

JAN 17 2025

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."



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

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

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

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

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

(c) The board of directors shall:

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



1 structure no later than days before assessing the
2 impact fee; and

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

10 (d) For purposes of this section, "transient vacation
11 rental" means "short-term rental home", "short-term vacation
12 rental", "transient vacation rental", "transient vacation unit",
13 or "transient vacation use", or any other similar term as
14 defined by county ordinance."

15 SECTION 3. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval.

17
INTRODUCED BY:



S.B. NO. 1206

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.

