
A BILL FOR AN ACT

RELATING TO VACATION RENTALS.

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

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 **"CHAPTER**

5 **SHORT-TERM VACATION RENTAL ENFORCEMENT**

6 **§ -1 Definitions.** As used in this chapter, unless the
7 context otherwise requires:

8 "Department" means the department of taxation.

9 "Illegal short-term vacation rental" means any short-term
10 vacation rental that violates a county ordinance related to
11 short-term vacation rentals, minimum stay requirements, or
12 zoning.

13 "Operator" means any person operating a short-term vacation
14 rental, whether as owner or proprietor, host, lessee, sublessee,
15 mortgagee in possession, licensee, or otherwise, or engaging or
16 continuing in any service business that involves short-term
17 vacation rentals.



1 "Person" has the same meaning as in section 231-1.

2 "Short-term vacation rental" means a room, apartment,
3 suite, single family dwelling, shelter, vehicle, boat or other
4 watercraft, or the like rented to a transient that does not
5 exceed a certain number of days as established by the counties.

6 "Short-term vacation rental broker" means any person,
7 including but not limited to persons who operate online
8 websites, online travel agencies, or online booking agencies,
9 that offers, lists, advertises, or accepts reservations or
10 collects whole or partial payment for short-term vacation
11 rentals.

12 **§ -2 Liens; foreclosure.** Any bank or lender with a lien
13 upon an illegal short-term vacation rental shall foreclose on
14 the illegal short-term vacation rental if the lien is not
15 settled within five years after its placement.

16 **§ -3 County enforcement; evidence.** Any county enforcing
17 an ordinance pertaining to short-term vacation rentals may
18 consider time-stamped screenshots of vacation rentals operating
19 illegally on short-term vacation rental broker platforms as
20 evidence of the offering or advertising of illegal short-term
21 vacation rentals.



1 **§ -4 Short-term vacation rental brokers; data.** (a)
2 Every short-term vacation rental broker shall file, on or before
3 March 31 following the close of the calendar year, a statement
4 with the department that includes the following information for
5 each short-term vacation rental in the State that was offered,
6 listed, advertised, reserved, booked, paid for, or otherwise
7 transacted on the short-term rental broker's platform during the
8 calendar year:

9 (1) The name, user identification number, profile
10 identification number, address, social security number
11 or federal employer identification number, general
12 excise tax license number, and transient
13 accommodations tax registration number of each
14 operator;

15 (2) The name, address, and unique property identification
16 number of each short-term vacation rental;

17 (3) The annual gross rental or gross rental proceeds the
18 operator derives from each short-term vacation rental;
19 and

20 (4) The tax map key number of each short-term vacation
21 rental.



4 (c) Failure to comply with any provision in this section
5 shall be unlawful. The department may issue a citation to any
6 person who fails to comply with any provision of this section.

7 A citation issued pursuant to this subsection shall include a
8 monetary fine of no more than \$500 per violation. Any fine
9 assessed under this subsection shall be due and payable thirty
10 days after issuance, subject to appeal rights provided under
11 this subsection. Citations may be appealed to the director or
12 the director's designee, and the determination of the director
13 may be appealed to the circuit court pursuant to chapter 91."

14 SECTION 2. Section 201B-1, Hawaii Revised Statutes, is
15 amended by amending the definition of "destination management"
16 to read as follows:

17 ""Destination management" means a collaborative and
18 coordinated process with public, private, and community
19 stakeholders to manage the various elements of a visitor
20 destination to:



- (1) Create, implement, and monitor strategies that attract targeted visitor markets and improve visitor experiences;
- (2) Improve natural and cultural resources valued by Hawaii residents and visitors;
- (3) Develop and maintain tourism-related infrastructure to prevent overcrowding and overtaxing sites and resources; ~~and~~
- (4) Ensure that the provision of services enhances the visitor experience~~;~~; and
- (5) Ensure that vacation rentals are lawful and that all state and county laws and ordinances pertaining to short-term vacation rentals are enforced. For the purposes of this paragraph, "short-term vacation rentals" has the same meaning as in section -1.

SECTION 3. Section 237D-2.5, Hawaii Revised Statutes, is

17 amended to read as follows:

18 " [+] \$237D-2.5 [+] County transient accommodations tax;

19 **administration.** (a) The county transient accommodations tax,
20 upon the adoption of a county ordinance and in accordance with
21 the requirements of section 46-20.7, shall be levied, assessed



1 and collected as provided in this section on all gross rental,
2 gross rental proceeds, and fair market rental value taxable
3 under this chapter. No county shall set its transient
4 accommodations tax at a rate greater than three per cent of all
5 gross rental, gross rental proceeds, and fair market rental
6 value taxable under this chapter. With respect to the county
7 transient accommodations tax, the applicable county director of
8 finance shall have all the rights and powers of the director of
9 taxation provided under this chapter.

10 (b) The county transient accommodations tax, if adopted,
11 shall be imposed on the gross rental, gross rental proceeds, and
12 fair market rental value of all written contracts that require
13 the passing on of the taxes imposed under this chapter; provided
14 that if the gross rental, gross rental proceeds, and fair market
15 rental value are received as payments beginning in the taxable
16 year in which the taxes become effective, on contracts entered
17 into prior to the adoption of the ordinance pursuant to section
18 46-20.7, and the written contracts do not provide for the
19 passing on of increased rates of taxes, the county transient
20 accommodations tax shall not be imposed on the gross rental,
21 gross rental proceeds, and fair market rental value covered



1 under the written contracts. The county transient
2 accommodations tax shall be imposed on the gross rental, gross
3 rental proceeds, and fair market rental value from all contracts
4 entered into on or after the adoption of the ordinance pursuant
5 to section 46-20.7, regardless of whether the contract allows
6 for the passing on of any tax or any tax increases.

7 (c) No county transient accommodations tax shall be
8 established on any form of accommodation that is exempt from the
9 taxes imposed by this chapter pursuant to section 237D-3.

10 (d) The counties may use any revenue from the county
11 transient accommodations tax for the enforcement of short-term
12 vacation rentals. For the purposes of this subsection, "short-
13 term vacation rental" has the same meaning as in section -1."

14 SECTION 4. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$ or so
16 much thereof as may be necessary for fiscal year 2026-2027 for
17 the department of taxation to collect taxes owed by illegal
18 short-term vacation rental operators.

19 The sum appropriated shall be expended by the department of
20 taxation for the purposes of this Act.



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

4 SECTION 6. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 7. This Act shall take effect on July 1, 2026.

7

INTRODUCED BY:



JAN 16 2026



H.B. NO. 1590

Report Title:

Short-term Vacation Rentals; Enforcement; Liens; Screenshots; Fines; Destination Management; County Transient Accommodations Tax; Appropriation

Description:

Requires banks and lenders with a lien upon an illegal short-term rental to foreclose if the lien is not settled within five years. Allows counties to use time-stamped screenshots as evidence for the enforcement of short-term vacation rentals. Requires short-term vacation rental brokers to provide certain data to the Department of Taxation on or before 3/31 following the close of the calendar year. Authorizes the Department of Taxation to issue fines. Includes short-term vacation rental enforcement in the Hawaii Tourism Authority's plans, practices, and efforts involving destination management. Clarifies that the counties may use revenue from the County Transient Accommodations Tax for the enforcement of short-term vacation rentals. Appropriates funds.

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