

STAND. COM. REP. NO. **478**

Honolulu, Hawaii

FEB 20 2015

RE: S.B. No. 201
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committees on Tourism and International Affairs,
Commerce and Consumer Protection, and Judiciary and Labor, to
which was referred S.B. No. 201 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Clarify that a single family dwelling used as a vacation rental is a transient accommodation subject to all applicable laws;
- (2) Require the Department of Taxation to manage a public database of all registered transient accommodation operators and resort time share vacation plan managers;
- (3) Make failure to register as a business furnishing transient accommodations a class C felony, rather than a misdemeanor; and
- (4) Require filers of transient accommodations tax returns to include the amount of transient accommodations tax revenues collected by zip code for each periodic tax return filed and the certificate of registration number on annual tax returns.

Your Committees received testimony in support of this measure from the Hawaii Government Employees Association, AFSCME Local



152, AFL-CIO; North Shore Neighbors; Maui Hotel & Lodging Association; Hawaii Appleseed Center for Law and Economic Justice; and seven individuals. Your Committees received testimony in opposition to this measure from the Hawaii Tourism Authority; Rental By Owner Awareness Association; and eighteen individuals. Your Committees received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and three individuals.

Your Committees find that although many operators of transient accommodations are in compliance with applicable state and county laws, there are a sizeable number of operators, especially those operating single family homes as vacation rentals, who are not. Failure to comply denies the State and counties of the transient accommodations taxes and general excises taxes they are due, while also burdening residential communities with increased traffic, unknown individuals, and potential nuisances.

Your Committees further find that it is necessary for persons who furnish a single family dwelling as a transient accommodation to fully understand that that they are subject to the transient accommodations tax, general excises tax, registration with the Department of Taxation, and all applicable laws requiring an on-island contact and inclusion of the registration number on any advertising, including on the Internet.

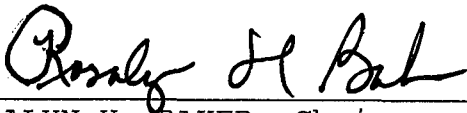
Your Committees have amended this measure by:

- (1) Deleting section 2, which requires the Department of Taxation to create and manage an online database of all registered operators and plan managers and increases the penalty for failure to register a business furnishing a transient accommodation from a misdemeanor to a class C felony;
- (2) Deleting sections 3 and 4, which require filers of transient accommodations tax returns to include the amount of transient accommodations tax revenues collected by zip code for each periodic tax return filed and include the certificate of registration number on annual tax returns; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

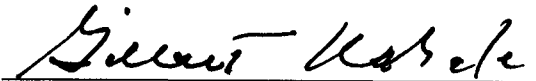


As affirmed by the records of votes of the members of your Committees on Tourism and International Affairs, Commerce and Consumer Protection, and Judiciary and Labor that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 201, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 201, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Tourism and
International Affairs, Commerce
and Consumer Protection, and
Judiciary and Labor,



ROSALYN H. BAKER, Chair



GILBERT KAHELE, Chair



GILBERT S.C. KEITH-AGARAN, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Tourism and International Affairs
TSI

Bill / Resolution No.:* SB 201	Committee Referral: TSI/CPN/JDL, WAM	Date: 18 Feb 2015		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Gilbert (C)	X			
ENGLISH, J. Kalani (VC)	X			
TANIGUCHI, Brian T.	X			
TOKUDA, Jill N.				X
SLOM, Sam				X
TOTAL	3			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>A. Kalani English</i>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

Record of Votes
Committee on Commerce and Consumer Protection
CPN

*Only one measure per Record of Votes

The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Judiciary and Labor
JDL

Bill / Resolution No.:* <div style="font-size: 1.2em; font-family: cursive;">SB 201</div>	Committee Referral: <div style="font-size: 1.2em; font-family: cursive;">TSI/CPN/JDL, WAM</div>	Date: <div style="font-size: 1.2em; font-family: cursive;">2/18/15</div>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended <small>2312</small></div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments <small>2311</small></div> <div style="text-align: center;"><input type="checkbox"/> Hold <small>2310</small></div> <div style="text-align: center;"><input type="checkbox"/> Recommit <small>2313</small></div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
KEITH-AGARAN, Gilbert S.C. (C)	✓			
SHIMABUKURO, Maile S.L. (VC)	✓			
ESPERO, Will	✓			
GABBARD, Mike				✓
IHARA, Jr., Les				✓
THIELEN, Laura H.	✓			
SLOM, Sam		✓		
TOTAL	4	1	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="font-size: 1.5em; font-family: cursive; text-align: center;">[Signature]</div>				
Distribution: <div style="display: flex; justify-content: space-around; font-size: 0.8em;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

***Only one measure per Record of Votes**