
A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS.

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

1 SECTION 1. The legislature finds that due to a combination
2 of market demand, Internet-facilitated marketing and reservation
3 systems, and minimal county enforcement, there has been a sharp
4 increase in the number of vacation rental homes and bed and
5 breakfast facilities in the state. The legislature supports the
6 operations of those transient accommodations businesses that
7 abide by the law, working under the appropriate licenses and
8 paying their lawfully required taxes.

9 However, the legislature finds that many bed and breakfasts
10 and vacation rental homes are located outside of designated
11 resort areas or hotel zones, and have created mini-tourist areas
12 within residential neighborhoods. Many are unregistered and
13 unlicensed to do business. These illegal businesses are
14 diverting residential housing stock that would otherwise be
15 available to local residents. In addition, allowing operators
16 of bed and breakfast and transient residential vacation rental
17 operations to continue operating without penalty when they have
18 not obtained the required permits, or paid the applicable taxes,



1 diminishes respect for the law and results in decreased funding
2 for the convention center, tourism, state parks, and Hawaii
3 statewide trial and access program, which are funded by the
4 transient accommodations tax.

5 The purpose of this Act is to require the counties to:

- 6 (1) Assess the status of illegal bed and breakfasts and
7 transient vacation rentals;
- 8 (2) Assess the current licensing application process for
9 bed and breakfasts and transient vacation rentals,
10 including ways to provide more opportunities for
11 individuals and businesses to obtain licenses;
- 12 (3) Create a statewide plan and policies to be adopted
13 by the county to effectively deal with illegal bed and
14 breakfast and vacation rental operations; and
- 15 (4) Increase enforcement efforts to identify illegal bed
16 and breakfast and vacation rental operations and bring
17 them into compliance with the applicable laws.

18 SECTION 2. Each county shall submit a report to the
19 legislature no later than twenty days prior to the convening of
20 the regular session of 2008 on:

- 21 (1) The status of illegal bed and breakfasts and transient
22 vacation rentals, including but not limited to:



- 1 (A) The number of bed and breakfasts and vacation
- 2 rental properties within the county and the
- 3 compliance rates; and
- 4 (B) Identification of the areas affected by illegal
- 5 bed and breakfasts and vacation rentals;
- 6 (2) The current licensing application process for bed and
- 7 breakfasts and transient vacation rentals, including
- 8 ways to provide more opportunities for individuals and
- 9 businesses to obtain licenses;
- 10 (3) A statewide plan on how to effectively deal with
- 11 illegal bed and breakfast and vacation rental
- 12 operations; and
- 13 (4) Policies on how to implement the statewide plan.

14 SECTION 3. The counties shall increase efforts to enforce

15 applicable state and county laws and ordinances, including but

16 not limited to zoning, tax, licensing, and registration laws,

17 applicable to bed and breakfast and vacation rental operations,

18 and shall bring the operations into compliance.

19 SECTION 4. This Act shall take effect on January 1, 2025.



Report Title:

Vacation Rentals; Illegal Activity; Counties

Description:

Requires each county to assess the extent of proliferation of illegal bed and breakfast establishments and other illegal transient vacation rentals within its county, assess the current licensing application process and ways to provide more opportunities to obtain licenses, create a statewide plan and policies to deal with the illegal activity, and submit reports to the Legislature. Also requires the counties to increase enforcement. (HB1603 HD1)

