a
16 report that states, at minimum:

17 (1) The number of active short-term rental registrations;

18 (2) The number of short-term registration applications and
19 renewals: applied for, granted, refused, revoked and
20 pending;



1 (3) The average time to process registration applications
2 and renewals;

3 (4) A summary of the reasons applications or renewals have
4 been denied and registrations revoked;

5 (5) The total number and reasons for summonses issued; and

6 (6) The total penalties imposed and collected.

7 **§ -G Electronic verification system.** (a) The division
8 shall create and maintain an application program interface that
9 a hosting platform may use to:

10 (1) Verify whether a housing accommodation or dwelling
11 unit that is the subject of a short-term rental is a
12 class B multiple dwelling;

13 (2) Verify that the dwelling unit or housing accommodation
14 that is the subject of the short-term rental has a
15 currently valid short-term rental registration number,
16 and that the full legal name of the registered host
17 and the physical address of the dwelling unit
18 associated with the short-term rental match the
19 registered host and physical address information
20 associated with the registration number, and that the
21 uniform resource locator or listing identifier being



1 used to offer the short term rental is associated with
2 the currently valid short-term rental registration
3 number; and

4 (3) Obtain a unique confirmation number reflecting that
5 such verification has occurred.

6 (b) There shall be an electronic verification system fee
7 for hosting platforms' use of the electronic verification
8 system. The amount of the fee shall be established by the
9 division by rules adopted pursuant to chapter 91; provided that
10 the amount shall not exceed the amount necessary for the
11 division to build, operate, and maintain the system.

12 § -H Hosting platforms; verification of lawful rental.

13 (a) No hosting platform shall charge, collect, or receive a fee
14 from a person in connection with a short-term rental of a
15 dwelling unit or housing accommodation unless the hosting
16 platform has used the electronic verification system maintained
17 by the division to:

18 (1) Verify that the short-term rental is for a dwelling
19 unit or housing accommodation that is a class B
20 multiple dwelling; or

21 (2) Verify that:



1 (A) The dwelling unit or housing accommodation that
2 is the subject of the short-term rental is
3 associated with the short-term rental
4 registration number submitted to the hosting
5 platform and that the registration is currently
6 valid;

7 (B) The uniform resource locator or listing
8 identifier being used to offer the short-term
9 rental is associated with the short-term rental
10 registration number; and

11 (C) The registered host and physical address
12 information provided by the registered host to
13 the hosting platform match the information
14 contained in the electronic verification system,
15 including the full legal name of the registered
16 host and the full physical address of the
17 dwelling unit or housing accommodation.

18 (b) A hosting platform shall reconfirm the active
19 registration of a dwelling unit any time it knows or should have
20 known that any data it used to complete the verification in this



1 section has changed. The division may establish a minimum
2 reverification period by rules adopted pursuant to chapter 91.

3 (c) A hosting platform shall report to the division on a
4 monthly basis in a manner and form established by the division
5 for each transaction relating to a short-term rental:

6 (1) The hosting platform public uniform resource locator
7 for the listing or other identifier; and

8 (2) The unique confirmation number obtained from the
9 electronic verification.

10 Upon submission of each report, a hosting platform shall
11 certify that the verification required by subsection (a) has
12 occurred for each transaction in the report.

13 § -I Penalties. Any person, including any owner of any
14 dwelling unit, or any hosting platform, who violates this
15 chapter shall be assessed an administrative fine of \$10,000 per
16 violation per day.

17 § -J Rules. The division shall adopt rules pursuant to
18 chapter 91 necessary for the purposes of this chapter; provided
19 that in drafting its rules, the division shall review and duly
20 consider applicable provisions of the Rules of the City of New
21 York as a potential model for emulation."



1 SECTION 2. Section 46-4, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) This section and any ordinance, rule, or regulation
4 adopted in accordance with this section shall apply to lands not
5 contained within the forest reserve boundaries as established on
6 January 31, 1957, or as subsequently amended.

7 Zoning in all counties shall be accomplished within the
8 framework of a long-range, comprehensive general plan prepared
9 or being prepared to guide the overall future development of the
10 county. Zoning shall be one of the tools available to the
11 county to put the general plan into effect in an orderly manner.
12 Zoning in the counties of Hawaii, Maui, and Kauai means the
13 establishment of districts of such number, shape, and area, and
14 the adoption of regulations for each district to carry out the
15 purposes of this section. In establishing or regulating the
16 districts, full consideration shall be given to all available
17 data as to soil classification and physical use capabilities of
18 the land to allow and encourage the most beneficial use of the
19 land consonant with good zoning practices. The zoning power
20 granted herein shall be exercised by ordinance which may relate
21 to:



- 1 (1) The areas within which agriculture, forestry,
2 industry, trade, and business may be conducted;
- 3 (2) The areas in which residential uses may be regulated
4 or prohibited;
- 5 (3) The areas bordering natural watercourses, channels,
6 and streams, in which trades or industries, filling or
7 dumping, erection of structures, and the location of
8 buildings may be prohibited or restricted;
- 9 (4) The areas in which particular uses may be subjected to
10 special restrictions;
- 11 (5) The location of buildings and structures designed for
12 specific uses and designation of uses for which
13 buildings and structures may not be used or altered;
- 14 (6) The location, height, bulk, number of stories, and
15 size of buildings and other structures;
- 16 (7) The location of roads, schools, and recreation areas;
- 17 (8) Building setback lines and future street lines;
- 18 (9) The density and distribution of population;
- 19 (10) The percentage of a lot that may be occupied, size of
20 yards, courts, and other open spaces;
- 21 (11) Minimum and maximum lot sizes; [~~and~~]



1 (12) The time, place, manner, and duration in which uses of
 2 land and structures may take place; provided that
 3 zoning regulations that restrict the time, place,
 4 manner, or duration of a use of property shall not be
 5 deemed to create different types of land uses or
 6 structures based on time, place, manner, or duration
 7 restrictions established by the counties;

8 (13) Practices of hosting platforms that provide booking
 9 services for short-term rentals; and

10 [~~12~~] (14) Other regulations the boards or city council find
 11 necessary and proper to permit and encourage the
 12 orderly development of land resources within their
 13 jurisdictions.

14 The council of any county shall prescribe rules,
 15 regulations, and administrative procedures and provide personnel
 16 it finds necessary to enforce this section and any ordinance
 17 enacted in accordance with this section. The ordinances may be
 18 enforced by appropriate fines and penalties, civil or criminal,
 19 or by court order at the suit of the county or the owner or
 20 owners of real estate directly affected by the ordinances.



1 Any civil fine or penalty provided by ordinance under this
2 section may be imposed by the district court, or by the zoning
3 agency after an opportunity for a hearing pursuant to
4 chapter 91. The proceeding shall not be a prerequisite for any
5 injunctive relief ordered by the circuit court.

6 Nothing in this section shall invalidate any zoning
7 ordinance or regulation adopted by any county or other agency of
8 government pursuant to the statutes in effect prior to July 1,
9 1957.

10 The powers granted herein shall be liberally construed in
11 favor of the county exercising them, and in such a manner as to
12 promote the orderly development of each county or city and
13 county in accordance with a long-range, comprehensive general
14 plan to ensure the greatest benefit for the State as a whole.
15 This section shall not be construed to limit or repeal any
16 powers of any county to achieve these ends through zoning and
17 building regulations, except insofar as forest and water reserve
18 zones are concerned and as provided in subsections (c) and (d).

19 Neither this section nor any ordinance enacted pursuant to
20 this section shall prohibit the continued lawful use of any
21 building or premises for any trade, industrial, residential,



1 agricultural, or other purpose for which the building or
2 premises is used at the time this section or the ordinance takes
3 effect; provided that a zoning ordinance may provide for
4 elimination of nonconforming uses as the uses are discontinued,
5 or for the amortization or phasing out of nonconforming uses or
6 signs over a reasonable period of time in commercial,
7 industrial, resort, and apartment zoned areas only. In no event
8 shall such amortization or phasing out of nonconforming uses
9 apply to any existing building or premises used for residential
10 (single-family or duplex) or agricultural uses. Nothing in this
11 section shall affect or impair the powers and duties of the
12 director of transportation as set forth in chapter 262.

13 Notwithstanding any provision in this section to the
14 contrary, a county may adopt zoning ordinances and regulations
15 that provide for the amortization, or phasing out over a
16 reasonable period of time, of land uses or structures that were
17 established after the effective date of the first comprehensive
18 zoning ordinance adopted by that county.

19 For the purposes of this subsection:



1 "Booking service" means a reservation or payment service
2 that facilitates a short-term rental transaction between a
3 prospective renter and a host.

4 "Hosting platform" means a person or entity participating
5 in the short-term rental business by providing, and collecting
6 or receiving a fee for, a booking service.

7 "Short-term rentals" means rentals involving payment for
8 use, or swapping, bartering, or exchange, of residential
9 dwellings, or portions thereof, for stays of less than one
10 hundred eighty days, or any shorter maximum duration as
11 determined by a county, by persons other than the owners of the
12 residential dwelling. "Short-term rentals" include "transient
13 vacation rentals" as defined in section 514E-1."

14 SECTION 3. Section 237D-1, Hawaii Revised Statutes, is
15 amended by amending the definition of "transient accommodations"
16 to read as follows:

17 "Transient accommodations" means the furnishing of a room,
18 apartment, suite, single family dwelling, shelter, or the like
19 to a transient for less than one hundred eighty consecutive days
20 for each letting in a hotel, apartment hotel, motel, condominium
21 or unit as defined in chapter 514B, cooperative apartment,



1 dwelling unit, or rooming house that provides living quarters,
2 sleeping, or housekeeping accommodations, vehicles with, or
3 advertised as including, sleeping accommodations, or other place
4 in which lodgings are regularly furnished to transients."

5 SECTION 4. In accordance with section 9 of article VII, of
6 the Constitution of the State of Hawaii and sections 37-91 and
7 37-93, Hawaii Revised Statutes, the legislature has determined
8 that the appropriation contained in this Act will cause the
9 state general fund expenditure ceiling for fiscal year 2024-2025
10 to be exceeded by \$, or per cent. The reasons
11 for exceeding the general fund expenditure ceiling are that the
12 appropriation made in this Act is necessary to serve the public
13 interest and to meet the needs provided for by this Act.

14 SECTION 5. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2024-2025 for
17 the business registration division of the department of commerce
18 and consumer affairs to regulate short-term rentals pursuant to
19 this Act.

20 The sum appropriated shall be expended by the department of
21 commerce and consumer affairs for the purposes of this Act.



1 SECTION 6. This Act does not affect rights and duties that
2 matured, penalties that were incurred, and proceedings that were
3 begun before its effective date.

4 SECTION 7. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 8. This Act shall take effect on July 1, 2024.

7

INTRODUCED BY: _____

A large, bold, handwritten signature in black ink, written over a horizontal line. The signature is stylized and appears to be the name of the person who introduced the bill.

S.B. NO. 2919

Report Title:

DCCA; Short-Term Rentals; Registration; County Zoning; TAT; Appropriation; General Fund Expenditure Ceiling Exceeded

Description:

Establishes and appropriates moneys for a regulatory scheme for short-term rentals of dwelling units under the Business Registration Division of the Department of Commerce and Consumer Affairs. Expands the zoning powers of counties. Expands the scope of the transient accommodations tax law to include certain shelters and vehicles with sleeping accommodations. Declares that the appropriation exceeds the state general fund expenditure ceiling for 2024-2025.

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

