

STAND. COM. REP. NO. 3348

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 1590
H.D. 3
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committees on Economic Development and Tourism, Energy and Intergovernmental Affairs, and Commerce and Consumer Protection, to which was referred H.B. No. 1590, H.D. 3, entitled:

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

beg leave to report as follows:

The purpose and intent 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) Beginning January 1, 2027, require hosting platforms that earn service fees for providing booking services for short-term vacation rentals 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.

Your Committees 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 Committees received testimony in opposition to this measure from three individuals.

Your Committees received comments on this measure from the Department of Taxation, Department of the Attorney General, Hawai'i Association of REALTORS, KOSTRO, HIMAST Alliance, Tax Foundation of Hawaii, Expedia Group, UNITE HERE Local 5, and Airbnb.

Your Committees find that thousands of housing units statewide are estimated to be used as short-term vacation rentals, many of which are operating outside of county zoning and permitting laws, which tightens local housing supply, drives up rents, and accelerates displacement, particularly in rural areas and communities with limited rental inventory. Your Committees further find that the State and counties need additional tools to address the proliferation of illegal short-term vacation rentals enforcement burdens, and assist with the timely and efficient collection of tax revenues in the short-term vacation rental sector. Your Committees note that requiring hosting platforms to register as tax collection agents will improve overall tax compliance by shifting the responsibility for reporting and remitting the general excise tax and transient accommodations tax from thousands of individual operators to a smaller number of hosting platforms. This measure discourages illegal conversions of housing stock to short-term vacation rentals and supports the preservation of residential units for long-term use.

Your Committees have amended this measure by:

- (1) Replacing the term "short-term vacation rental" with the term "transient accommodations", as defined under section 237D-1, Hawaii Revised Statutes (HRS);



- (2) Deleting language that would have added a new definition of "short-term vacation rental" to section 237D-1, HRS;
- (3) Deleting language that would have required each annual return filed by a hosting platform registered as a tax collection agent under section 237-33, HRS, to include the following information for each operator on whose behalf the hosting platform is required to report, collect, and pay over taxes due under chapters 237 and 237D, HRS:
 - (A) Address of each short-term vacation rental;
 - (B) Gross receipts;
 - (C) General excise tax license number; and
 - (D) Transient accommodations tax registration number;
- (4) Clarifying the hosting platform requirements under chapters 235 and 237D, HRS, shall not apply to a real estate broker or real estate salesperson who collects general excise tax or transient accommodations tax;
- (5) Inserting language to clarify that each hosting platform registered as a tax collection agent shall maintain all suitable records for each operator for whom the hosting platform provides booking services, as may be necessary to determine and verify the tax collected;
- (6) Deleting language that would have specified that the records for each operator maintained by each hosting platform registered as a tax collection agent include the operator's name, address of the short-term vacation rental, the period of occupancy, gross rental or gross rental proceeds, and taxes collected and remitted on behalf of the operator;
- (7) Inserting language to require that information furnished to or secured by the Department of Taxation from a hosting platform as a tax collection agent or contained in any audit report or findings shall:

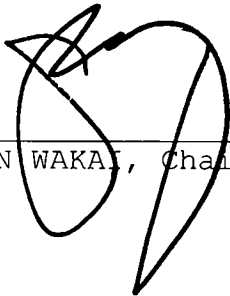


- (A) Be confidential and subject to section 237-34, HRS, relating to filing of returns;
 - (B) Not be divulged to any other department or official of the State or any county; and
 - (C) Be used by officials only for the purpose of levying and collecting the general excise tax by tax collection agents;
- (8) Deleting language that would have amended section 237-41.5, HRS, to impose personal liability and trust obligations on hosting platforms for amounts collected as tax collection agents under the general excise tax law;
 - (9) Amending the definition of "hosting platform" under section 237D-1, HRS;
 - (10) Inserting an effective date of July 1, 3050, to encourage further discussion; and
 - (11) 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 Economic Development and Tourism, Energy and Intergovernmental Affairs, and Commerce and Consumer Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1590, H.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1590, H.D. 3, S.D. 1, and be referred to your Committees on Ways and Means and Judiciary.



Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Tourism, Energy
and Intergovernmental Affairs,
and Commerce and Consumer
Protection,



GLENN WAKAI, Chair



LYNN DECOITE, Chair



JARRETT LECHOKALOLE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* HB1590, HD3	Committee Referral: EDT/EIG/CPN, WAM/JDC	Date: 3/25/26		
<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
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn	✓			
RICHARDS, III, Herbert M. "Tim"				✓
FEVELLA, Kurt	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes

The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HB1590 HD3	Committee Referral: EDT/EIG/CPN, WAM/JDL	Date: 03/25/2026		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton				✓
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes