

---

---

## A BILL FOR AN ACT

RELATING TO IMPACT FEES.

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

1           SECTION 1. Chapter 421J, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§421J-           Transient vacation rentals; impact fee. (a)

5 The board of directors of an association located in a zoning  
6 district that allows transient vacation rentals may assess an  
7 impact fee on members who use their units as transient vacation  
8 rentals.

9           (b) Impact fees assessed and collected pursuant to this  
10 section shall be used for:

11           (1) Maintenance and repair of common areas;

12           (2) Enhanced security measures, including surveillance  
13 systems and security personnel;

14           (3) Administrative costs incurred by the association  
15 related to monitoring and regulating transient  
16 vacation rentals; and



1       (4) Insurance costs associated with an insurance policy  
2       procured by the association or its board of directors.

3       (c) The board of directors shall:

4       (1) Notify any member who uses their unit as a transient  
5       vacation rental of the new impact fee structure no  
6       later than            days before assessing the impact fee;  
7       and

8       (2) Establish clear procedures, by a resolution adopted by  
9       the board, for the assessment, collection, and use of  
10      impact fees, including any penalties for  
11      noncompliance; provided that any decision regarding  
12      whether to assess an impact fee pursuant to this  
13      section shall be included on the agenda for the annual  
14      or duly noticed special meeting of the association.

15      (d) For purposes of this section, "transient vacation  
16      rental" means "short-term rental home", "short-term vacation  
17      rental", "transient vacation rental", "transient vacation unit",  
18      or "transient vacation use", or any other similar term as  
19      defined by county ordinance."



1 SECTION 2. Chapter 514B, Hawaii Revised Statutes, is  
2 amended by adding a new section to part VII to be appropriately  
3 designated and to read as follows:

4 **"§514B- Transient vacation rentals; impact fee. (a)**

5 The board of directors of an association located in a zoning  
6 district that allows transient vacation rentals may assess an  
7 impact fee on unit owners who use their units as transient  
8 vacation rentals.

9 (b) Impact fees assessed and collected pursuant to this  
10 section shall be used for:

- 11 (1) Maintenance and repair of the common elements;
- 12 (2) Enhanced security measures, including surveillance  
13 systems and security personnel;
- 14 (3) Administrative costs incurred by the association  
15 related to monitoring and regulating transient  
16 vacation rentals; and
- 17 (4) Insurance costs associated with an insurance policy  
18 procured by the association or its board of directors.

19 (c) The board of directors shall:

- 20 (1) Notify any unit owner who uses their unit as a  
21 transient vacation rental of the new impact fee





# H.B. NO. 972

**Report Title:**

Condominium Associations; Planned Community Associations;  
Transient Vacation Rentals; Impact Fee

**Description:**

Authorizes condominium associations and planned community associations located in a zoning district that allows for transient vacation rentals to impose an impact fee on owners who use their units as transient vacation rentals.

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

