

Honolulu, Hawaii
FEB 19, 2026

RE: H.B. No. 1590
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1590, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VACATION RENTALS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Allow counties to use time-stamped screenshots as evidence for the enforcement of short-term vacation rentals;
- (2) Require the Hawaii Tourism Authority's plans, practices, and efforts involving destination management to include promotion of use of traditional or lawful transient accommodations;
- (3) Clarify that the counties may use revenue from the County Transient Accommodations Tax for the enforcement of short-term vacation rentals;
- (4) Require hosting platforms that earn service fees for providing booking services for transient accommodations to register with the Department of Taxation as tax collection agents and report, collect, and remit general



excise and transient accommodations taxes on behalf of operators; and

- (5) Appropriate funds to the Department of Taxation to collect taxes owed by illegal short-term vacation rental operators.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawai'i Tourism Authority; Office of Hawaiian Affairs; and one individual. Your Committee received testimony in opposition to this measure from the Libertarian Party of Hawaii; Airbnb; and two individuals. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; Hawai'i Mid and Short-Term Rental Alliance; Hawai'i Association of REALTORS; Expedia Group; and UNITE HERE Local 5.

Your Committee finds that counties and the Department of Taxation face practical difficulties enforcing short-term vacation rental laws and collecting taxes owed when illegal rentals are advertised and transacted through digital hosting platforms. This measure provides a legally sound framework to support enforcement while promoting compliance with existing county and state laws.

Your Committee has amended this measure by:

- (1) Codifying the language that would allow the counties to use time-stamped screenshots as evidence for the enforcement of short-term vacation rentals under chapter 46, Hawaii Revised Statutes, which provides for county organization and administration;
- (2) Amending the definitions of "short-term vacation rental" and "hosting platform";
- (3) Clarifying that the hosting platform's obligation to report, collect, and remit general excise and transient accommodations taxes on behalf of its operators applies specifically to short-term vacation rentals, not all transient accommodations;
- (4) Amending the information required to be included in the annual returns filed by hosting platforms for general excise and transient accommodations taxes;



- (5) Clarifying that the information in the returns shall be confidential, shall not be disclosed to others, and shall be used only for the purpose of levying and collecting general excise and transient accommodations taxes;
- (6) Clarifying that the requirements for hosting platforms under the general excise tax laws do not apply to real estate brokers or real estate salespersons or to the collection of rentals by third parties, under certain circumstances;
- (7) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that the effective date of this measure should be July 1, 2026, with part II taking effect July 1, 2027.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1590, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1590, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



