
A BILL FOR AN ACT

RELATING TO SHORT-TERM VACATION RENTALS.

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

1 SECTION 1. This Act shall be known and may be cited as the
2 Hawaii Short-Term Vacation Rental Accountability and Community
3 Protection Act.

4 SECTION 2. The legislature finds that owners and operators
5 of short-term vacation rentals in Hawaii must act as responsible
6 stewards within their communities.

7 Accordingly, the purpose of this Act is to:

- 8 (1) Establish a state agency dedicated to liaising with
9 respective county permitting departments;
10 (2) Formalize a process to address community complaints;
11 (3) Enforce compliance with existing laws and ordinances;
12 and
13 (4) Create penalties for non-compliance, including fines
14 and revocation of permits.

15 SECTION 3. The Hawaii Revised Statutes is amended by
16 adding a new chapter to be appropriately designated and to read
17 as follows:



1 "CHAPTER

2 HAWAII COMMUNITY HOUSING AND RENTAL OVERSIGHT AGENCY

3 § -1 Definitions. As used in this chapter, unless the
4 context otherwise requires:

5 "Agency" means the Hawaii community housing and rental
6 oversight agency.

7 "Community" or "community members" means residents of the
8 State who reside or work in a neighborhood where short-term
9 vacation rentals are in operation.

10 "County planning department" means the planning department
11 of the counties of Kauai, Maui, and Hawaii and the department of
12 planning and permitting of the city and county of Honolulu, or
13 other appropriate agency as designated by the county councils.

14 "Short-term vacation rental" means a lodging that provides
15 guest accommodation for less than thirty consecutive days.

16 § -2 Hawaii community housing and rental oversight
17 agency; established. (a) There is established the Hawaii
18 community housing and rental oversight agency, to be attached to
19 the department of commerce and consumer affairs for
20 administrative purposes.



(b) The agency shall be headed by an executive director, who shall be appointed by, and who shall serve at the pleasure of, the director of commerce and consumer affairs. The executive director shall not be subject to chapters 76 or 89 but shall be included in any benefit program generally applicable to officers and employees of the State.

§ -3 Duties and responsibilities. (a) The agency shall serve as a liaison between the community, county planning departments, and other public and private entities.

(b) To perform its duties under subsection (a), the agency shall:

(1) Develop a centralized system to collect, track, and address complaints regarding short-term vacation rentals;

(2) In coordination with the community, county planning departments, and other parties, develop community standards of conduct applicable to short-term vacation rentals, guests staying at short-term vacation rentals, and operators of short-term vacation rentals;

(3) Collaborate with the county planning departments to investigate complaints and enforce regulations



1 relating to short-term vacation rentals and ensure
2 that community standards are upheld;

3 (4) Provide educational resources and outreach to
4 community members relating to short-term vacation
5 rentals, including:

6 (A) Rights of community members;

7 (B) Procedures to file complaints; and

8 (C) Other potential methods to obtain recourse; and

9 (5) No later than twenty days prior to the convening of
10 each regular session, submit to the legislature an
11 annual report that includes:

12 (A) The number of complaints received by the agency
13 during the preceding year and a summary of the
14 nature of those complaints;

15 (B) Actions taken by the agency, county planning
16 departments, or other agencies to address the
17 complaints;

18 (C) A summary of the final resolution of those
19 complaints;

20 (D) The agency's assessment of this chapter's
21 effectiveness;



(E) Any proposed changes to this chapter, including refinements to the agency's complaint and enforcement procedures; and

(F) Any other findings and recommendations, including proposed legislation.

(c) In performing its responsibilities under this chapter, the agency may:

(1) Enter into contracts necessary to perform its duties;

(2) Provide advice to the governor, director of commerce and consumer affairs, county planning departments, and other persons on any matter relating to short-term vacation rentals;

(3) Initiate in a court of competent jurisdiction proceedings necessary to foreclose on property pursuant to section -6(c);

(4) Adopt rules in accordance with chapter 91 that are necessary for the purposes of this chapter;

(5) Subject to available funds, hire employees and set their duties; and

(6) Take any other actions necessary to perform its duties under this chapter.



1 § -4 **Complaints; procedures.** (a) The agency, in
2 coordination with the county planning departments, shall develop
3 and maintain a centralized system for community members to
4 submit complaints regarding short-term vacation rentals,
5 including noise complaints, safety complaints, or other
6 nuisances.

7 (b) The agency shall adopt rules pursuant to chapter 91
8 governing the response to complaints received using the system;
9 provided that, at a minimum, the agency shall provide to the
10 complainant:

11 (1) Within seventy-two hours of receiving the complaint, a
12 written response acknowledging receipt of a complaint;
13 and

14 (2) Within ten working days after the acknowledgement
15 pursuant to paragraph (1), a report detailing either
16 the status or outcome of the complaint. The agency
17 shall coordinate with the appropriate county planning
18 department in writing the report required under this
19 paragraph.

20 (c) The agency shall maintain a public log of complaints
21 and the resolution of those complaints; provided that the agency



1 shall ensure that no information shall be included that could
2 reasonably allow a person to determine the identity of a
3 complainant.

4 **§ -5 Prohibition of unpermitted operations.** No person
5 shall operate a short-term vacation rental without the necessary
6 permits required by law.

7 **§ -6 Enforcement; penalties.** (a) If, after
8 investigating a complaint under section -4, the agency
9 determines that a person is in violation of:

10 (1) Section -5;

11 (2) A state or county law, ordinance, or rule; or

12 (3) The community standards developed under
13 section -3(b)(2),

14 the agency may order a short-term vacation rental operator to
15 cease operations and impose a penalty as provided in subsection
16 (b).

17 (b) A person who is ordered to cease operations under
18 subsection (a) shall make all identified corrective actions and
19 provide the agency proof that the violations identified by the
20 agency have been corrected. If the agency is satisfied that the
21 violations have been corrected, the agency shall terminate the



1 order to cease operations and authorize the person to resume
2 operations.

3 (c) A person found in violation pursuant to subsection (a)
4 shall be subject to the following penalties:

5 (1) For a first violation, a fine of up to \$10,000 per day
6 until the person either obtains the required permits,
7 terminates the activity that is the subject of the
8 violation, or otherwise rectifies the violation; and

9 (2) For a second or subsequent violation:

10 (A) A fine of up to \$20,000 per day until the person
11 either obtains the required permits, terminates
12 the activity that is the subject of the
13 violation, or otherwise rectifies the violation;

14 (B) Revocation of permits necessary to operate the
15 short-term vacation rental;

16 (C) Confiscation of the property pursuant to
17 foreclosure proceedings as provided by law; or

18 (D) Any combination of subparagraphs (A) through (C).

19 (d) The penalties imposed under this chapter shall be in
20 addition to any other penalties that may be imposed under any
21 other law or ordinance."



SECTION 4. Chapter 421J, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§421J- Short-term vacation rentals; restrictions; conflicts. (a) No person who owns, operates, or holds a financial interest in a short-term vacation rental within a planned community shall:

(1) Vote on any matter relating to the regulation or operation of short-term vacation rentals within the planned community; or

(2) Serve on the board of directors for the association that governs the planned community.

(b) Each planned community's association documents shall include provisions that require members to declare whether the person owns, operates, or holds a financial interest in a short-term vacation rental within the planned community, and transparently document those declaration to ensure that the restrictions in subsection (a) are enforced."

SECTION 5. Chapter 514B, Hawaii Revised Statutes, is amended by adding a new section to part VI to be appropriately designated and to read as follows:



1 "§514B- Short-term vacation rentals; restrictions;
2 conflicts. (a) No person who owns, operates, or holds a
3 financial interest in a unit used as a short-term vacation
4 rental within a condominium shall:

5 (1) Vote on any matter relating to the regulation or
6 operation of short-term vacation rentals within the
7 condominium; or

8 (2) Serve on the board of directors for the association
9 that governs the condominium.

10 (b) Each condominium's bylaws shall include provisions
11 that require unit owners to declare whether the person owns,
12 operates, or holds a financial interest in a short-term vacation
13 rental within the condominium, and transparently document those
14 declarations to ensure that the restrictions in subsection (a)
15 are enforced."

16 SECTION 6. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$ or so
18 much thereof as may be necessary for fiscal year 2025-2026 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2026-2027 to implement section 3 of this Act, including the
21 establishment of full-time equivalent (FTE) positions.



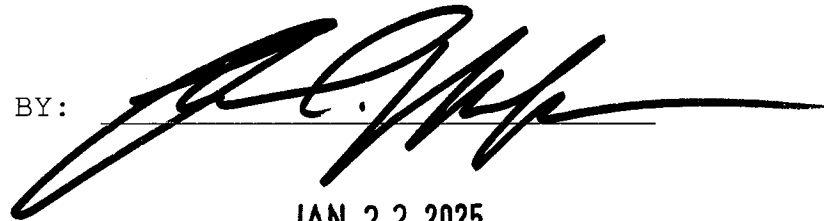
1 The sums appropriated shall be expended by the department
2 of commerce and consumer affairs for the purposes of this Act.

3 SECTION 7. This Act does not affect rights and duties that
4 matured, penalties that were incurred, and proceedings that were
5 begun before its effective date.

6 SECTION 8. This Act shall take effect on January 1, 2026.

7

INTRODUCED BY: _____



JAN 22 2025



H.B. NO. 1266

Report Title:

Short-Term Vacation Rentals; Enforcement Agency; Establishment; DCCA; Counties; Penalties; Condominiums; Community Associations; Appropriations

Description:

Establishes the Hawaii Community Housing and Rental Oversight Agency within the Department of Commerce and Consumer Affairs to establish and oversee a process for receiving and addressing complaints relating to short-term vacation rentals, in coordination with the county planning departments. Establishes penalties for noncompliance. Prohibits persons with interests in short-term vacation rentals from serving on governing boards of planned communities and condominiums. Appropriates moneys.

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

