

NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TAXATION  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

FREDERICK D. PABLO  
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

To: The Honorable Donna Mercado Kim, Chair,  
and Members of the Senate Committee on Tourism

Date: Thursday, March 22, 2012  
Time: 1:15 P.M.  
Place: Conference Room 224, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

**Re: H.B. No. 2078, H.D. 2, Relating to Taxation**

The Department of Taxation (Department) supports this measure.

H.B. 2078, H.D. 2 requires that all advertisements and solicitations for transient accommodations conspicuously display either the registration identification number issued under Section 237D-4, Hawaii Revised Statutes, or the address of a website listing all identification numbers if more than ten numbers would need to be displayed.

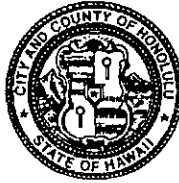
The Department believes this measure will aid transient accommodations tax compliance.

Thank you for the opportunity to submit comments.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
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PETER B. CARLISLE  
MAYOR



DAVID K. TANOUE  
DIRECTOR

JIRO A. SUMADA  
DEPUTY DIRECTOR

March 22, 2012

The Honorable Donna Mercado Kim, Chair  
and Members of the Committee on Tourism  
State Senate  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Kim and Members:

Subject: House Bill No. 2078, HD2  
Relating to Taxation

The Department of Planning and Permitting **supports** House Bill No. 2078, HD2, which requires that advertisements and solicitations for transient accommodations conspicuously display the registration identification number only if there is ten or less registration identification numbers that would need to be displayed and to provide a local agent contact information if the operator resides off-island or out-of-state.

Requiring that the registration identification number be conspicuously displayed adds another source of public information that can be used by State and City enforcement agencies in support of their arduous task of conducting regulatory enforcement. History has shown that regulating transient accommodation operations can be a difficult task. The display of the registration identification number, which is uniquely valid for a specific unit, will help to certify and confirm transient use.

Please pass House Bill No. 2078, HD2. Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director  
Department of Planning and Permitting

DT:jmf  
hb2078hd2-RegisID-mf.doc



The REALTOR® Building  
1136 12<sup>th</sup> Avenue, Suite 220  
Honolulu, Hawaii 96816

Phone: (808) 733-7060  
Fax: (808) 737-4977  
Neighbor Islands: (888) 737-9070  
Email: har@hawaii Realtors.com

March 22, 2012

**The Honorable Donna Mercado Kim, Chair**  
Senate Committee on Tourism  
State Capitol, Room 224  
Honolulu, Hawaii 96813

**RE: H.B. 2078, H.D.2, Relating To Taxation**

**HEARING: Thursday, March 22, 2012, at 1:15 p.m.**

Aloha Chair Kim, Vice Chair Kouchi, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,500 members. HAR **supports** H.B. 2078, H.D.2, which requires that all advertisements and solicitations in any medium for transient accommodations to conspicuously display the registration identification number or the website address for a website containing the registration identification number and that any advertisement or solicitation that appears on any website provide contact information for a local agent if the operator of the residential property resides off-island or out-of-state.

HAR understands the importance of ensuring that the State is able to collect the appropriate amount of taxes owed by nonresident property owners. We support H.B. 2078, H.D.2 because we believe it will help Department of Taxation (DoTax) with tax compliance by requiring owners to display their transient accommodation registration number in all advertisements and solicitations. This approach will help meet the objective of collecting taxes by: 1) requiring that property owners register with the DoTax for a registration number in order to display their numbers and 2) assisting DoTax with identifying unregistered property owners.

For the forgoing reasons, HAR supports the passage of H.B. 2078, H.D.2.

Mahalo for the opportunity to testify.

REALTOR® is a registered collective membership mark which may be used only by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics.





**OUTRIGGER**

ENTERPRISES GROUP

*Hospitality • Retail • Development*

THE SENATE  
26<sup>th</sup> LEGISLATURE  
REGULAR SESSION of 2012

COMMITTEE ON TOURISM  
Senator Donna M Kim, Chair

3/22/12  
Rm. 224, 1:15 PM

HB 2078, HD 2  
Relating to Taxation

Chair Kim and Members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels Hawaii to comment on the bill.

We support the intent of the bill and what it is trying to accomplish.

However, we would like to request that the language for the maximum number of registration identification numbers that needs to be listed on an advertisement, solicitations or website, be reduced from “ten or fewer” to “five or fewer.”

We urge your support and mahalo for allowing me to testify.

**From:** info@rboaa.org  
**Sent:** Thursday, March 22, 2012 3:03 AM  
**To:** TSM Testimony  
**Subject:** HB1706 SD1 March 22  
**Attachments:** 3-22 attachments.pdf

Rental By Owner Awareness Association  
110 Kaanapali Shores Pl., #1111  
Lahaina, HI 96761  
800-811-1467

March 21, 2012

Senate Committee on Tourism  
Thursday, March 22, 2012  
1:15 p.m. Room 224

Tourism Committee:

Rental By Owner Awareness Association (RBOA) is a newly created 501(c) created under the laws of Hawaii. RBOAA believes that this industry needs a fair regulation to control problems caused by poorly managed establishments and to educate those who do choose to rent on their own to understand and comply with the laws and taxing authorities of Hawaii.

We also believe in the intent of HB2087. In intent we mean that all business should be paying their taxes and that every visitor arriving on island should have been given an on island contact in case of an emergency and the contact information should also be located in the unit.

Attached is testimony submitted by the The Department of Taxation (DoTAX) stating that they support HB 2078 dated January 30, 2012: "The Department Believes that this measure will aid transient accommodations tax compliance" Also attached is Testimony dated February 15, 2012 in support of HB 1707 HD1 measure to have all out of state rent their property through a licensed real estate broker or salesperson.

The DoTAX February 15 letter also states. "To date, the Department has had discussions with county real property tax officials to obtain updated out-of-state property owners. This information would be used to notify them of their possible tax obligation. Out-of-state taxpayers who infrequently file tax returns, depending whether a tax liability exists, may also receive a notice from the Department from our non-filer program which targets taxpayers who may be missing tax returns."

A General Excise Tax Non-Filer project commenced in June 2008 and one for Withholding Tax Non-Filer Initiative commenced in November of 2009. As of June 2010, gross collections of these non-filer projects exceeded \$75 mills – less than 1 percent of the total state tax collections of 10.5 billion for the same period.

"While these programs are helpful to bring in non-filers, it is difficult to force out-of-state residents into compliance unless we are aware of an actual rental transaction occurring and that there was an exchange of money. For example, although a property may be advertised on a website, only the owner will know the actual number of days and the rental rate that the property is rented for."

Having the tax number will not afford the DoTAX any further insight into how many dates the property is rented for or the actual rate.

The DoTAX's mission statement is "to administer the tax laws of the State of Hawaii in a consistent, uniform and fair manner by educating taxpayers on tax laws, by developing a professional staff, and by using technology to increase efficiency and effectiveness."

RBOAA believes that the testimony given by DoTAX is disregarding its own mission statement.

How can the DoTAX guarantee that they are going to look at all taxpayers advertisements fairly? What if they just target two or three websites? There are hundreds of them on the internet and thousands of listings.

The DoTAX has the right to audit each person or business; they can requests all records worldwide pertaining to Hawaii based tax law. They can look at cleaning bills, cash receipts, rental schedules to name a few.

There are severe penalties for non compliance. See attached compliance division memo.

We also question the ability of the DoTax ability to implement a procedure without the proper man power and computer resources.

Per the Office of the Auditor Report No. 10-11, December 2010. The DoTax has a lack of planning and fractured management. It also has an IT system in trouble.

RBOAA is also under the impression that there is insufficient education, again a part of the DoTAX mission statement. We have been asked many questions regarding taxation of housekeepers, filing requirements etc. Most of these questions we cannot find the answers to, even after calling various authorities.

We suggest that there be proper education/disclosures from the time someone enters into an escrow and followed up each year with guidelines inserted with each and every property tax bill.

In reference to the second item of this bill, we would like the term of agent be defined as anyone who has the authority to act on the behalf of the owner. We also believe that supplying the contact information to the guest prior to arrival and also placed inside the accommodations should be sufficient for any problems that could arise.

Thank you for the opportunity to offer these comments.

Respectfully Submitted,

Alicia Hopkins, Vice-President  
RBOAA

**NEIL ABERCROMBIE**  
GOVERNOR

**BRIAN SCHATZ**  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
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**FREDERICK D. PABLO**  
DIRECTOR OF TAXATION

**RANDOLF L. M. BALDEMOR**  
DEPUTY DIRECTOR

**To:** The Honorable Tom Brower, Chair,  
and Members of the House Committee on Tourism

**Date:** Monday, January 30, 2012  
**Time:** 10:00 A.M.  
**Place:** Conference Room 312, State Capitol

**From:** Frederick D. Pablo, Director  
Department of Taxation

**Re:** H.B. No. 2078, Relating to Taxation

The Department of Taxation (Department) supports this measure.

H.B. 2078 requires that all advertisements and solicitations for transient accommodations conspicuously display the registration identification number issued under Section 237D-4, Hawaii Revised Statutes.

The Department believes this measure as it will aid transient accommodations tax compliance.

Thank you for the opportunity to submit comments.

# LATE TESTIMONY

NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TAXATION  
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FREDERICK D. PABLO  
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

To: The Honorable Robert Herkes, Chair  
and Members of the House Committee on Consumer Protection and Commerce

The Honorable Gilbert Keith-Agaran, Chair  
and Members of the House Committee on Judiciary

Date: Wednesday, February 15, 2012  
Time: 2:00 p.m.  
Place: Conference Room 325, State Capitol

From: Frederick D. Pablo, Director  
Department of Taxation

Re: H.B. 1707 HD1 Relating to Transient Accommodations

The Department of Taxation (Department) supports the intent of H.B. 1707 HD1, and provides the following information and comments for the Committee's consideration.

H.B. 1707 HD1 requires nonresident owners of residential single family dwellings, apartments, or townhouses who rent their property as a transient accommodation for 30 days or less to rent the property through a licensed real estate broker or salesperson. "Nonresident owner" includes state residents who live on an island different from where the transient accommodation is located.

To date, the Department has had discussions with county real property tax officials to obtain updated out-of-state property owners. This information would be used to notify them of their possible tax obligation. Out-of-state taxpayers who infrequently file tax returns, depending whether a tax liability exists, may also receive a notice from the Department from our non-filer program which targets taxpayers who may be missing tax returns.

While these programs are helpful to bring in non-filers, it is difficult to force out-of-state residents into compliance unless we are aware of an actual rental transaction occurring and that there was an exchange of money. For example, although a property may be advertised on a website, only the owner will know the actual number of days and the rental rate that the property is rented for. This is even more problematic for the Department to enforce when the money transfers hands between the owner and renter somewhere outside of Hawaii, including through the internet.

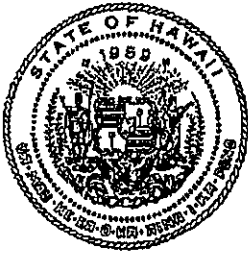


# LATE TESTIMONY

Department of Taxation Testimony  
CPC-JUD HB1707  
February 15, 2012  
Page 2 of 2

To further insure compliance with the transient accommodations tax obligation, the Department suggests that the Committee consider requiring the Chapter 467, HRS, licensed agent be responsible for collecting and remitting the appropriate taxes owed under Chapter 237D, HRS. As written, the bill does not require the non-resident owner to engage the agent to handle the collection and remittance of taxes.

Thank you for the opportunity to provide comments.



NEIL ABERCROMBIE  
Governor

MIKE MCCARTNEY  
President and  
Chief Executive Officer

# Hawai'i Tourism Authority

Hawai'i Convention Center, 1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
Website: [www.hawaiitourismauthority.org](http://www.hawaiitourismauthority.org)

Telephone: (808) 973-2255  
Fax: (808) 973-2253

Testimony of  
**Mike McCartney**  
President and Chief Executive Officer  
Hawai'i Tourism Authority  
on  
**H.B. 2078**  
**Relating to Taxation**

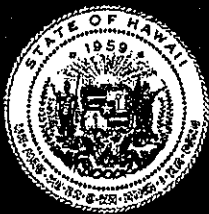
House Committee on Tourism  
Monday, January 30, 2012  
10:00 a.m.  
Conference Room 312

The Hawai'i Tourism Authority (HTA) opposes H.B. 2078, which would require all advertisements and solicitations for transient accommodations conspicuously display the registration identification number of each operator or plan manager.

If the objective of H.B. 2078 is to identify undocumented transient accommodations, it will be difficult for the Department of Taxation to monitor all advertisements and solicitations of the thousands of transient accommodations.

In 2005, the HTA contracted for an investigation into undocumented vacation rentals and bed and breakfast operations in Hawaii. The results of that investigation, where several thousand undocumented accommodations were identified, were presented to the Department of Taxation, the Department of Business, Economic Development and Tourism, and the counties to take administrative and enforcement actions necessary to ensure compliance with state laws and county ordinances. As such, if the objective of H.B. 2078 is to identify legal transient accommodations, the provisions of H.B. 2078 are not necessary. The Department of Taxation and the counties already have the information that the bill is asking for. It becomes a matter of manpower and funding to enforce the law.

Thank you for the opportunity to offer these comments.



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Honolulu, HI 96813  
Ph. (808) 587-0800

Marion M. Higa  
State Auditor  
State of Hawaii

**“Terrible, terrible,  
terrible.”**

— DoTAX deputy director,  
when asked to describe  
the work environment at  
the department in 2009

Recommendations

Responses

Previous Audits

For the full text of this and other  
reports, visit our website:  
<http://www.state.hi.us/auditor>

# Management and Financial Audit of Department of Taxation Contracts

Report No. 10-11, December 2010

*Lack of planning and fractured management undermine the State's  
tax collection efforts*

## Unplanned, ill-advised growth

In 1999, the Department of Taxation (DoTAX) began a five-year, \$51 million effort to replace its aging computer systems. By October 2004, the department and its vendor completed six major system implementations. Then, over the next four years, the effort continued with an additional 13 projects and enhancements to the system. This was followed in January 2008 by yet another system enhancement—a \$25 million delinquent tax collections project, which called for an additional 22 new collection initiatives. Long-term planning for these projects was minimal to non-existent, and oversight was left to managers with no formal project management or information technology (IT) background.

Throughout this period, staff were also tasked with developing, testing, and implementing enhancements, fixes, and tax law changes to the growing system. Despite this increased workload, staffing levels have remained relatively constant since 2003. To compensate for this shortfall, DoTAX allowed its vendor to become an essential component in its IT infrastructure. This seeming preference for the vendor over its own internal IT staff led to management conflicts so corrosive the Governor's Office intervened. In 2008, an email from a vendor's manager which used inflammatory language to characterize many DoTAX managers and the work environment, led to further acrimony and a six-month work stoppage that delayed contract deliverables.

## A flawed contract, an IT system in trouble

In this environment of discord, the department modified the Delinquent Tax Collections Initiatives contract. We found that this 2009 modification was crafted independently by a former deputy director with no formal IT background or training. It removed the obligation of the vendor to complete the 2008 contract's 22 initiatives as well as a constraint limiting payment to the vendor to \$9.8 million for work on the 2008 contract. Instead, the 2009 modification allowed the vendor to receive the remaining compensation of \$15.2 million from new collections without first completing deliverables from the 2008 contract. In addition, the modification also deleted contract provisions that removed the department's ability to hold the vendor accountable for defects and system integration problems.

We also found that not only is the department unable to sustain the current rate of system enhancements, it will also struggle to maintain current levels of activity without assistance. For instance, the department's funding for the system expansion, a trust account which did not go through the legislative appropriations process, will close on June 30, 2011. With an IT infrastructure in near continuous project development mode for more than a decade, we found an internal staff that is stretched thin and frustrated with spending the majority of their time doing system testing at the expense of other responsibilities. In spite of these problems, the department has not adequately planned for June 30, 2011, when it will lose vendor support and must operate independently.

According to the interim director, the department has initiated corrective actions that will address some of the recommendations noted in our report. The corrective actions include the addition of a position count to the Information Technology System Office to augment short staffing, as well as training an additional ten system administrators to supplement system quality assurance resources. The department is also in the process of identifying project management training opportunities that are available locally. Lastly, the interim director assured us that the department will continue to review our recommendations as it monitors for improvements.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
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PETER B. CARLISLE  
MAYOR



DAVID K. TANOUE  
DIRECTOR

JIRO A. SUMADA  
DEPUTY DIRECTOR

January 30, 2012

The Honorable Tom Brower, Chair  
and Members of the Committee on Tourism  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Brower and Members:

Subject: House Bill No. 2078  
Relating to Taxation

The Department of Planning and Permitting **supports** House Bill No. 2078, which requires that all advertisements and solicitations for transient accommodations conspicuously display the registration identification number.

Requiring that the registration identification number be conspicuously displayed adds another source of public information that can be used by State and City enforcement agencies in support of their arduous task of conducting regulatory enforcement. History has shown that regulating transient accommodation operations can be a difficult task. The display of the registration identification number, which is uniquely valid for a specific unit, will certify and confirm the use.

Please adopt House Bill No 1707. Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director  
Department of Planning and Permitting

DT:jmf  
Hb2078-TaxRegisID-mf.doc

# Department of Taxation

TAX AUDIT GUIDELINE 2009-01

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TO: COMPLIANCE DIVISION

FROM: RULES OFFICE

[Rules Officer Approval

*Johnnie Nakamura*

RE: HAWAII CIVIL TAX PENALTY MATRIX

DATE: OCTOBER 26, 2009

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The purpose of this document is to provide Compliance Division personnel with an analytical matrix of the various civil penalties assessable under Title 14, Hawaii Revised Statutes. These penalties are specifically discussed because they require the Auditor's discretion and judgment in assessment. This document serves as a high level "issue spotting" tool that may be utilized when considering whether a penalty is appropriate for a particular case.

This analytical guideline is for internal use only, is intended to be a reference tool, and is not authoritative. Relevant Hawaii and federal statutes, administrative rules and regulations, case law, and formal Department of Taxation positions (TIRs) will control over this document.

## Civil Penalty Checklist In Order of Relevant Consideration

- Failure to File Tax Return
- Substantial Understatement or Misstatement of Tax
- Erroneous Refund Claim
- Negligence
- Fraud
- Understatement of Tax Liability by Tax Return Preparer (assessed against preparer)
- Promoting Abusive Tax Shelter (assessed against promoter)

### **Failure to File Tax Return—HRS § 231-39(b)(1)**

- Imposes a penalty equal to 5% of the amount of tax required to be shown on the return per month, not to exceed 25% of the amount of tax, for failing to file a tax return required by law.
- Extensions to file are taken into account in determining whether a return is filed timely. Therefore, where an extension is filed, the deadline for purposes of the penalty is extended.
- Penalty does not apply to failure to file declarations of estimated tax under HRS § 235-97.
- Penalty may be remitted if failure to file is due to "reasonable cause and not due to neglect."
- An erroneous belief that no tax liability was due or owing is not "reasonable cause." *In re Grayco Land & Escrow*, 57 Haw. 436.
- "'Reasonable cause' has been interpreted to mean no more than the exercise of ordinary business care and prudence. However, a mere showing of absence of willful neglect is insufficient to avoid the penalty.\*\*\*It is generally recognized that the presence of certain factors, in addition to the honest belief of the taxpayer, constitutes reasonable cause for the failure to file a return, e.g., the advice of a competent accountant or attorney." *In re Grayco Land & Escrow*, 57 Haw. 436.

### **Substantial Understatement or Misstatement of Tax—HRS § 231-36.6**

- Imposes a penalty equal to 20% of the portion of an underpayment attributable to an understatement of tax.
- There is an understatement of tax for a taxable year where the understatement exceeds the greater of 10% of the tax required to be shown on the return; or \$1,500 (\$30,000 for C Corps).
- Understatement amount is reduced by portions attributable to positions with substantial authority or where adequately disclosed and there is a reasonable basis.
- "Understatement" means the excess of the amount of tax required to be shown on the return over the amount of tax shown on the return.
- This penalty is in addition to any other penalty assessable.
- The Director must approve assessment of this penalty.

### **Erroneous Refund Claims—HRS § 231-36.8**

- Imposes a penalty equal to 20% of the excessive amount associated with erroneous claims for refund or credit.
- "Excessive amount" means the amount by which the amount of refund or credit claimed exceeds the amount of credit or refund allowable.
- No penalty is assessable where the penalty is less than \$400. Therefore, there can be no penalty where the excessive amount is less than \$2,000. Temp. HAR § 18-231-36.8-01-6676T(e).
- No penalty is assessable where there is a reasonable basis for the claim.
- "Reasonable basis" means a standard of care that is not frivolous or patently improper. The position must be more than arguable and have at least one or more supporting authorities. Such a position is one where a person knowledgeable in tax law would lead the person that the position has a 1-in-4 chance (25%) of success on the merits.

Reasonable basis includes innocent mistakes and inadvertent math errors. There is no reasonable basis where a person knows the position or claim will not qualify.

- The burden of proof is on the taxpayer.
- The Director must approve assessment of this penalty.

#### **Failure to Pay Tax Due to Negligence—HRS § 231-39(b)(2)(A)**

- Imposes a penalty of up to 25% of an underpayment due to negligence or intentional disregard of rules (but without intent to defraud).
- "The term 'negligence' includes any failure to make a reasonable attempt to comply with the provisions of the [tax] laws or to exercise ordinary and reasonable care in the preparation of a tax return. 'Negligence' also includes any failure by the taxpayer to keep adequate books and records or to substantiate items properly." Treas. Reg. § 1.6662-3(b)(1).
- "The term 'disregard' includes any careless, reckless or intentional disregard of rules or regulations\*\*\*\*A disregard of rules or regulations is 'careless' if the taxpayer does not exercise reasonable diligence to determine the correctness of a return position that is contrary to the rule or regulation. A disregard is 'reckless' if the taxpayer makes little or no effort to determine whether a rule or regulation exists, under circumstances which demonstrate a substantial deviation from the standard of conduct that a reasonable person would observe. A disregard is 'intentional' if the taxpayer knows of the rule or regulation that is disregarded." Treas. Reg. § 1.6662-3(b)(2).
- There is no reasonable cause exception to this penalty.
- Burden of proof is on the taxpayer.

#### **Failure to Pay Tax Due to Fraud—HRS § 231-39(b)(2)(B)**

- Imposes a penalty of up to 50% of an underpayment required to be shown on a return due to fraud. If a fraud penalty is assessed, there can be no civil penalty for failure to file.
- Whether fraud exists depends upon the facts of each case. Unless admitted by the taxpayer, fraud is typically proven circumstantially by demonstrated "badges of fraud."
- A fraud penalty would be appropriate where an underpayment is due to falsity, evasion, concealment, or other similar facts.
- Burden of proof is on the government to show fraud.
- There is no reasonable cause exception to this penalty.
- Filing amended returns to correct fraudulent original returns does not preclude assessing the fraud penalty on original returns. *Frank v. Comm.*, 13 TC 253 (1949).

#### **Understatement of Tax Liability by Tax Return Preparer—HRS § 231-36.5**

- Generally, imposes a \$500 penalty on a tax return preparer who understates a person's tax liability by taking an unreasonable position.
- Imposes a \$1,000 penalty on a tax return preparer who willfully understates a person's tax liability or recklessly disregards any tax law or rule in understating a person's tax liability based upon an unreasonable position.
- Penalties apply per return prepared.
- An understatement due to an unreasonable position occurs when:
  - Any part of a return or claim is based on a position that does not have substantial authority;

- The tax return preparer knew or should have known of the unreasonable position; and
  - The position was not disclosed or was frivolous.
- A position is disclosed where there is an attachment of an analysis of the position and there was a reasonable basis for the position.
- "Substantial authority" means statutes, rules, rulings, announcements, TIRs, committee reports, etc.
- "Tax return preparer" is broad and includes persons beyond those signing the return.
- "The tax return preparer is not required to audit, examine or review books and records, business operations, documents, or other evidence to verify independently information provided by the taxpayer, advisor, other tax return preparer, or other party. The tax return preparer, however, may not ignore the implications of information furnished to the tax return preparer or actually known by the tax return preparer. The tax return preparer must make reasonable inquiries if the information as furnished appears to be incorrect or incomplete." Temp. HAR § 18-231-36.5-01-6694T(a)(1).
- The Director must approve assessment of this penalty.
- Tax preparers have appeal rights pursuant to HRS § 231-36.5 independent of the audit of the tax return at issue. See Rules Office for procedural guidance on issuing this penalty and preparer's appeal rights.
- A tax preparer may be enjoined for certain prohibited acts. Injunctions are handled by the AG after referral from the Department.

#### **Promoting Abusive Tax Shelters—HRS § 231-36.7**

- Imposes a penalty of \$1,000 or the amount of gross income received, whichever is less, for the promotion of an abusive tax shelter. Each act of promoting a tax shelter constitutes a separate violation.
- A person "promotes an abusive tax shelter" by:
  - Organizing or assisting in the organization, or participating in the sale of an interest in an entity or other plan or arrangement; and
  - In connection with such activity, a statement is made or a person is caused to make a statement respecting whether a deduction or credit is allowed, income may be excluded, or other tax benefit may be secured;
 that the person promoting knows or has reason to know is false or fraudulent or is a gross valuation overstatement.
- Penalty may be remitted with respect to a gross valuation overstatement if there was a reasonable basis and the valuation was made in good faith.
- "Gross valuation misstatement" means a statement of value for property or services where the value stated exceeds 200% of the correct value and the value is directly related to an amount of credit or deduction allowable.
- A safe harbor from this penalty is available where a tax shelter promoter obtains a favorable ruling from the Department. Temp. HAR § 18-231-36.7-01-6700T(d).
- This penalty is in addition to any other penalty assessable.
- The Director must approve assessment of this penalty.
- See Rules Office for procedural guidance on issuing this penalty and preparer's appeal rights.
- A promoter may be enjoined for certain prohibited acts. Injunctions are handled by the AG after referral from the Department.



**kim3 - Nancy**

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**From:** Trish Alexander [talexander03@yahoo.com]  
**Sent:** Tuesday, March 20, 2012 1:49 PM  
**To:** TSM Testimony  
**Subject:** 2078 testimony

This is testimony regarding 2078, for the Tourism Committee Meeting,

March 22, 1:15 pm

I am a homeowner who owns a 1 bedroom condo in Kihei, HI, which I rent through VRBO because it became too expensive to rent through a property manager. Not only was the property manager charging me 21%, but they also charged registration and advertising fees on top of that. They were not able to rent the condo to capacity, and therefore I could not afford to pay the monthly mortgage and condo fees on the rental income I was receiving from them. I had to take over the management of the rental process myself in order to keep the condo, and I now pay them a reduced fee to serve as on-site back up for me.

I regularly pay my GET and TAT taxes and am making more money for the state of Hawaii than when the property manager was renting my condo. Here are my concerns about 2078:

- (1) If I must list my GET/TAT license number on ads, anyone can obtain my personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>. Therefore I am concerned that my GET/TAT number may be used fraudulently by others in their advertisements.
- (2) I am concerned that the bill may be changed to mandate that the on island contact be a licensed real estate profession. I would prefer that it be a 'designated local contact'.
- (3) I believe that including the on island contact phone number on advertisements may confuse the prospective renter. Therefore I feel it would be better to require homeowners to supply their guests with the phone number of a designated local contact, by posting it in the room, and by including the number in all rental documents. This is what I do now and my guests appreciate having the local contact number.

I strongly support homeowners paying GET and TAT taxes. I believe that Hawaii should create reasonable laws that will not hurt tourism, but will appropriately fine vacation rental owners (both resident and non-resident) who do not comply with the laws, rather than punishing the vast majority of homeowners who pay their taxes and abide by the current laws.

Sincerely,

Patricia Alexander (homeowner)

2777 S. Kihei Rd. B-107

Kihei, HI 96753

## kim3 - Nancy

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**From:** Denis W. McMahan [dw-mcmahan@comcast.net]  
**Sent:** Wednesday, March 21, 2012 12:19 PM  
**To:** TSM Testimony  
**Subject:** 2078 SD1, Tourism Committee March 22th 1:15pm

From:  
Denis and Sylvia McMahan  
4301 Wellington Dr.  
Ft. Collins, Co. 80526

68-3840 Lua Kula St.  
Waikoloa Villas, B201  
Waikoloa Hawaii, 96738

We are concerned about the potential fraudulent use of our GET/TAT license number by others from our advertisements and web sites. Could the government insure that there would be no threat of identify theft?

We are concerned and do **not** want the bill to end up being changed to reflect the on island contact being a licensed realtor. We desire using "*designated local contact*" instead.

We already post a designated on island contact in our unit, as well as in the rental documents that we send out. This seems to work well.

If we use the on island contact phone number in our web site or advertisements, it may confuse the prospective renter, as to who they need to call to rent the property.

We collect and forward both the GET and TAT in a timely and accurate manner. There are surely ways to determine who is and who isn't paying their taxes and then go after those who are not paying their fair share. There needs to be more enforcement of Hawaii's already existing laws.

Please allow we who are making a very positive contribution not only financially, but in spreading the spirit of Aloha to continue unhindered!

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 11:34 AM  
**To:** TSM Testimony  
**Cc:** jimstofer@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Jim Stofer  
Organization: Individual  
E-mail: [jimstofer@comcast.net](mailto:jimstofer@comcast.net)  
Submitted on: 3/18/2012

**Comments:**

While I do not disagree with the intent of this bill, I concerned that people can get my Tax ID off of my websites (personal and advertising websites) and utilize it themselves in a fraudulent manner. They can also get to my personal information through government websites.

I would also prefer the language to read "designated local contact" since that is what I now provide to all my guests (my contact lives in the community and is a 1 minute walk away. If I list my designated contact and phone number on my websites, I think prospective customers will call them and they are not as fluent in English as my wife and I are. If we are required to list the designated contact phone number in the units I own and in my documentation that I send to my customers ahead of the stay (and in the units themselves), that should be sufficient.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 1:11 PM  
**To:** TSM Testimony  
**Cc:** Allenstephengray@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Allen Gray  
Organization: Individual  
E-mail: [Allenstephengray@gmail.com](mailto:Allenstephengray@gmail.com)  
Submitted on: 3/18/2012

**Comments:**

My wife and I live on the mainland, but spend several months a year at our condo in Maui. We pay a friend living on the mainland, who also has a Maui condo, to handle the rentals, and we pay an on-island representative to handle all issues regarding the condo. The system is affordable for us, as we are retired, and has served all of our renters over the years well.

I am concerned the bills now under consideration will not be affordable and will force us to sell our condo. Thank you. Allen Gray

## kim3 - Nancy

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**From:** Linda Owen [lindarowen@comcast.net]  
**Sent:** Sunday, March 18, 2012 1:12 PM  
**To:** TSM Testimony  
**Subject:** HB2078 SD1

Dear sirs,

There are a few issues with the above referenced HB.

It is VERY important that you retain that an "on Island contact" does not have to be a licensed real estate professional, Please protect that aspect of the bill.

The contact person's phone number does not need to be in the advertising. That confuses the traveler as they may think that is the person that accepts the reservation. The GET/TAT numbers are adequate. We supply the contact persons phone number in the final documentation after the account is paid in full.

Our vacation rental is on the island of Maui. As the owner, I have been handling the rentals since we purchased the property in 1964, that is right almost 50 years. We have never had a problem and probably 10 years ago the State of Hawaii required an on island contact and we have been in compliance ever since. We also have paid all of our "high" real estate taxes as we are off island owners, paid the GET and the TAT.

Protect our rentals as these guests spend lots of money in the state of Hawaii and help the economy and the GET and TAT helps the state and local governments.

We thank you for taking the time to think carefully on this critical issue.

Linda Owen  
My Waii, LLC  
Member

425-961-0063 (Seattle area)

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 2:41 PM  
**To:** TSM Testimony  
**Cc:** jjcrews1@msn.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Janet Crews  
Organization: Individual  
E-mail: [jjcrews1@msn.com](mailto:jjcrews1@msn.com)  
Submitted on: 3/18/2012

**Comments:**

Dear Representatives.

My husband and I have worked and lived on Maui for 25 years from May to November. Due to economic reasons, we need to work and live on the mainland during the winter months. We pay all our Hawaii taxes, local, state and federal. We finally were able to purchase our own place, a condo in Kihei, several years ago and to make it work economically for us, we must rent our place while we are gone. I applied for my Hawaii business license when we bought our place so that I could be the property manager and do the renting directly with our guests. I have people locally, who care for our place like it was their own, and are at our guests beckoned call if they need anything or for any emergency. There is also an onsite manager and fully staffed office to handle any emergencies that affect the whole complex, like the recent Tsunami.

I agree with the intent of this bill but feel it leaves me with a few concerns:

1. I would definitely prefer to be given a "Registration Number" as the bill proposes, as opposed to listing my GET/TAT number on my website and ads.

I am very concerned that my GET/TAT may be used fraudulently by others in their advertisements; and with a GET/TAT license number listed, anyone can obtain your personal contact information from the public Tax Department License Checking page:<https://dotax.ehawaii.gov/tls/app>.

2. I am also very concerned that the bill may be changed to reflect the on island contact be a licensed real estate professional.

I would strongly prefer the term designated local contact.

I believe that the on island contact phone number on the website or ad may confuse the prospective renters instead of knowing to contact me for information about our home.

I feel that it would be much better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents. Which is what I already do with all my guests. We not only have our local contacts that care for our place and our guests' needs; but for any emergency affecting the whole complex our onsite manager and full time office staff have proven to be extremely thorough and efficient in notifying guests as to what procedures need to be followed for safety.

Please consider these concerns seriously before going forward with this bill.

Thank you,  
Janet Crews

**kim3 - Nancy**

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**From:** John & Janet Crews [jjcrews@me.com]  
**Sent:** Sunday, March 18, 2012 3:35 PM  
**To:** TSM Testimony  
**Subject:** HB2078 HD2

In regards to HB2078 HD2

We own a condominium on Maui, which is our home for half of the year, and which financial necessity dictates that we rent out as a vacation rental for the balance of the year. We have the appropriate licenses, and diligently pay our GET and TAT taxes. We therefore support the states intention of making sure that everyone is compliant with these requirements. We are especially appreciative that some of the recent proposed bills requiring the use of management agencies were deferred, since this requirement would have made our rental balance sheet unsustainable, and subjected both us and our home to the many risks and nightmarish events that many of us have experienced in the past with rental agencies.

We see this new bill as being a much more positive approach, with the following concerns:

1. We see many risks in publishing our GET and TAT numbers, and therefore support the proposed idea of a "registration identification number".
2. We feel that it is critical that the wording "designated local contact" be used, once again to avoid the costs, and historical problems, associated with requiring the use of professional real estate agencies.
3. We believe in our personal current policy of providing local contact information both in our unit, and on our rental documents. This insures that our renters have easy and immediate access to our local contacts. Posting these peoples information on a public web site, however, will not enhance the access of our renters. Moreover, it will unnecessarily expose our contacts name and information to the public at large, which is an unnecessary exposure of their privacy, resulting in misdirected rental inquiries, as well as other unforeseen issues. I am sure that in todays world, most of you appreciate the wisdom of avoiding indiscriminate dissemination of your private contact information. Once we have personally screened rental inquiries, and made the decision to accept them into our home; we then feel that it is reasonable to share our local contacts information with them.

In summary:

Require publishing a "registration identification number", not GET and TAT numbers.

Use the wording "designated local contact", and not anything that requires a professional agency.

Require posting local contacts in the unit, and in rental documents, not on public websites.

Thank you for hearing our concerns on this bill.

Sincerely,

John Crews  
808-298-4189  
P.O. Box 872  
Sun Valley, ID 83353

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 1:51 AM  
**To:** TSM Testimony  
**Cc:** dianascondo@msn.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Diane Luther  
Organization: Individual  
E-mail: [dianascondo@msn.com](mailto:dianascondo@msn.com)  
Submitted on: 3/19/2012

**Comments:**

Putting GE/TA number on website or other promotional material is not of great concern to me. Licensed contractors are required to display their license numbers and in NYS vendors at craft sales etc are required to display their sales tax license.

Having the local island contact in advertising material could be confusing to potential renters though. My island contact information is included in the arrival instructions as well as on an information sheet in the unit itself. this document also gives info on unit water shut offs and numbers for the complex's management and security.



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 4:50 AM  
**To:** TSM Testimony  
**Cc:** Pammuelier7@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Pam Mueller  
Organization: Individual  
E-mail: [Pammuelier7@gmail.com](mailto:Pammuelier7@gmail.com)  
Submitted on: 3/19/2012

**Comments:**

I am concerned that you are not using the term "local contact" in the bill. I much prefer that to the use of a "local agent," which can easily be interpreted to mean that all renters must employ a rental agent rather than handle rentals themselves. And it seems risky to have to post our tax numbers for all to a See.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 1:52 PM  
**To:** TSM Testimony  
**Cc:** sailorsaml@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: Yes  
Submitted by: Samuel Levitz  
Organization: Individual  
E-mail: [sailorsaml@gmail.com](mailto:sailorsaml@gmail.com)  
Submitted on: 3/20/2012

Comments:  
Oppose bill!

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 8:26 PM  
**To:** TSM Testimony  
**Cc:** marybethp@hihltd.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: Yes  
Submitted by: Marybeth Purvis  
Organization: Individual  
E-mail: [marybethp@hihltd.com](mailto:marybethp@hihltd.com)  
Submitted on: 3/21/2012

**Comments:**

Aloha Chairman and Members of the Committee:

We agree with the intent of HB2078 HD2 and support paying our taxes, but we have some concerns/questions in opposition to this bill:

By publishing our GET/TAT license numbers, anyone can obtain our personal data from the Tax Dept. We question whether the Tax Dept. could protect us against others from using our information in their advertisements.

We prefer that the island contact be a designated local contact as it now states, rather than changing it to a licensed real estate professional. We see no advantage to this change and will only add another unnecessary layer to the equation. With the decline in tourism and subsequent lowering of hotel rates, it has been very difficult to manage our condo as it is. Paying an additional management fee will overburden we taxpayers even more and possibly drive many of us into foreclosure.

Any additional contact information on the advertisement would confuse a prospective renter. We own a hotel condominium on Kauai. When we confirm a reservation with a guest, we give them a confirmation # from the hotel front desk with the name and number of our island contact. This has worked out very well. The guest knows exactly who the property owner is and who they contact while there should they need assistance.

We recommend enforcing laws already in place.

Respectfully submitted:  
Marybeth & James Purvis  
2156A Aumakua St.  
Pearl City, HI 96782

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 15, 2012 6:16 PM  
**To:** TSM Testimony  
**Cc:** surfparadise@hawaiiantel.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: Yes  
Submitted by: Thomas Raskowsky  
Organization: Individual  
E-mail: [surfparadise@hawaiiantel.net](mailto:surfparadise@hawaiiantel.net)  
Submitted on: 3/15/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 15, 2012 6:21 PM  
**To:** TSM Testimony  
**Cc:** kittiekr@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: Yes  
Submitted by: Kathleen Raskowsky  
Organization: Individual  
E-mail: [kittiekr@comcast.net](mailto:kittiekr@comcast.net)  
Submitted on: 3/15/2012

Comments:  
This bill poses security risks and liabilities....

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 3:50 PM  
**To:** TSM Testimony  
**Cc:** aaquitaine@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Andrea Butter  
Organization: Individual  
E-mail: [aaquitaine@yahoo.com](mailto:aaquitaine@yahoo.com)  
Submitted on: 3/18/2012

### Comments:

1) advertising a local contact person's contact information:

While I wholeheartedly agree that there should be a local contact person - on the same island - for any vacation rental, and that renters of the unit need to be informed about the contact information of this person, the way the bill is currently written will have damaging consequences.

The wording has to be clear: the requirement should be that the name of a local, on island, contact person is posted inside the rental unit, and included with the booking information that is given the renter.

The contact information of the on island person should not be required on any advertisements for the unit. That would only work if the local contact person is also responsible for communicating with prospective renters (for information about availability, features and amenities, pricing, etc... ). If the local contact person is not also the , let's call it "booking agent", then the phone number would only confuse prospective renters.

This bill should not try to force owners to use the services of an on island realtor or booking agent under the guise of "local contact". If owners are forced to use local rental agents, this will have large negative unintended consequences on both the tourism industry and the real estate market.

Rental agents routinely charge between 25-50% of the rent for their services - which owners can and want to do themselves, and which by all accounts they do much better. The profit from vacation rentals is not high enough to allow such a huge extra cost. Owners would try to raise the rental prices in order to recoup the extra costs. Tourists who rent private vacation rentals do so for a large part due to the lower costs of accommodation. If they cannot find reasonably priced rentals, they will simply go on vacation to the many alternate destinations - Mexico, the Caribbean, Florida...

When owners can't make enough profit - many will not even break even - they will have to sell their properties, prolonging the real estate slump even more.

2) I have already posted my HI Business License number on my rental listing on VRBO. However, I am worried that the license number might be "stolen" by somebody and used to misrepresent themselves and their business. In the age of rampant identity theft, forcing owners to publicize their tax license number or business license number is very scary. Can the legislature assure owners that there is no danger associated with this?

Instead, the bill could require that the owners tax or business license number is published inside the rental unit and included with the rental information that renters receive after booking.

thank you for your consideration

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 22, 2012 7:07 AM  
**To:** TSM Testimony  
**Cc:** hallscondo@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Fred Hall  
Organization: Individual  
E-mail: [hallscondo@sbcglobal.net](mailto:hallscondo@sbcglobal.net)  
Submitted on: 3/22/2012

**Comments:**

We agree with the intent of this bill but we feel it leaves us with a few questions. With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department checking page: <https://dotax.ehawaii.gov/tls/app> Concerned that our GET/TAT may be used fraudulently by others in their advertisements. We feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 22, 2012 7:13 AM  
**To:** TSM Testimony  
**Cc:** mauiwhalens@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Mike and Jeanette Whalen  
Organization: Individual  
E-mail: [mauiwhalens@sbcglobal.net](mailto:mauiwhalens@sbcglobal.net)  
Submitted on: 3/22/2012

**Comments:**

We agree with the intent of this bill but we feel it leaves us with questions. Concerned that our GET/TAT may be used fraudulently by others in their advertisements. We are concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact. We feel that it would be better to require us to supply the guests with the number of a designated local contact, by positing it in the room as well as included in their rental documents, which we have always done.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 22, 2012 8:37 AM  
**To:** TSM Testimony  
**Cc:** mauiyc@me.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Thomas Martinez  
Organization: Individual  
E-mail: [mauiyc@me.com](mailto:mauiyc@me.com)  
Submitted on: 3/22/2012

Comments:  
Oppose

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 22, 2012 8:38 AM  
**To:** TSM Testimony  
**Cc:** ligia367@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ligia Martinez  
Organization: Individual  
E-mail: [ligia367@gmail.com](mailto:ligia367@gmail.com)  
Submitted on: 3/22/2012

Comments:  
Oppose

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 22, 2012 2:52 AM  
**To:** TSM Testimony  
**Cc:** terri\_@msn.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB2078HD2.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Terri Shields  
Organization: Individual  
E-mail: [terri\\_@msn.com](mailto:terri_@msn.com)  
Submitted on: 3/22/2012

Comments:

I do not object to the intent of the bill in regards to posting your registration identification number on websites and postings. However, is there capacity in the enforcement area to really check for compliance? If there is not, this is just more legislation where the people who already pay taxes will comply but those who don't won't. It will also be problematic for large property management sites to list all of the individual registration numbers.

I do object to the posting of the local contact on websites. This information should only be supplied to the renter once they have completed the contracting phase with the owner and should be included in the packet they receive just prior to arrival. My past experience has always been with off-island owners. I was always able to contact those owners with any issues and they were dealt with promptly. List on-island contacts in an advertisement would only confusion on the part of the potential renter, particularly if they contact that person who has no part of the actual rental process itself. I know that as a renter, if I believe that a listed contact is not the correct person, I will move on to the next potential rental. This would be a loss of revenue to the owner.

Please do not recommend passage of this bill with its existing language.

Terri Shields

kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 12:28 AM  
**To:** TSM Testimony  
**Cc:** sheehan.kathyharnett@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kathy Sheehan  
Organization: Individual  
E-mail: [sheehan.kathyharnett@gmail.com](mailto:sheehan.kathyharnett@gmail.com)  
Submitted on: 3/20/2012

Comments:

Aloha Honorable Committee Members,

I oppose 2078 HD2.

As an out-of-state owner, I fully support this bill's intent of enhancing tax compliance, but I believe that this bill is problematic for the following reasons.

First, it does not provide any actual data to back up the underlying assumption behind the bill that such legislation is needed because tax compliance is a particular or unique problem for transient accommodations.

Second, placing tax information on advertisements on websites for the world to see could lead to IDENTITY THEFT and FRAUD. The State would need to make careful and comprehensive provisions to be able to compensate owners who might individually or in a class action suit take action against the State for losses relating to such consequences.

If the State can provide a unique ID number that it could use for tax audits but that could not be hacked by the general public, such a display would be fine to facilitate audits. However, it should be required for all condos, resident and nonresident, owner and operator-managed.

Third, while I agree that guests should be provided a local contact for emergencies when the owner cannot be reached and I do so already, placing the name of that local contact on advertisements and websites is problematic for the following reasons:

- This information is not appropriate or necessary until after the reservation is made.
- Providing it conspicuously presale will confuse people about who to call to book a rental.
- It is a potential invasion of privacy for the local person whose name and number would be viewed by thousands, most of whom are only browsing and never book a sale.
- It assumes that a local contact is the only person who will be able to resolve emergencies when, in this digital age, this is often not the case. Owners can just as easily respond to guests and call support personnel (plumbers, electricians, locksmiths, appliance repair people by email and cell phone to resolve problems and often they have more incentive to do so speedily and effectively since it is their condo and rental at stake. (It isn't necessary to be in Lahaina, for example, to reach a Lahaina plumber or electrician.)
- It could lead to criminals falsely claiming to be the local contact to commit crimes against unsuspecting guests.

In sum, I believe that proper information on tax compliance needs to be collected before more such bills as this are deliberated. I am opposed to putting Tax ID information on website ads because of the potential for fraud and identity theft and I am opposed to putting the name of a local

contact on website ads because this information should only be provided to guests not the public at large.

I appreciate your consideration of my testimony in your deliberations.

Kathy Sheehan

**kim3 - Nancy**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 4:44 AM  
**To:** TSM Testimony  
**Cc:** simpson-mark@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** oppose.txt

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Mark Simpson  
Organization: Individual  
E-mail: [simpson-mark@sbcglobal.net](mailto:simpson-mark@sbcglobal.net)  
Submitted on: 3/20/2012

Comments:



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:07 AM  
**To:** TSM Testimony  
**Cc:** sbuck315@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Shauna Buckner  
Organization: Individual  
E-mail: [sbuck315@yahoo.com](mailto:sbuck315@yahoo.com)  
Submitted on: 3/20/2012

**Comments:**

We agree with the intent of this bill but we cannot support it as it is written today due to these questions/concerns:

- With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- We are concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- We believe that the on island contact phone number may confuse the prospective renter.
- We feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:04 AM  
**To:** TSM Testimony  
**Cc:** lcooney@gmwest.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Liam Cooney  
Organization: Individual  
E-mail: [lcooney@gmwest.com](mailto:lcooney@gmwest.com)  
Submitted on: 3/20/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:00 AM  
**To:** TSM Testimony  
**Cc:** ccooney223@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Carrie Cooney  
Organization: Individual  
E-mail: [ccooney223@gmail.com](mailto:ccooney223@gmail.com)  
Submitted on: 3/20/2012

Comments:

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 8:38 AM  
**To:** TSM Testimony  
**Cc:** KiheiAkahi\_Palekaiko@shaw.ca  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Keith and Della Halvorson  
Organization: Individual  
E-mail: [KiheiAkahi\\_Palekaiko@shaw.ca](mailto:KiheiAkahi_Palekaiko@shaw.ca)  
Submitted on: 3/20/2012

Comments:  
2078 SD1, Tourism Committee March 22th 1:15pm

Senator Donna Mercado Kim, Chair  
Senator Ronald D. Kouchi, Vice Chair  
Senate Committee on Tourism  
Hawaii State Legislature

Re: Opposition to HB 2078 HD2

Honorable Chair, Vice Chair and Senators,

We respectfully request that you oppose action on HB 2078 HD2.

We are non-resident owners who have been diligently paying all our taxes and feel that this bill is an unnecessary burden on the entire system, when in reality, you have all the tools at your disposal to take care of the problem of non-payment of taxes. We support the State of Hawaii's need to enforce tax compliance regarding those who are not following the requirements of the laws, however HB 2078 HD2 is NOT the answer.

Identity theft is a huge issue these days, and a requirement to display of our tax ID number on all advertising is a concern. I have already found my listing on two or three other sites that I do not advertise!

The bill uses the term agent, which is vague and not defined. Possibly the intended term was LOCAL CONTACT PERSON. But even so, a local contact person has little relevance to enforcing tax compliance. In addition, we feel that adding the name of the local contact person to our advertising would create confusion for potential visitors. Due to privacy concerns, we feel guests do not need to know the name of our on-island representative until they have completed their booking or just prior to their departure.

Tourism in Hawaii took a huge hit with the recession. The rentals by owner model of accommodation is popular option all over the world, and we feel is helping to boost the fragile economy and bringing guests back to the Islands.

We respectfully request you oppose the passage of HB 2078 HD2 and vote no.

Mahalo for considering our testimony,

Keith and Della Halvorson

**kim3 - Nancy**

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**From:** Keith & Della Halvorson [KiheiAkahi\_Palekaiko@shaw.ca]  
**Sent:** Tuesday, March 20, 2012 8:35 AM  
**To:** TSM Testimony  
**Subject:** 2078 SD1, Tourism Committee March 22th 1:15pm

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

**2078 SD1, Tourism Committee March 22th 1:15pm**

Senator Donna Mercado Kim, Chair  
Senator Ronald D. Kouchi, Vice Chair  
Senate Committee on Tourism  
Hawaii State Legislature

Re: Opposition to HB 2078 HD2

Honorable Chair, Vice Chair and Senators,

We respectfully request that you oppose action on HB 2078 HD2.

We are non-resident owners who have been diligently paying all our taxes and feel that this bill is an unnecessary burden on the entire system, when in reality, you have all the tools at your disposal to take care of the problem of non-payment of taxes. We support the State of Hawaii's need to enforce tax compliance regarding those who are not following the requirements of the laws, however HB 2078 HD2 is NOT the answer.

Identity theft is a huge issue these days, and a requirement to display of our tax ID number on all advertising is a concern. I have already found my listing on two or three other sites that I do not advertise!

The bill uses the term agent, which is vague and not defined. Possibly the intended term was LOCAL CONTACT PERSON. But even so, a local contact person has little relevance to enforcing tax compliance. In addition, we feel that adding the name of the local contact person to our advertising would create confusion for potential visitors. Due to privacy concerns, we feel guests do not need to know the name of our on-island representative until they have completed their booking or just prior to their departure.

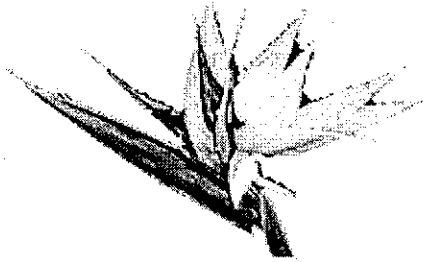
Tourism in Hawaii took a huge hit with the recession. The rentals by owner model of accommodation is popular option all over the world, and we feel is helping to boost the fragile economy and bringing guests back to the Islands.

We respectfully request you oppose the passage of HB 2078 HD2 and vote no.

Mahalo for considering our testimony,

Keith and Della Halvorson

*Palekaiko*  
*at Kihei Akahi*



Keith and Della Halvorson

"Palekaiko" at Kihei Akahi

*(our little piece of "Paradise" on Maui!)*

KiheiAkahi Palekaiko@shaw.ca

Keith and Della Halvorson

Box 54, Brackendale, BC, V0N 1H0

Home phone: 604-898-4060

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 7:54 AM  
**To:** TSM Testimony  
**Cc:** danielle\_gall@homedepot.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Danielle Gall  
Organization: Individual  
E-mail: [danielle\\_gall@homedepot.com](mailto:danielle_gall@homedepot.com)  
Submitted on: 3/20/2012

### Comments:

Bill HB2078 SD1, which recently passed the House and is now in the Senate

I agree with the intent of this bill but feel it still does not clearly or fairly represent the interest of all property owners, whether resident or non-resident:

- With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- I am concerned that my GET/TAT may be used fraudulently by others in their advertisements and want to know how this information will be protected from fraudulent use.
- I am concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. I strongly recommend that the tem be changed to designated local contact.
- I believe that the on island contact phone number may confuse prospective renters.
- I feel that it would be better to require property owners to supply their guests with the number of a designated local contact, by posting it in the room/apartment/condominium as well as included in their rental documents.

Mahalo,  
Danielle Gall



## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 7:44 AM  
**To:** TSM Testimony  
**Cc:** marmer@surewest.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Merlic, Marian and Ed  
Organization: Individual  
E-mail: [marmer@surewest.net](mailto:marmer@surewest.net)  
Submitted on: 3/20/2012

**Comments:**

- a. Resident owners not addressed;predjudicial to non-resident owners.
- b. Adds extra costs to non-resident owners.
- c. All internet advertisers extract and copy selected parts of owner-only advertising and will remove I. D. numbers. The ad is then illegal, through no fault of the originator.

## kim3 - Nancy

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**From:** Elen Stoops [stoose@gmail.com]  
**Sent:** Tuesday, March 20, 2012 7:20 AM  
**To:** Sen. Donna Mercado Kim; Sen. Ronald D. Kouchi; Sen. Brickwood Galuteria; Sen. Gilbert Kahele; Sen. Sam Slom; TSM Testimony  
**Subject:** Revision: Proposal for HB2078 HD3

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Note: This is a resend but with a modification which is at the very end of this letter. Thank you for your consideration and opportunity to provide testimony.

On Sat, Mar 17, 2012 at 10:01 PM, Elen Stoops <[stoose@gmail.com](mailto:stoose@gmail.com)> wrote:

Dear Senators,

Thank you for the opportunity to provide input on HB2078 HD2, legislation affecting responsibilities of owners of transient accomodation rentals.

I can not fully support HB2078 in its present form, and hereby Oppose the measure. While I agree in principal of what I suspect were the original intentions of the measure, that is to support the efforts of the Department of Taxation for tax compliance and to provide additional consumer protection measures for visitors of Hawaii, the bill can better achieve this result, with a higher level of improvement for the state's tax revenues and consumer protection, with important and necessary revisions.

2 provisions contained in the Bill HB2078 HD2 can be summarized as:

1. Conspicuous display of Tax Registration on all Advertisements.

- Applies equally to resident and non-resident owners or their agents who advertise their rentals.
- Exemptions for owners or Property Managers of 10 or more units.

2. Display of local contact name and phone number on all Advertisements

- Exemptions for residents.

Intentions behind Bill's 2 provisions

Intended Purpose of first provision, conspicuous display of tax registration -- to enable ease of inspection and examination, for officials from the Department of Taxation for Transient Accomodations.

Intended Purpose of second provision, posting name and contact information on advertisement -- to ensure the existence of someone local to the property is available and to make the emergency contact information easily accessible, to provide for assistance to guests, neighbors, resident property managers, law enforcement officials or other parties affected by the rental.

My counter proposal to improve achievement of the purposes of the bill in a superior manner and superior end result for the State of Hawaii requires each of the following:

1. Add to the bill a provision, for the benefit of Consumers, the Department of Taxation, other enforcement officials, neighbors and resident managers of condominiums and condominium hotels, to require a conspicuous display, at the external entrance of every property unit, regardless of ownership (resident or non-resident) or management status (property manager or self-managed) a document (I shall later reference as Valid Operator Compliance Document) that shows current and valid:

- TAX REGISTRATION NUMBER
- TAX ID NUMBER
- Property Address with Unit Number
- Name and Phone Number for Local Emergency Contact

**How this serves the state of Hawaii.** *Every rental that can show this information is proven a Legal, Permitted TVR with Tax ID and Registration Numbers and has provided emergency contact info. All of these requirements achieve and support the purpose and intent of this bill. ANY rental that is unable to display this document is either illegal and not permitted and/or is not paying their taxes and/or has failed to provide a necessary contact in case of emergency. This better supports tax compliance efforts for all rentals of Hawaii. This better serves consumer protection efforts for all rentals of Hawaii. If the rental is by owner who is also a resident and is also the local emergency contact, list their name and phone number. If the rental is by owner who is resident but is not the local emergency number, then they list the name and phone number of the party that is the local emergency contact. If the rental is by Property Manager and they are acting as the local emergency contact, list their name and phone number.*

2. Add to the bill a provision, for the benefit of Department of Taxation's need for ease of inspection and examination, a requirement of those parties who either do or do not advertise, and who own 10 or more units. Owners or agents of accommodations with 10 or more units, who have been exempted from the requirement to post their registration numbers on advertisements due to the desire to save increased costs associated with advertisement compliance, shall still be required to support the efforts of the Department of Taxation, however by alternative method. The additional provision is to require equal effort and support of DOT such that those owners or their operators who are exempted by this bill's exemption clause of the requirement to post Tax Registration Numbers in advertisements, regardless of whether they elect to advertise or not, shall alternatively furnish annually to the Department of Taxation, for the purpose of DOT inspection and examination, a list of all associated exempted units' Tax Registration Numbers.

**How this serves the state of Hawaii.** *It is no less difficult or important that Department of Taxation has appropriate assistance for inspection and examination for a non-resident vs. a resident TVR, nor a self-managed vs. property managed TVR. Therefore every rental should assist Department of Taxation's efforts to ensure tax compliance with Equal Effort, not a full exemption if the exemption reduces the result required by the DOT.*

3. Delete from the bill the requirement for putting in advertisement the name and phone number of the local emergency contact. The TOU Chairman has already provided written opinion on this matter in agreement of my position, writing "Remove requirement that local contact be provided in advertisements. Specify that local contact should be provided to customer at the transient accommodation in case of emergency." I further suggest that the bill's language state that "this information shall be contained on the Valid Operator Compliance Document which is to be prominently posted external to the entrance of every TVR in the state of Hawaii."

As you may be aware, hundreds of testimonies were provided in opposition of SB2089 which included opposition to this provision for advertisement listing of local contact info. It first of all creates invasion of privacy concerns to the person whose name and phone number is inappropriately mandated posted on the internet (which is the vehicle for the vast majority of advertisements). An internet ad viewed by thousands will result in only a relatively small number of eventual reservations. The information is not required until the reservation has been made. The State of Hawaii has made no provisions to take responsibility for any inadvertant consequences that may arise due to this intrusive and unnecessary requirement. All owners agree for the need to provide information of this nature to the guest. Few would agree that it is a appropriate or reasonable pre-requisite for their right to advertise.

Addition of this information serves to provide confusion in the pre-sale point of time as to who to contact to inquire about the possibility to rent a property. The owner and only the owner should receive the first phone call by any party inquiring.

A further objection is that it would be incorrect to presume that all resident owners of a property are also the local caretakers of the property. For that reason, resident properties have no lesser need to provide the correct local contact information. This is for the safety and benefit of those any person related to any TVR who shall need immediate and/or emergency access to a contact name and phone number.

Finally, to ensure compliance by audit and enforcement efforts to this provision of requiring contact info in some ads but not in others, how could this be achieved? How could it be easily examined that an advertisement is still compliant (by the virtue of exemption because the ad belongs to a on-island resident) when it does not show a local contact name and phone number?

Thus the requirement for advertisement content to contain local contact name is problematic in that it has little appropriacy, is not easily audited and enforced and does not provide this information in the more appropriate and convenient location for value in consumer protection or other purposes.

My proposals support the intention and spirit for which the bill was created. Additionally my proposals address objections that I have relative to the current version of HB2078 SD2 relative to:

- Restraint of Trade (Due to unequal application of law in the bill's current form, some parties are exempted from the bill's purpose of supporting Consumer Protection measures or Department of Taxation efforts)
- Invasion of Privacy

An additional benefit of my proposed changes is that it will also serve to highlight for the benefit of the Department of Planning and Permitting and the Department of Taxation and other parties with interest in finding and discontinuing operation of illegal, non-permitted operations as they will become conspicuous when they lack their Valid Operator Compliance Document. Surprisingly the lack of effort or clear intent to use the current legislative bill for application towards illegal and local TVRs seemingly has been overlooked as well as in language for SB2089 and HB1707. That only correct goal of this legislation or the legislators or committee members should be to achieve the goal of tax compliance for **every TVR in Hawaii**. HB2078 HD2 should either be amended accordingly or deferred.

I respectfully request that prior to casting their vote for this bill, legislators also consider carefully their fiscal implications and responsibilities towards the state of Hawaii, with respect to passage of any law relative that may have any conflict with Hawaii Constitution, US Constitution and NAFTA.

Thank you for your consideration of my comments.

UPDATE: I would like to make the following amendment to note sent earlier.

Dear Senators,

I am resending my original response with one revision suggestion that is important due to concerns others have expressed over Identity Theft for owners and Safety concerns for guests.

There is a proposal by me that all TVRs, in order that they are able to demonstrate legal permit and tax compliance and provide a phone number for emergency, place in conspicuous place at the entrance of their property a document. As all TVRs, not just some, will have this sign, it will serve as a starting point to reduce the number of illegal rentals in existence.

This should be in replacement of what I sent earlier. The below referenced "Valid Operator Compliance Document" will contain

An ID that is unique to an owner/taxpayer that is for the use by DOT and/or DPP only.\*

The address and unit number to which this ID number belongs

Emergency Phone number\*\*

\* This ID will not reveal to others any information that could be used for attempted Identity theft.

\*\* (no name as this could be used in the wrong way and presents a safety issue for the guest).

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:49 AM  
**To:** TSM Testimony  
**Cc:** donhealy@pcmc.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Donald J. Healy  
Organization: Individual  
E-mail: donhealy@pcmc.com  
Submitted on: 3/20/2012

Comments:

OPPOSE

Although we agree with the intent of Bill HB2078 HD2 and support Hawaii tax collection we feel that it opens us owners up to identity theft by allowing anyone to obtain our personal information with the tax ID number. We do not believe our tax ID number should be public information with all the fraud being done in this world. There should be other ways to accomplish the same end results.

We also would like the term changed to "designated local contact" so the bill is not later changed to licensed real estate profession.

We do list our "on island" contact information in our rooms and send this information out to our guest prior to them coming here so we feel that is sufficient and will ONLY confuse our guest with bookings.

Thanks you  
Donald J. Healy

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:54 PM  
**To:** TSM Testimony  
**Cc:** mk\_dancer@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Lorin Yates  
Organization: Individual  
E-mail: [mk\\_dancer@yahoo.com](mailto:mk_dancer@yahoo.com)  
Submitted on: 3/20/2012

Comments:  
I OPPOSE HB2078

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:53 PM  
**To:** TSM Testimony  
**Cc:** mk\_dancer@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: marci kunin  
Organization: Individual  
E-mail: [mk\\_dancer@yahoo.com](mailto:mk_dancer@yahoo.com)  
Submitted on: 3/20/2012

Comments:  
WE OPPOSE HB 2078



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:44 PM  
**To:** TSM Testimony  
**Cc:** martink004@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kenneth Martin  
Organization: Individual  
E-mail: [martink004@hawaii.rr.com](mailto:martink004@hawaii.rr.com)  
Submitted on: 3/20/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:43 PM  
**To:** TSM Testimony  
**Cc:** mk\_dancer@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Lorin Yates  
Organization: Individual  
E-mail: [mk\\_dancer@yahoo.com](mailto:mk_dancer@yahoo.com)  
Submitted on: 3/20/2012

Comments:  
I OPPOSE HB2078

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:40 PM  
**To:** TSM Testimony  
**Cc:** mk\_dancer@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: marci kunin  
Organization: Individual  
E-mail: [mk\\_dancer@yahoo.com](mailto:mk_dancer@yahoo.com)  
Submitted on: 3/20/2012

Comments:  
WE OPPOSE HB 2078

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:11 PM  
**To:** TSM Testimony  
**Cc:** jda611@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Judy Dancer  
Organization: Individual  
E-mail: [jda611@aol.com](mailto:jda611@aol.com)  
Submitted on: 3/20/2012

**Comments:**

I oppose HB2078. I think printing tax numbers like GET, and TAT are inviting trouble..Please VOTE NO, IT IS DANGEROUS. I have both those tax licenses and I pay my taxes monthly, buit I do not want to be scared by people who want to track me down for revenge

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 2:47 PM  
**To:** TSM Testimony  
**Cc:** ddivadog@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: D Markley  
Organization: Individual  
E-mail: [ddivadog@aol.com](mailto:ddivadog@aol.com)  
Submitted on: 3/20/2012

Comments:  
I oppose this bill

**kim3 - Nancy**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 2:21 PM  
**To:** TSM Testimony  
**Cc:** thelordrudd@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Brew Rudd  
Organization: Individual  
E-mail: [thelordrudd@yahoo.com](mailto:thelordrudd@yahoo.com)  
Submitted on: 3/20/2012

**Comments:**

I am in opposition to HB2078 which would require that all advertisements and solicitations in any medium for transient accommodations to conspicuously display the registration identification number or the website address for a website containing the registration identification number. By requiring my registration number on all forms of advertisement the legislature is enabling the dissemination of my personal information without regard to my privacy or security. The Department of Taxation provides a search engine to get the name and location of a business by tax licenses number. Third parties can avail themselves of this information and I have no way of knowing who they are or what their intentions maybe. Is my house going to be under scrutiny, my security threatened, the property be damaged or stolen, people be harassed? I certainly don't want to lay myself or any potential visitor open to jeporady.

I certainly agree all required taxes should be collected and paid but I am opposed to anyone being required to give a tax license number out for just anyone to research and locate their property and possibly undermine the safety of their residence and subject them to identity theft.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 2:01 PM  
**To:** TSM Testimony  
**Cc:** gaylerubino@hotmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Gayle Rubino  
Organization: Individual  
E-mail: [gaylerubino@hotmail.com](mailto:gaylerubino@hotmail.com)  
Submitted on: 3/20/2012

Comments:  
I am OPPOSED to this bill.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 1:55 PM  
**To:** TSM Testimony  
**Cc:** vacationhawaii@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Greg  
Organization: Individual  
E-mail: [vacationhawaii@hawaii.rr.com](mailto:vacationhawaii@hawaii.rr.com)  
Submitted on: 3/20/2012

Comments:



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 1:40 PM  
**To:** TSM Testimony  
**Cc:** cmhiatt@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Carolyn Hiatt  
Organization: HVROA  
E-mail: [cmhiatt@gmail.com](mailto:cmhiatt@gmail.com)  
Submitted on: 3/20/2012

**Comments:**

This is a security issue. The information can cause unwanted guests on the property and burglaries. The tax payers and visitors will be the victims. The tax dodgers will get creative. They will use other means to book without having to use a tax ID number.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 1:40 PM  
**To:** TSM Testimony  
**Cc:** cwarnn@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Charles Warner  
Organization: Individual  
E-mail: [cwarnn@comcast.net](mailto:cwarnn@comcast.net)  
Submitted on: 3/20/2012

**Comments:**

I oppose because it is ill conceived and creates more problems than it resolves. Since there is no reasonable short term vacation permitting the net effect would be to dramatically reduce the TAT taxes collected for the state. Time to wake up to economic reality Hawaii! Don't cut our own throat with ridiculous short term rental legislation. Give us some reasonable permitting legislation and stop screwing around with silly bills like this.  
A Laie resident.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 1:36 PM  
**To:** TSM Testimony  
**Cc:** kellylaa@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kelly La'a  
Organization: Individual  
E-mail: [kellylaa@aol.com](mailto:kellylaa@aol.com)  
Submitted on: 3/20/2012

Comments:  
Absolutely Oppose!

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 1:31 PM  
**To:** TSM Testimony  
**Cc:** silkwoodhi@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Greg McCaul  
Organization: Individual  
E-mail: [silkwoodhi@aol.com](mailto:silkwoodhi@aol.com)  
Submitted on: 3/20/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 10:18 PM  
**To:** TSM Testimony  
**Cc:** Lisabennett@me.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Lisa Bennett  
Organization: Individual  
E-mail: [Lisabennett@me.com](mailto:Lisabennett@me.com)  
Submitted on: 3/20/2012

Comments:  
Please do not pass this!  
Thank you

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 8:01 PM  
**To:** TSM Testimony  
**Cc:** ingrid2@shaw.ca  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: ingrid o'conner  
Organization: Individual  
E-mail: [ingrid2@shaw.ca](mailto:ingrid2@shaw.ca)  
Submitted on: 3/20/2012

Comments:  
To Whom It May Concern

I'm writing to oppose bill SB2089. I own three condos in Maui which my husband and I bought over 35 years ago. We worked very hard to pay for them over the years and have faithfully paid the General Tax as well as the Transient Tax in later years on every booking that we attained. Since the downturn in the economy it has been much more difficult to rent our units and we have just been able to keep afloat in the last few years.

If this bills were to pass it would be a financial disaster for most owners. The cost of paying a Realtor 25% or more would be horrendous and I myself (my husband passed away one year ago) would not be able to keep these condos as the financial burden would be too great.

Also, if this bill were to pass, owners would obviously have to increase the rates on the rentals in order to pay a Realtor and that would be disastrous as it would make it even more difficult to attain bookings which I'm sure would cause many owners to sell their units.

I was in Mexico recently and was amazed at the low costs there and I believe that if this bill were to pass and condo rates go up that many a person thinking of holidaying in Hawaii will instead go to other destinations such as Mexico for their sun and relaxation.

Sincerely,

Ingrid O'Connor,  
3868 Winlake Crescent,

Burnaby, B.C.,

V5A 2G5

Canada

Kauhale Makai #523 & #307

and #266 in Hale Kamaole

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 7:19 PM  
**To:** TSM Testimony  
**Cc:** geoff.scotton@frontier.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Geoffrey Scotton  
Organization: Individual  
E-mail: [geoff.scotton@frontier.com](mailto:geoff.scotton@frontier.com)  
Submitted on: 3/20/2012

**Comments:**

I oppose HB2078 HB2 on the several fronts. Firstly this bill fails to recognize the nature of how internet marketing works. The listing owner of web based travel rental marketing subscription does not have control over how the information is subsequently used after making the initial listing. Portions of the original listing information are reused by websites that the listing owner never subscribed to, nor has any control of the information content that they choose to display. Consequently it is not possible for a listing owner to ensure that all web based advertisement and solicitations contain area state required information content.

Secondly, requiring personal contact information for a local contact to be included in such web based advertising intrudes on the personal privacy of the contact person and facilitates identity fraud towards the contact person and to the guests of the accommodation service. This information should be shared on a direct basis as part of the rental transaction so as to assure respect for local contact privacy and avoid fraudulent masquerading of the local contact to the guest.

Also, can the state ensure that owner personal information cannot be obtained through the use of a state mandated public license identification numbers. This is not the case today, as owner names can be retrieved on-line based upon tax-id numbers.

Lastly the definitions of &quot;agent&quot; is entirely ambiguous.

I believe the potential for unauthorized use of information mandated by this bill severely impinges of person privacy rights.

Accordingly, I respectfully request that this bill be rejected.

Thank you  
Geoff Scotton



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:53 PM  
**To:** TSM Testimony  
**Cc:** svriddick@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Sheryl Riddick  
Organization: Individual  
E-mail: [svriddick@yahoo.com](mailto:svriddick@yahoo.com)  
Submitted on: 3/20/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:35 PM  
**To:** TSM Testimony  
**Cc:** joe@mauiocan.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dr. Joe Opray  
Organization: Individual  
E-mail: [joe@mauiocan.com](mailto:joe@mauiocan.com)  
Submitted on: 3/20/2012

**Comments:**

As a new owner of a condo in West Maui, I run my own small rental business to vacationers to Maui. I pay my Taxes, GE and TA every month as currently required. The additional expense to have a person on island to provide oversight is not necessary or right.

SB 2089 - is a form of taxation without representation in the State of Hawaii! I can not vote since I am not a year round resident. The extra layer of govt. and ultimately additional cost to the Maui Visitor is unwarranted!

It will cause more mainlanders to be priced out of the Maui vacation market!

Why not have more people on the ground to research those people in violation of the existing laws. Through tighter oversight, I believe your increased revenue would increase tax revenues more than the expense of enforcement. Thus, saving another layer of increased cost and confusion!

LET THE FREE MARKET WORK!! We run a business -- I don't need to be baby sat by another local person or business!

Thank you for your consideration, Dr. Joe Opray.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:51 PM  
**To:** TSM Testimony  
**Cc:** DixonInHawaii@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dixon Smith  
Organization: Individual  
E-mail: [DixonInHawaii@gmail.com](mailto:DixonInHawaii@gmail.com)  
Submitted on: 3/20/2012

**Comments:**

I strongly oppose this Bill. Special interests at work that will not serve the community.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:46 PM  
**To:** TSM Testimony  
**Cc:** mikejacksonatlarge@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Mike Jackson  
Organization: Individual  
E-mail: [mikejacksonatlarge@gmail.com](mailto:mikejacksonatlarge@gmail.com)  
Submitted on: 3/20/2012

**Comments:**

Okay to require out-of state or other-island owner to have a local representative for emergency matters, but it should not be required for them to have a local real estate agent to handle thier bookings and taxes. This is unfair and prejudicial.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:29 PM  
**To:** TSM Testimony  
**Cc:** foxaloha@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Pat Fox  
Organization: Individual  
E-mail: [foxaloha@aol.com](mailto:foxaloha@aol.com)  
Submitted on: 3/20/2012

**Comments:**

This seems to be an entrapment ploy for possible tax evaders, which wrests the control of our own property away from us. I pay my GE and TA taxes and do not want or need a real estate agent &quot;managing&quot; my rental.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:27 PM  
**To:** TSM Testimony  
**Cc:** lmarkworth@live.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Larry Markworth  
Organization: Individual  
E-mail: [lmarkworth@live.com](mailto:lmarkworth@live.com)  
Submitted on: 3/20/2012

**Comments:**

Until there is an equitable method to apply for and receive transient rental permits this measure should be opposed. The vacation rental cottage industry provides jobs and creates thriving local economies for Hawaii's communities.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:15 PM  
**To:** TSM Testimony  
**Cc:** kazoom@gci.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Marilyn Leland  
Organization: Individual  
E-mail: [kazoom@gci.net](mailto:kazoom@gci.net)  
Submitted on: 3/20/2012

**Comments:**

I am writing to oppose passage of SB2078 HD2.

I own a condo in Maalaea, Maui that I use for personal visits and rent through vrbo.com for vacation rentals. I have a license to operate a vacation rental and I pay all GET and TAT on time and in full. I have an on-island contact, a housekeeper and utilize local contractors for maintenance. I believe that my condo is very well managed and I have many very positive reviews.

I am very sympathetic to what I believe to be the intent of this bill and others that are before the legislature this year, i.e. Hawaii's need to be certain that all vacation rental owners are paying appropriate taxes and that vacationers visiting the beautiful state of Hawaii have the best experience possible, but I do not believe that this bill will do anything to further that goal. In fact, I think it could have the opposite effect.

Under this bill, I would be required to post my Registration Identification Number and the name and contact information for my on-island contact on the website where my property is advertised. On the surface, posting the registration number doesn't seem objectionable, but in this day of identity theft, it concerns me that someone could use the number for illegal purposes while not actually providing any useful information to prospective renters. Two alternatives that I would suggest would be to include the number in the arrival instructions that I provide to my renters and also provide the number to the resident manager of my condo association.

Including the name and contact information for my on-island contact concerns me more. His name and contact information is provided to my renters in their arrival instructions once they have paid their rent in full so that he can be contacted in case of emergency, but I don't see the value of including it in my advertisement. He is not at all involved in the inquiry stage of my rentals. If he is mentioned in my advertisement, prospective renters will almost certainly contact him from time to time. That is not what he has been hired to do and I believe that will lead to confusion and frustration for the renters. His name and contact information has already been provided to the resident manager of my condo association and, as mentioned above, to the renters in their arrival instructions. I believe that should be sufficient.

Before passing SB2078 HD2 or any other similar bill, I believe further research needs to be done to determine what the problems are that you're trying to resolve. Therefore, I ask that you vote no on SB2078 HD2.

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 4:43 PM  
**To:** TSM Testimony  
**Cc:** progross@hotmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Mary Gross  
Organization: Individual  
E-mail: [progross@hotmail.com](mailto:progross@hotmail.com)  
Submitted on: 3/20/2012

### Comments:

I am the owner/operator of a short term rental on Maui who resides in California. When I purchased my property, I immediately applied for a license and employed an on-island housekeeper/manager. I collect and pay GE and TA taxes. Respectfully, I must express my opposition to this bill. It truly makes no sense to require me to list the name and phone number of my on-island contact on my rental listings. I do not want to confuse prospective renters. I am the one who manages my property, decides whom to rent to, and provide my confirmed guests with much information with suggestions and recommendations for how they might best enjoy all that Maui has to offer. I am on-call to my guests 24/7 and receive inquiries as well as informational questions at all hours. This is my responsibility, not that of my on-island contact. I do provide the name and phone number of my on-island contact when I send my guests detailed instructions for arriving at my condo. I also provide an informational booklet with not only my on-island housekeeper/manager's name and phone number prominently displayed, but also information about where they can secure medical assistance if necessary. I have no issue with mandating that each property owner have on file with the state the name/contact information of his/her on-island contact; however, it makes no sense to put this information in my advertisements. This would be confusing to potential guests and cause unnecessary calls and inquiries to the individuals I employ to care for my unit and guests' needs while on island. I do not employ them to address inquiries or answer my guests' informational questions ahead of time. I have no problem posting my business/tax information on my ads, as I do run a legitimate business, filing and paying my taxes, and helping support the state of Hawaii's economy. With aloha, Mary Gross



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:15 AM  
**To:** TSM Testimony  
**Cc:** cooneyshirley@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Bill HB2078 SD1 testimonial.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Shirley Cooney  
Organization: Individual  
E-mail: [cooneyshirley@gmail.com](mailto:cooneyshirley@gmail.com)  
Submitted on: 3/20/2012

Comments:

## Comments opposing Bill HB2078 SD1

I feel that having my GET/TA listed on a website will only increase the chances of someone else using my tax information.

I have a designated local contact person. Their contact information is in my rental contract and also posted in the condo. My designated local contact person would not want their information on any of my websites where I advertise. This will confuse potential guests.

I call each guest during their stay to make sure everything is OK and answer any questions they may have.

This bill discriminates against non-residents.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 5:19 AM  
**To:** TSM Testimony  
**Cc:** r.devera7@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB 2078.pdf

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: ReynanteDeVera  
Organization: Individual  
E-mail: [r.devera7@yahoo.com](mailto:r.devera7@yahoo.com)  
Submitted on: 3/20/2012

Comments:

I respectfully submit my testimony to those who are considering making HB 2078 a law. We need laws to be put into place that will generate and protect the revenues and continue growth in the area of tourism. It is not fair to single out just this business and put Hawaii residents and property owners at risk with publishing online their personal information.

We should be putting laws into place that will give permits to those who feel called to the hospitality business in their homes. People want to pay their taxes. No one wants to hide. But not giving out any new bed & breakfasts or tuv permits since 1988 has crippled our state in its ability to grow and capitalize on a vacation choice that many seek out.

Why put the cart before the horse. Please look at putting laws in place so that there will be permit #s to put on advertisement not our personal information that will make us prey or snuff out the tax revenue totally in this area. If the point is to capture the taxes that can be gained by this industry do it rightly.

No other Hawaii business has to put their personal information on their advertisement. Many people take care of their properties and guests in many varieties of ways. Travel agents book properties all over the world rarely are they living in the same place or impossible to live wherever they help to accommodate guests. This practice would also stunt the growth of Hawaii tourism and affect tax revenue. People will gladly pay their taxes if they feel they also have the support of their state or place where they own property or do business. We need investors to see also Hawaii as a place to put their money.

There are plenty of places people can retire or invest in. We must be wise in how we handle our residents, those who would invest in our great state and those who desire to visit and spend their vacation dollars here who are the ones who really pay the Tat & Get taxes.

I ask you to please protect the personal information. Think if it were your personal information being exploited or if you would have to put on every advertisement of your business your tax id. Where does this end. This bill is not the solution. Permitting and proper regulation will produce more collection of the taxes needed to run the state.

Sincerely,

Reynante Devera

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 6:19 AM  
**To:** TSM Testimony  
**Cc:** MauiCondo4u@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Aloha Congressman.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Don Brattin  
Organization: Individual  
E-mail: [MauiCondo4u@aol.com](mailto:MauiCondo4u@aol.com)  
Submitted on: 3/20/2012

Comments:

Aloha Congressman! Thank you for taking time to consider my thoughts on proposed bill HB2078 HD2.

Part of the proposed bill states "Requires that any advertisement or solicitation that appears on any website provide contact information for a local agent if the operator of the residential property resides off-island or out-of-state.

I oppose this bill for several common sense reasons. I hope you will understand.

I used to live in Maui but now live on the mainland. I have rented my Maui condo while living in both regions and have changed virtually nothing about the way I advertise.

I do not have a website.

I advertise on several search engines. I post my phone numbers and email address in "conspicuous" or prominent places in the ads in order to entice potential guests to talk to me "personally" about their visit. I can tell them all about Maui, the amenities and explain what to expect.

I do not have a problem posting my GE and TA tax numbers and such but if I am forced to post the name and phone number of my on island contacts in a "conspicuous" part of my advertisements, negative things will happen.

1. Vacationers will be confused as to who to call.
2. My rental income will go down. So will GE and TA taxes I pay to the State. When I personally talk to a potential renter my chances of renting to them are very high. Any owner will tell you they can "sell" their condo better than any secondary contact no matter where that contact resides.
3. If my on island contact starts getting calls all hours of the day and night they will be very unhappy. I live in Missouri. I literally get phone calls asking about my condo from 8 a.m. till sometimes 11:30 p.m. No "on island contact" wants calls at 3 a.m. (time zone differences)
4. "On island contacts" are there to help me and the guest is if there is a problem, not to rent my condo.

After my vacationers pay their final payment I send a huge amount of information to them 60 days prior to arrival.

This information includes the name of the person to contact should there be a problem while on Maui.

It goes as far as to tell guests where to seek medical attention.

Respectfully I oppose this bill.

I believe it is not necessary, will be very confusing to potential guests searching for accommodations and will be a detriment to my rental income and the States GE & TA tax revenue.

Thank you for taking time to consider all the ramifications of this bill.

Don Brattin  
417-335-1286

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 12:29 PM  
**To:** TSM Testimony  
**Cc:** robstewart49@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Testimony HB 2078 HD2 (submitted).doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: R Stewart  
Organization: Individual  
E-mail: [robstewart49@gmail.com](mailto:robstewart49@gmail.com)  
Submitted on: 3/20/2012

Comments:

## HB 2078 HD2 Oppose

I respectfully submit the following testimony for your consideration:

I agree with the intent of HB 2078 HD2 in its efforts to enforce transient accommodation tax compliance; however, I respectfully **OPPOSE** it in its present form.

I oppose the use of the transient accommodation tax identification number being mandated for use in public advertising. The use of this number in advertising will actually **enable more fraud**. The purpose of the i.d. number in advertising is to provide a means of audit for tax compliance; however, you may achieve the opposite.

1. All of the non-compliant operators will now simply put a REAL tax i.d. in their advertising copied from a legitimate advertisement,

2. The State auditors may now have a greater challenge in conducting audits while trying to authenticate tax identification numbers. If a state auditor contacts the person fraudulently using a real tax i.d. in their advertisement what information could the tax department utilize to distinguish legal use as opposed to illegal use?

3. The use of a Hawaii tax i.d. number in advertisement will convey to the consumer (tourist) a level of legitimacy that may not be there. By the State requiring a tax identification number the **consumer (tourist) is likely to trust the content of the advertisement more than they would otherwise**. This clearly is not the desired result and could have adverse consequences. You will be making it harder for the consumer (tourist) to exercise judgment in what is a legitimate advertisement and what is fraud.

4. If there is widespread fraudulent use of real transient accommodation tax identification numbers, the State will then be put in a position to not only cease using the tax i.d. in advertising and starting afresh with new numbers, but would also need to re-issue transient accommodation numbers to everyone since they have been compromised. This would be an enormous task for the Tax Department to correct.

5. The Hawaii Tourism Authority opposes this Bill. Per their testimony on 1/30/12 they maintain that the Tax Department and counties already have all the information required to conduct audits.

**PROPOSED SOLUTION: The Tax Department issue to holders of transient accommodation tax identification numbers, a unique advertising control number (ACN) to be used in advertising.** Only the tax department would have the cross reference of which tax i.d. is correlating to the advertising control number. This maintains the audit tools that the tax department or Hawaii Tourism Authority would need to conduct audits.

The unique advertising control number (ACN) does not convey to the consumer (tourist) a level of legitimacy that a tax i.d. number would.



While, the unique advertising control number (ACN) can be illegally used by someone else, it can easily be verified by the auditing agency, because only employees of the tax department and the legitimate owner of the ACN will know all the information in the tax department's records that correlate to the ACN number.

All the advertising control numbers (ACN) can be reissued at intervals determined by the tax department. This would provide a way to update the entire roll of advertising control numbers due to aging, widespread misuse or any other reason, without the necessity to reissue all transient accommodation tax i.d. numbers.

Additionally, I **oppose** the on-island contact information being displayed in advertisement. I feel this is a **safety issue for the guest tourist** staying in the transient accommodation. Since the on-island contact information would be public and available to anyone who sees the advertisement -- anyone with malicious intent could present themselves at the front door and introduce themselves using the on-island contact's name. Since the guest-tourist has never seen the person before, anyone could purport to be that person and gain access to the accommodation. This seriously compromises the safety of guests. Only the guest themselves, need to know the on-island contact's name and this can easily be given during the booking process as well as posted inside the unit.

Respectfully,

R. Stewart

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 20, 2012 3:59 PM  
**To:** TSM Testimony  
**Cc:** r.devera7@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB 2078.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Reynante Devera  
Organization: Individual  
E-mail: [r.devera7@yahoo.com](mailto:r.devera7@yahoo.com)  
Submitted on: 3/20/2012

Comments:

I respectfully submit my testimony to those who are considering making HB 2078 a law. We need laws to be put into place that will generate and protect the revenues and continue growth in the area of tourism. It is not fair to single out just this business and put Hawaii residents and property owners at risk with publishing online their personal information.

We should be putting laws into place that will give permits to those who feel called to the hospitality business in their homes. People want to pay their taxes. No one wants to hide. But not giving out any new bed & breakfasts or tnv permits since 1988 has crippled our state in its ability to grow and capitalize on a vacation choice that many seek out.

Why put the cart before the horse. Please look at putting laws in place so that there will be permit #s to put on advertisement not our personal information that will make us prey or snuff out the tax revenue totally in this area. If the point is to capture the taxes that can be gained by this industry do it rightly.

No other Hawaii business has to put their personal information on their advertisement. Many people take care of their properties and guests in many varieties of ways. Travel agents book properties all over the world rarely are they living in the same place or impossible to live wherever they help to accommodate guests. This practice would also stunt the growth of Hawaii tourism and affect tax revenue. People will gladly pay their taxes if they feel they also have the support of their state or place where they own property or do business. We need investors to see also Hawaii as a place to put their money.

There are plenty of places people can retire or invest in. We must be wise in how we handle our residents, those who would invest in our great state and those who desire to visit and spend their vacation dollars here who are the ones who really pay the Tat & Get taxes.

I ask you to please protect the personal information. Think if it were your personal information being exploited or if you would have to put on every advertisement of your business your tax id. Where does this end. This bill is not the solution. Permitting and proper regulation will produce more collection of the taxes needed to run the state.

Sincerely,

Reynante Devera

Opposition to Bill HB2078

Aloha Honorable Members of the House Consumer Protection Committee;

I believe that it is unconstitutional and violates our civil rights to own property and not be able to manage it ourselves. HB1706 SD1 the bill that will make it law to require owners of residential units who reside on a different island than the unit or out-of-state to provide the managing agent or resident manager of the condominium project with contact information of a rental agent located in the State who is responsible for the management of the property clearly discriminates against off island owners.

I believe that the term of rental agent should be changed to designated local contact. All condominium townhome projects do not have managing agents or resident managers so this goes back to the owner should provide the renter with a local contact for emergency reasons. This information should be provided to the renters with their Rental Information Packet prior to their arrival.

Respectfully,

David Giacomini

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 10:40 AM  
**To:** TSM Testimony  
**Cc:** vadimoss@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** LetterOpposed\_ToBill\_HB2078.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: vadim oss  
Organization: Individual  
E-mail: [vadimoss@yahoo.com](mailto:vadimoss@yahoo.com)  
Submitted on: 3/21/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 9:29 AM  
**To:** TSM Testimony  
**Cc:** svandiamo99@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Sylvia Remington  
Organization: Individual  
E-mail: [svandiamo99@gmail.com](mailto:svandiamo99@gmail.com)  
Submitted on: 3/21/2012

**Comments:**

I am against posting my tax numbers out to the public. I also oppose listing my contact person on advertisements.

I do not think this bill as written will benefit the State of Hawaii.

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 15, 2012 2:41 PM  
**To:** TSM Testimony  
**Cc:** dmsfremont55@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dianne Smith  
Organization: Individual  
E-mail: [dmsfremont55@sbcglobal.net](mailto:dmsfremont55@sbcglobal.net)  
Submitted on: 3/15/2012

Comments:  
OPPOSE HB2078

Publishing a vacation rental home's Tax ID on advertisements, especially internet ads, poses a security risk because criminals can use the information to obtain personal information and property addresses from the tax department web site. This is a serious dilemma for property owners, exposing them to great harm. Anyone could look up the information and burglarize a house that is often vacant, like vacation rental homes.

Also, if ads require the name of a local agent, it would only apply to non-residents. This would not pass Constitutional muster as the Supreme Court has previously ruled it illegal to give preferential treatment to local residents over non-residents. Residents and non-residents must abide by the same set of laws.

**kim3 - Nancy**

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**From:** Elen Stoops [stoose@gmail.com]  
**Sent:** Saturday, March 17, 2012 7:02 PM  
**To:** Sen. Donna Mercado Kim; Sen. Ronald D. Kouchi; Sen. Brickwood Galuteria; Sen. Gilbert Kahele; Sen. Sam Slom; TSM Testimony  
**Subject:** Proposal for HB2078 HD3

Dear Senators,

Thank you for the opportunity to provide input on HB2078 HD2, legislation affecting responsibilities of owners of transient accomodation rentals.

I can not fully support HB2078 in its present form, and hereby Oppose the measure. While I agree in principal of what I suspect were the original intentions of the measure, that is to support the efforts of the Department of Taxation for tax compliance and to provide additional consumer protection measures for visitors of Hawaii, the bill can better achieve this result, with a higher level of improvement for the state's tax revenues and consumer protection, with important and necessary revisions.

2 provisions contained in the Bill HB2078 HD2 can be summarized as:

1. Conspicuous display of Tax Registration on all Advertisements.
  - Applies equally to resident and non-resident owners or their agents who advertise their rentals.
  - Exemptions for owners or Property Managers of 10 or more units.
  
2. Display of local contact name and phone number on all Advertisements
  - Exemptions for residents.

Intentions behind Bill's 2 provisions

Intended Purpose of first provision, conspicuous display of tax registration -- to enable ease of inspection and examination, for officials from the Department of Taxation for Transient Accomodations.

Intended Purpose of second provision, posting name and contact information on advertisement -- to ensure the existence of someone local to the property is available and to make the emergency contact information easily accessible, to provide for assistance to guests, neighbors, resident property managers, law enforcement officials or other parties affected by the rental.

My counter proposal to improve achievement of the purposes of the bill in a superior manner and superior end result for the State of Hawaii requires each of the following:

1. Add to the bill a provision, for the benefit of Consumers, the Department of Taxation, other enforcement officials, neighbors and resident managers of condominiums and condominium hotels, to require a conspicuous display, at the external entrance of every property unit, regardless of ownership (resident or non-resident) or management status (property manager or self-managed) a document (I shall later reference as Valid Operator Compliance Document) that shows current and valid:

TAX REGISTRATION NUMBER  
TAX ID NUMBER  
Property Address with Unit Number



## Name and Phone Number for Local Emergency Contact

**How this serves the state of Hawaii.** *Every rental that can show this information is proven a Legal, Permitted TVR with Tax ID and Registration Numbers and has provided emergency contact info. All of these requirements achieve and support the purpose and intent of this bill. ANY rental that is unable to display this document is either illegal and not permitted and/or is not paying their taxes and/or has failed to provide a necessary contact in case of emergency. This better supports tax compliance efforts for all rentals of Hawaii. This better serves consumer protection efforts for all rentals of Hawaii. If the rental is by owner who is also a resident and is also the local emergency contact, list their name and phone number. If the rental is by owner who is resident but is not the local emergency number, then they list the name and phone number of the party that is the local emergency contact. If the rental is by Property Manager and they are acting as the local emergency contact, list their name and phone number.*

2. Add to the bill a provision, for the benefit of Department of Taxation's need for ease of inspection and examination, a requirement of those parties who either do or do not advertise, and who own 10 or more units. Owners or agents of accommodations with 10 or more units, who have been exempted from the requirement to post their registration numbers on advertisements due to the desire to save increased costs associated with advertisement compliance, shall still be required to support the efforts of the Department of Taxation, however by alternative method. The additional provision is to require equal effort and support of DOT such that those owners or their operators who are exempted by this bill's exemption clause of the requirement to post Tax Registration Numbers in advertisements, regardless of whether they elect to advertise or not, shall alternatively furnish annually to the Department of Taxation, for the purpose of DOT inspection and examination, a list of all associated exempted units' Tax Registration Numbers.

**How this serves the state of Hawaii.** *It is no less difficult or important that Department of Taxation has appropriate assistance for inspection and examination for a non-resident vs. a resident TVR, nor a self-managed vs. property managed TVR. Therefore every rental should assist Department of Taxation's efforts to ensure tax compliance with Equal Effort, not a full exemption if the exemption reduces the result required by the DOT.*

3. Delete from the bill the requirement for putting in advertisement the name and phone number of the local emergency contact. The TOU Chairman has already provided written opinion on this matter in agreement of my position, writing "Remove requirement that local contact be provided in advertisements. Specify that local contact should be provided to customer at the transient accommodation in case of emergency." I further suggest that the bill's language state that "this information shall be contained on the Valid Operator Compliance Document which is to be prominently posted external to the entrance of every TVR in the state of Hawaii."

As you may be aware, hundreds of testimonies were provided in opposition of SB2089 which included opposition to this provision for advertisement listing of local contact info. It first of all creates invasion of privacy concerns to the person whose name and phone number is inappropriately mandated posted on the internet (which is the vehicle for the vast majority of advertisements). An internet ad viewed by thousands will result in only a relatively small number of eventual reservations. The information is not required until the reservation has been made. The State of Hawaii has made no provisions to take responsibility for any inadvertant consequences that may arise due to this intrusive and unnecessary requirement. All owners agree for the need to provide information of this nature to the guest. Few would agree that it is a appropriate or reasonable pre-requisite for their right to advertise.

Addition of this information serves to provide confusion in the pre-sale point of time as to who to contact to inquire about the possibility to rent a property. The owner and only the owner should receive the first phone call by any party inquiring.

A further objection is that it would be incorrect to presume that all resident owners of a property are also the local caretakers of the property. For that reason, resident properties have no lesser need to provide the correct local contact information. This is for the safety and benefit of those any person related to any TVR who shall need immediate and/or emergency access to a contact name and phone number.

Finally, to ensure compliance by audit and enforcement efforts to this provision of requiring contact info in some ads but not in others, how could this be achieved? How could it be easily examined that an advertisement is still compliant (by the virtue of exemption because the ad belongs to a on-island resident) when it does not show a local contact name and phone number?

Thus the requirement for advertisement content to contain local contact name is problematic in that it has little appropriacy, is not easily audited and enforced and does not provide this information in the more appropriate and convenient location for value in consumer protection or other purposes.

My proposals support the intention and spirit for which the bill was created. Additionally my proposals address objections that I have relative to the current version of HB2078 SD2 relative to:

- Restraint of Trade (Due to unequal application of law in the bill's current form, some parties are exempted from the bill's purpose of supporting Consumer Protection measures or Department of Taxation efforts)
- Invasion of Privacy

An additional benefit of my proposed changes is that it will also serve to highlight for the benefit of the Department of Planning and Permitting and the Department of Taxation and other parties with interest in finding and discontinuing operation of illegal, non-permitted operations as they will become conspicuous when they lack their Valid Operator Compliance Document. Surprisingly the lack of effort or clear intent to use the current legislative bill for application towards illegal and local TVRs seemingly has been overlooked as well as in language for SB2089 and HB1707. That only correct goal of this legislation or the legislators or committee members should be to achieve the goal of tax compliance for **every TVR in Hawaii**. HB2078 HD2 should either be amended accordingly or deferred.

I respectfully request that prior to casting their vote for this bill, legislators also consider carefully their fiscal implications and responsibilities towards the state of Hawaii, with respect to passage of any law relative that may have any conflict with Hawaii Constitution, US Constitution and NAFTA.

Thank you for your consideration of my comments.

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 5:00 PM  
**To:** TSM Testimony  
**Cc:** nsweatt@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Nancy Sweatt  
Organization: Individual  
E-mail: [nsweatt@earthlink.net](mailto:nsweatt@earthlink.net)  
Submitted on: 3/16/2012

### Comments:

I OPPOSE HD 2078 MONOPOLY. Please consider the ramifications if this Bill is not stopped.

-This Bill invites crime, a lot of it. Not just the County but anyone would be able to obtain the address of the home from the Tax Dept. Criminals Will Come! They now have an address not just for burglaries of the homes when not occupied but for robbery of vacationing tenants who bring to the homes cash, cameras, laptops, ipads, etc., the specific items thieves are after. Is the County prepared to shoulder the responsibility for this liability???? Many of these vacationing families will go to other destinations that do not have such a breach in their security. They will need to be informed that their location has been made available to every thief on the island. Tourists are already targets. With this Bill, their safety in the home will be jeopardized!!! Criminals will come; tourists will go.

-Extensive testimony and letters have set out the hardships not only to owners and everyone working for them, but to the State of Hawaii as well with decreased tax revenue that would result. Instead of more tax funds, the opposite will result with millions lost right along with thousands of jobs.

-There will also be lawsuits to protect the constitutional rights of non-residents and their homes. The law firm of Damon, Key, Leong, Kupchak and Hastert has set forth some of the legal basis and unconstitutional issues supporting opposition. The House had a similar Bill (HB1707) already defeated partially on illegality .

-Tourism is the core of Hawaii. This is another way of self-destruction. As has been established in many hearings before now, millions will be lost from tourism without vacation rentals; they will go elsewhere to areas that welcome them. Many homeowners will not be able to obtain agents (established by Rico) RESULTING IN THE LOSS OF MULTI-MILLIONS to the State of Hawaii.

-Please do not lose sight of the fact that this was instituted by 5 real estate companies (4 from the Big Island and one from Maui) to put more money in their pockets, raping the homeowners of profits...this was not formulated to bring tax funds to the State of Hawaii, which it would not, and which has been explained in numerous correspondence.

-This Bill discriminates against owners who live off island and violates several existing Hawaii laws with no supporting factual basis. Such laws are unnecessary as there are already several laws requiring the payment of taxes. It was initiated by a few agents to monopolize the industry. Though many would not be able to hire such agents, the remainder would be forced to raise their rates beyond affordability of the families that try to come to Hawaii the only way they can. Why? Just to cover the 40-50% fees these agents want for themselves and tourists....Not for the State of Hawaii.

-Owners already pay GE and TA taxes on any income, and pay a good deal of money for their homes to be maintained, personally managed and cleaned in continual good order. Families from all over the world depend on these vacation rentals as they do in all their destinations. These real estate companies are not desirable as they do not screen the tenants, don't care how many people they cram into the homes or parking and do not care about the home or the neighbors. The owners are the best people to rent and manage their homes ...they care about their homes and the neighbors, and they do pay their taxes.

Mahalo, N. Sweatt,  
P O Box 300, Haleiwa, Oahu

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 6:45 PM  
**To:** TSM Testimony  
**Cc:** tarasweet@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Tara Sweatt  
Organization: Individual  
E-mail: [tarasweet@earthlink.net](mailto:tarasweet@earthlink.net)  
Submitted on: 3/16/2012

**Comments:**

I OPPOSE HB 2078 MONOPOLY.

Please understand that this Bill encourages and facilitates criminal activity at homes where vacationing families would be staying. Anyone can ascertain the address of the home from any County Tax Dept if this Bill is passed. This would be a gift for thieves to seek out the tourists and all their cameras, cash, laptops, etc. they bring to the homes. These thieves are very bold already, entering homes in the middle of the night and even during the day when vacationers may be at the beach. Owners would have to warn their guests that the County has mandated the ability to anyone to locate the residences they would be staying in. These addresses have always been private between a tenant and owner for that specific reason. You will be destroying this safety net for our tourists.

This Bill was initiated by four Big Island real estate companies and one from Maui for the sole purpose of monopolizing the market and putting more money in THEIR pockets, not the State. It was then joined by familiar names from a small Kailua, Oahu, group whose sole purpose is to ban vacation rentals. The State needs instead to proceed with permit and regulation processes for all the islands. Currently, Hawaii, Maui, and Oahu still have no procedure for permitting.

This is a backdoor attack which will result in a huge loss of rentals entirely, not to speak of the loss in tourism...all for selfish purposes of a few trying to force payment of 40-50% of the rental income to themselves, not the State. The State will lose tens of millions of dollars in GE/TA taxes from this attempted monopoly.

Here are reasons owners do not use these big agencies to manage their homes:

- Agencies are too big to give personal attention to any home with poor screening, to many people being booked into the homes and large events. The type of tenants is not monitored, and they care little about the homes and neighbors. THE BEST PEOPLE TO MANAGE THEIR HOMES ARE THE OWNERS WHO DO CARE.

- Agencies charge anywhere from 40% to 50% of the income. This will cause higher rents and less rentals as it becomes unaffordable for the families that come to these homes, and again less for the State. These homes allow an affordable way for many families to come to the islands.

There is no evidence of any difference between owners from the mainland and those residing here in paying their taxes which they do. Mainland owners must have local contacts for tenants and neighbors, as well as maintaining and attending to the homes, and they do pay their taxes as the Audit performed showed. This is straight up unnecessary discrimination promoted for purely selfish and personal gain. It is unconstitutional and has already been defeated in the House in their HS 1707.

Please redirect your efforts towards a process for the islands to permit and regulate the vacation rentals before embarking on destruction of the vacation rental industry so important to the tourism of the islands.

Mahalo,  
Tara Sweatt, Resident, Haleiwa, Oahu

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 17, 2012 8:25 AM  
**To:** TSM Testimony  
**Cc:** marshavaughn@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Marsha Vaughn  
Organization: Individual  
E-mail: [marshavaughn@comcast.net](mailto:marshavaughn@comcast.net)  
Submitted on: 3/17/2012

**Comments:**

I oppose the different standards for resident vs. non-resident owners. It is also a violation of privacy for non-resident owners to be forced to list the names and contact numbers of our on-island emergency contact, as well as very confusing to the guests.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 17, 2012 11:46 AM  
**To:** TSM Testimony  
**Cc:** richardwaugh@shaw.ca  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Opposition to House Bill 2078 HD2.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Richard Waugh  
Organization: Individual  
E-mail: richardwaugh@shaw.ca  
Submitted on: 3/17/2012

**Comments:**

We oppose House Bill 2078 HD2 on the basis that the Bill represents unconstitutional discrimination against non-resident property owners because it deliberately does not require resident owners to display their registration number in their advertisements and solicitations or to provide the managing agent or resident manager of the property with contact information of a rental agent located in the State who is responsible for the management of the unit.

This Bill may be in violation of NAFTA; breach privacy rights; and may cause confusion to the consumer.



Nina Nychporuk and Richard Waugh  
2780 Cultus Court  
Coquitlam, BC  
Canada V3C 5A8

Members of the House Committee on Tourism

Re: OPPOSE House Bill 2078 HD2

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Honorable Committee Members,

Thank you for the opportunity to provide respond to House Bill 2078 HD2. Our names are Richard Waugh and Nina Nychporuk. We own a vacation property on the Big Island.

We **oppose** House Bill 2078 HD2 on the basis that the Bill represents unconstitutional discrimination against non-resident property owners because it deliberately does not require resident owners to display their registration number in their advertisements and solicitations or to provide the managing agent or resident manager of the property with contact information of a rental agent located in the State who is responsible for the management of the unit.

HB 2078 HD2 and other recent similar Bills progressing the Legislature may also be in violation of the North American Free Trade Agreement (NAFTA) as non-resident owners who are Canadian investors in Hawaii will receive treatment less favourable than the most favourable treatment accorded, in like circumstances, by the State to resident Hawaii investors. More specifically, NAFTA Article 1102 states:

National Treatment

1. Each Party shall accord to investors of another Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
2. Each Party shall accord to investments of investors of another Party treatment no less favorable than that it accords, in like circumstances, to investments of its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments.
3. The treatment accorded by a Party under paragraphs 1 and 2 means, with respect to a state or province, treatment no less favorable than the most favorable treatment accorded, in like circumstances, by that state or province to investors, and to investments of investors, of the Party of which it forms a part.
4. For greater certainty, no Party may:
  - (a) impose on an investor of another Party a requirement that a minimum level of equity in

an enterprise in the territory of the Party be held by its nationals, other than nominal qualifying shares for directors or incorporators of corporations; or  
(b) require an investor of another Party, by reason of its nationality, to sell or otherwise dispose of an investment in the territory of the Party.

HB 2078 HD2 violates the most basic and fundamental right to own and dispose of privately-held property, including the right to use, sell, rent as we see fit, mortgage, transfer, exchange or destroy, or to exclude others from doing these things to our property. This aspect of the Bill is discriminatory against non-resident owners as it implies there is a requirement to use a rental agent in the rental process when this is not applicable to a resident owner.

This Bill may breach privacy rights. Moreover, the requirement to provide a local agent's contact information in our advertising may only serve to confuse the consumer with respect to whom they should contact to make an inquiry or booking.

We kindly ask you not to pass this Bill.

Sincerely,

Nina Nychporuk and Richard Waugh  
Non-Resident Owner-Operators and Visitors

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 5:15 PM  
**To:** TSM Testimony  
**Cc:** californiaamy@charter.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Oppose HB2078 aes.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Amy Siroky  
Organization: Individual  
E-mail: [californiaamy@charter.net](mailto:californiaamy@charter.net)  
Submitted on: 3/18/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 3:58 PM  
**To:** TSM Testimony  
**Cc:** BigIslandFun@live.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: David Cowles  
Organization: Individual  
E-mail: [BigIslandFun@live.com](mailto:BigIslandFun@live.com)  
Submitted on: 3/18/2012

**Comments:**

I support including tax registration number in ads to help tax compliance. However, I oppose the provision that requires local agent contact info in ads. the additional phone numbers will confuse potential renters calling with inquiries and the local contact does not want to receive these calls. Instead, require owners provide renters with local contact information in writing (either posted in unit or as part of their rental contract).

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 8:11 PM  
**To:** TSM Testimony  
**Cc:** platnuminc@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: George P LoPiparo  
Organization: Individual  
E-mail: [platnuminc@aol.com](mailto:platnuminc@aol.com)  
Submitted on: 3/18/2012

Comments:  
TO WHOM IT MAY CONCERN...

I am an owner of a Condo in Maui which I advertise on VRBO and Home away.com. I have diligently paid my GET and TA when due .

I am very distraught and concerned that 2078 SD1 could be passed. I am not in the position to hire a Reall Estate Agent and pay extra fees and allow these people to make decisions on my condo and my maui Home. THIS BILL SHOULD NOT BE PASSED.

sINCERELY,

George P LoPiparo  
707 N.E. Knott Street  
Portland, oregon 9722

i.e.....Whaler on Kaanapali Beach - unit #911

DO NOT PASS THIS BILL.

**kim3 - Nancy**

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**From:** PlatnumInc@aol.com  
**Sent:** Sunday, March 18, 2012 8:09 PM  
**To:** TSM Testimony  
**Subject:** (include 2078 SD1, Tourism Committee March 22th 1:15pm)

TO WHOM IT MAY CONCERN...

I am an owner of a Condo in Maui which I advertise on VRBO and Home away.com. I have diligently paid my GET and TA when due .

I am very distraught and concerned that 2078 SD1 could be passed. I am not in the position to hire a Reall Estate Agent and pay extra fees and allow these people to make decisions on my condo and my maui Home. THIS BILL SHOULD NOT BE PASSED.

sINCERELY,

George P LoPiparo  
707 N.E. Knott Street  
Portland, oregon 9722

i.e.....Whaler on Kaanapali Beach - unit #911

DO NOT PASS THIS BILL.

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 6:22 PM  
**To:** TSM Testimony  
**Cc:** vleonova@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Veronica Leonova  
Organization: Individual  
E-mail: [vleonova@comcast.net](mailto:vleonova@comcast.net)  
Submitted on: 3/18/2012

**Comments:**

Dear Members of Tourism Committee,

Although we are supporting the intent of this bill to insure GE/TA tax collection for transient accommodations, we oppose the Bill as it is written.

Our concerns/suggestions in regards to proposed bill:

1. We're concerned that our W# Hawaii tax ID number can be used fraudulently by other in their advertisements.
2. Security and privacy concerns - owners private information can be easily obtained from the Hawaii Taxation website using published GE/TAT ID by internet scammers and hackers alike.
3. Placing local contact# on websites or advertisements of vacation rentals by owners may misled and confuse prospective customers. It is more appropriate requiring to provide local contact information to on-site management and include it to rental documents.
4. On island contact person - we feel that the term of designated local emergency contact (not rental agent) is more appropriate.

Thank you for the opportunity to comment on this proposed Bill .

Veronica Leonova, Wheeling, Il - vacation rental properties owner.

## kim3 - Nancy

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**From:** Veronica [info@midwestmanagementco.com]  
**Sent:** Sunday, March 18, 2012 6:16 PM  
**To:** TSM Testimony  
**Subject:** 2078 SD1, Tourism Committee March 22th 1:15pm

Dear Members of Tourism Committee,

Although we are supporting the intent of this bill to insure GE/TA tax collection for transient accommodations, we oppose the Bill as it is written.

Our concerns/suggestions in regards to proposed bill:

1. We're concerned that our W# Hawaii tax ID number can be used fraudulently by other in their advertisements.
2. Security and privacy concerns – owners private information can be easily obtained from the Hawaii Taxation website using published GE/TAT ID by internet scammers and hackers alike.
3. Placing local contact# on websites or advertisements of vacation rentals by owners may misled and confuse prospective customers. It is more appropriate requiring to provide local contact information to on-site management and includes it to rental documents.
4. On island contact person - we feel that the term of designated local emergency contact (not rental agent) is more appropriate.

Thank you for the opportunity to comment on this proposed Bill .

Veronica Leonova, Wheeling, IL – vacation rental properties owner.



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 9:04 AM  
**To:** TSM Testimony  
**Cc:** gab2@pacbell.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Arnold and Gail Barron  
Organization: Individual  
E-mail: [gab2@pacbell.net](mailto:gab2@pacbell.net)  
Submitted on: 3/21/2012

**Comments:**

We are writing to voice our opposition to the proposed bill HB 2078 HD2. Part of the proposed bill states "Requires that any advertisement or solicitation that appears on any website provide contact information for a local agent if the operator of the residential property resides off-island or out-of-state".

We provide our guests with local contact information should they require assistance in the event there is an emergency. This information is posted in our unit. We do not want them contacting this party to book their reservations.

We have been renting our unit for years and have not had any issues. We are trying to understand why a local agent has to be posted on our website. We post our phone number and email address in "conspicuous" or prominent places in the ad in order to entice potential guests to talk to us "personally" about their visit. We do not have a problem posting our GE and TA tax numbers and such but if we are forced to post the name and phone number of an on island contact in a "conspicuous" part of our advertisement vacationers will be confused as to who to call. Secondly, our guests call from different time zones that are later than Hawaii Time. We do not want our contact person on Hawaii disturbed at inconvenient times of the day.

Respectfully we oppose this bill. We believe it is not necessary, will be very confusing to potential guests searching for accommodations and will be a detriment to my rental income and the States GE & TA tax revenue.

Thank you for taking time to consider all the ramifications of this bill.

Arnold and Gail Barron  
760-436-1300

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 9:47 AM  
**To:** TSM Testimony  
**Cc:** marilyn7b@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Marilyn Brown  
Organization: Individual  
E-mail: [marilyn7b@yahoo.com](mailto:marilyn7b@yahoo.com)  
Submitted on: 3/21/2012

**Comments:**

I respectfully submit the following testimony for your consideration:

&#160;

I agree with the intent of HB 2078 HD2 in its efforts to enforce transient accommodation tax compliance; though, I respectfully OPPOSE it in its present form. My reasons are as follows:

I am opposed to the mandatory posting of the actual transient accommodation tax identification number in public advertising. The use of this number in advertising will actually enable more fraud.&#160;

This would open the door for more fraudulent ads just using someone else' Tax ID number on their advertising or creating a fictional ad using my information. The purpose of the i.d. number in advertising is to provide a means of audit for tax compliance; however, you may achieve the opposite.

What measures would prevent a non-compliant operator from "borrowing" a tax id number. Is appears this would create more work for the tax department to determine legitimacy.

I am concerned not only of fraud and ID theft of the Tax ID owner, I also am very concerned about protecting fraud against renters and visitors to Hawaii. Many of us accept credit cards for payment from our guests. If our information is compromised so may be that of the credit card holders whose information may also be accessed. If our personal information is breached through this it is very likely so will this information.

Hawaii Visitors and tourists now trust and utilize online sites like to find legitimate rentals. By enabling a means for fraud you will be making it harder for the consumer (tourist) to exercise judgment in what is a legitimate advertisement and what is a fraud. If illegitimate ads become widespread or are perceived to be widespead the consumer will travel elsewhere to spend their vacation dollars. As vacation rental owners we currently provide legitimate and affordable accommodations to guest bringing millions of dollars into the Hawaiian economy.

I Support paying tax - but are opposed to inserting property managers or realtors into the equation or requiring&#160;the on-island contact information being displayed in advertisement.&#160;&#160;

This is not only a&#160;safety issue for the guest/tourist&#160;staying in the transient accommodation but also for the homeowner. Since the on-island contact information would be public and available to anyone who sees the advertisement anyone with malicious intent could present themselves at the front door and introduce themselves using the on-island contact's name, or to the local condo association manager who have our keys and gain unlawful access.&#160;This seriously compromises the safety of guests and the owners.&#160;&#160;Guests are already provided

the local contact persons information by us owners during the booking process and is provided inside the unit. In addition it may compromise the identity information of the on-island contact.

Our on island managers information is already provided to our Home Owners Association as required by the CC&Rs of the associations. Perhaps this could be an avenue of verifying compliance.

I am opposed to inserting property managers or realtors into the equation. Many of us property owners have turned to managing properties ourselves because of unscrupulous practices by property management companies. We all have had bad experiences and horror stories including overcharging, unauthorized use of our property by their friends and family, using our condo for a party pad for themselves, managing agents receiving kick-backs from vendors who overcharge for repairs, carpet cleaning, a/c servicing, overcharging for replacement of broken items (\$175 for a new coffee maker! etc), items stolen, non-payment to us, double bookings - the list of horror stories are endless.

The Hawaii Tourism Authority opposes this Bill. Per their testimony on 1/30/12 they maintain that the Tax Department and counties already have all the information required to conduct audits.

Mandating the posting of Tax ID numbers and contact manager information does not seem to be a solution.

Respectfully,

Marilyn Brown  
1734 NW Farewell Dr, Bend OR 97701  
[marilyn7b@yahoo.com](mailto:marilyn7b@yahoo.com)

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 7:50 PM  
**To:** TSM Testimony  
**Cc:** jimelder008@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Jim Elder  
Organization: Individual  
E-mail: [jimelder008@earthlink.net](mailto:jimelder008@earthlink.net)  
Submitted on: 3/16/2012

**Comments:**

I OPPOSE HB 2078 PROMOTING A MONOPOLY

This is unbelievable that the County of Honolulu would entertain giving vacation home addresses to all the thieves on the islands. They are bold. Home invasions is on the increase in this economy and tourists bring them exactly what they want - cash and items like laptops, cameras, etc., that can be turned into cash easily. And for what, to enrich the pockets of a few real estate companies. The County is being duped into thinking it will increase the GE and TA taxes collected when it has already been shown these taxes are paid. No matter what category of taxation, there will always be a few that dodge it. But, come on, this will seriously and negatively affect many people, not just owners. I have talked to some vacationers about this possibility and they are saying they would not feel safe nor return to Hawaii under these circumstances.

Mahalo, Jim Elder  
Resident of Hawaii

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 2:02 PM  
**To:** TSM Testimony  
**Cc:** peaceandaloha@hotmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ellen Ernisse  
Organization: Individual  
E-mail: [peaceandaloha@hotmail.com](mailto:peaceandaloha@hotmail.com)  
Submitted on: 3/21/2012

**Comments:**

We are residents of Hawaii, live on Maui, and rent two condo units on VRBO. We are opposed to HB2078 because we are concerned that individuals will obtain our GET/TAT information and it will be used to obtain personal information or used fraudently. We always supply designated local contact information (which is ourselves!) on all our advertisements and rental documents. Please stop making more rules and regulations! We already have enough!  
Use them to stop those who are not paying their taxes! PLEASE Vote NO on HB2078! Thank you!

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 8:34 AM  
**To:** TSM Testimony  
**Cc:** tgraffy@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: thomas ferber  
Organization: Individual  
E-mail: [tgraffy@gmail.com](mailto:tgraffy@gmail.com)  
Submitted on: 3/21/2012

Comments:  
we oppose thi bill it a bad peice of legislation

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 8:13 AM  
**To:** TSM Testimony  
**Cc:** Nancy@pierpontrc.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Nancy Garrett  
Organization: Individual  
E-mail: [Nancy@pierpontrc.com](mailto:Nancy@pierpontrc.com)  
Submitted on: 3/21/2012

Comments:

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 9:09 AM  
**To:** TSM Testimony  
**Cc:** kumuna@alaska.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** To State of Hawaii.wpd

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Deborah Geeseman  
Organization: Individual  
E-mail: [kumuna@alaska.net](mailto:kumuna@alaska.net)  
Submitted on: 3/21/2012

### Comments:

To State of Hawaii regarding Vacation Rental Legislation

I am greatly concerned about the movement to take over private management of vacation rentals. If this is a special interest group, namely the real estate property managers, trying to take over the market, then that is pushing out free enterprise and independent business.

If this is because some people are not paying proper taxes to the state of Hawaii, none of these measures will aid that. It appears that the problem is with those who are not in compliance with laws that already exist; laws which are not being enforced. It doesn't matter where the owner lives. If an owner rents out vacation rentals without paying taxes, none of these measures will force them to change their actions. Whether the owner lives on a different island or in another state, does not matter; there are plenty of people who live ON the island in which they rent out a residence and who do so illegally, not being registered nor paying taxes.

Illegal rentals will continue to occur, even if those of us who are already legal are either pushed out of business or forced to comply with new legislation that is not in our best interest. Allowing the Real Estate Property managers to take over the rentals who are currently in compliance will not identify nor stop those who are renting without being in compliance.

If the state wants to create a Vacation Rental License, whereby we give the state the necessary information to show that we are paying GE/TAT taxes, filing yearly Hawaiian taxes, have local contacts for managers and maintenance, that would keep our information confidential and help the state know who IS in compliance. However, it will not identify nor affect those who are not in compliance.

I am an Alaskan resident who fell in love with the Puna area. I purposely designed and built a house there to rent out as a vacation rental and to have for my personal use in the future. By doing so, initially I provided employment for the people involved in the construction. Now I provide employment for my manager, housekeepers, and various other necessary trades. Local contact to my manager IS listed on my ads. She lives 2 blocks away and is readily accessible to my guests. (That would not happen with a professional Real Estate Manager who would probably be located in Hilo, 40 minutes away, or even more distant.)

I have faithfully paid my Hawaiian GE and TAT taxes since I opened my business and have filed Hawaii non-resident income tax each year. I am a small, 1-home vacation rental business, and am considered an "active participant" in my operation according to IRS classification.

If I am forced to turn my property over to a real estate manager, I will not be able to keep my home as a vacation rental. It will force me to close my business. Real estate managers charge a



much higher rate (though all inclusive) AND it will change my IRS classification to "passive" activity; hence, any income gained would become "passive income" and I would lose many of my deductions for the operation. The combined increased cost for management and the decrease in tax write-off would make this business venture very unprofitable.

I strongly oppose these bills which allows big business to take over small private enterprise. If it passes, I will be one business that will cease to exist. Then I will no longer be providing the state with monies for GE/TAT taxes, nor employment for local workers. PLEASE VOTE AGAINST the takeover of small private enterprise. Please find a way to enforce the laws that already exist. Don't penalize those of us who ARE in compliance; don't force us to go out of business.

Mahalo.

Deborah B Geeseman  
Kapoho Kaiyo Ocean Retreat  
Puna Area, Big Island

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Saturday, March 17, 2012 5:36 AM  
**To:** TSM Testimony  
**Cc:** nealhalstead@yahoo.ca  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Neal Halstead  
Organization: Individual  
E-mail: [nealhalstead@yahoo.ca](mailto:nealhalstead@yahoo.ca)  
Submitted on: 3/17/2012

Comments:  
Aloha

Thank you for the opportunity to comment on this proposed statute. While I support the principles and intent of this bill, there are two concerns which need to be addressed, in my opinion.

1. The provision to exempt individuals or companies who own more than 10 units from posting their identification numbers on their websites is not justifiable for any reason. I am perfectly happy to post my identification number on my website and it will cost me nothing to do so. We should ensure we have a level and equitable playing field and we should ensure we take steps to eliminate confusion. One procedure for all owners, regardless of place of residence and regardless of number of units owned is the best practice.

2. Posting the contact information for the on-island representative on the website will be confusing. Many on-island representatives do not deal with the marketing. Putting their information on our websites will be confusing to our potential guests as well as an invasion of their privacy. I fully support a requirement to provide contact information of the on-island representative to confirmed guests and I fully support the requirement to prominently display the contact information in our units.

In conclusion, I support your intentions here and with a few small adjustments, I would be more than delighted to write a testimony which includes the word support in the header.

Mahalo for your time and attention

Neal Halstead  
162 Patrick View SW  
Calgary, AB  
Canada, T3H 3B1

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 3:14 PM  
**To:** TSM Testimony  
**Cc:** tutupeggy@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Margaret Haskins  
Organization: Individual  
E-mail: [tutupeggy@hawaii.rr.com](mailto:tutupeggy@hawaii.rr.com)  
Submitted on: 3/21/2012

**Comments:**

There needs to be a way to make sure the proper taxes are paid for transient rentals and this bill is a good start.

However, there are provisions that I fear will affect me adversely.

I have lived in West Maui for 28 years on a permanent full time basis.

I used to travel but now, at 88, I legally blind and because of using a walker, I cannot do so anymore. Therefore my family and friends must travel here to see me.

I rent various units for them to stay, usually two weeks at a time from several owners, usually from some of the owners here at The Mahana where I live; and sometimes I rent in other nearby condominiums.

I prefer to rent from individual owners because I can choose the exact unit where they will stay; and to some of my visitors it is important that they are able to come back to the same units that they had before.

They have always been provided with a local contact who is familiar with that particular property and they have always promptly handled any problems which occurred.

The information of whom to contact has been furnished to our visitors by either mail or email and it is also posted in their units.

All of these unit owners charge and pay the proper taxes. I would not do business with them otherwise.

If this bill is passed I am sure that I will lose some of the rentals I deal with because they may sell or the price will be raised. If this happens I fear I will not be able to afford to have them visit or else the method I will be forced to use will be too cumbersome or complex for me to handle.

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 7:26 PM  
**To:** TSM Testimony  
**Cc:** andyiuliano@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Andy Iuliano  
Organization: Individual  
E-mail: [andyiuliano@gmail.com](mailto:andyiuliano@gmail.com)  
Submitted on: 3/16/2012

Comments:  
I OPPOSE HB 2078 MONOPOLY.

Whoa, why would you hand over the addresses of vacation homes to thieves and criminals. This is exactly what this Bill would do. Absolutely anyone can obtain the addresses from the County Tax Dept. if this Bill is passed. The tourist families will have no safe place to stay, and they will have to be advised that the homeowners have been forced into sacrificing their whereabouts. This is unbelievable and unheard of. I would think many families will go to a different place for their vacations. The few I have talked to are very upset and already rethinking their vacations foregoing Hawaii as they do not want to stay in a resort. They certainly do not understand why Hawaii would do this to them, and are indicating they won't feel safe any longer. They are already aware that caution is important wherever they go on the islands but at least felt safe in the homes.

This Bill is supposedly based on an attempt to gain more funds for the State of Hawaii, a false face. In reality, it is solely to force more money into real estate agencies. At the same time, it will also close many vacation rentals on the islands...not because homeowners don't pay their taxes (which has been shown they do by prior State audit). Thousands of jobs will be lost along with vacation rentals. All this amounts to extensive loss of tax funds for the State...millions.

Maui, Oahu and the Big Island have no way of permitting short term rentals which should be the first focus. Without that, agents are not able to rent these homes without fines., This is self-destruction of tourism once again by the State of Hawaii.

The Bill discriminates against owners living off island and violates several existing laws. Another law is unnecessary as there are already many laws requiring the payment of taxes. This Bill runs afoul of existing laws, discriminates, is illegal and unconstitutional, not to speak of the lawsuits that will ensue.

This Bill was initiated by a few real estate companies, mostly from the Big Island, solely to hopefully force more money into a few real estate agencies creating a monopoly and thwarting free enterprise.

The idea that owners are not paying their TA and GE taxes is an old and baseless argument. The fact is an audit was already performed and they found that the majority were in fact paying their taxes. There is no evidence separating homeowners that are not residents from those that are. This is a further assault on homeowners with no factual basis for the discrimination which will result in many going underground, banned, or increased rates to cover ridiculous fees of 40-50%. Many owners will not be able to hire the agencies without extensive fines and they do a very poor job of managing the homes for owners and concerns of neighbors. They care little about how many or the type of people they stuff into the homes. ..just unacceptable for everyone. This will

destroy the vacation home industry and the millions of tourism dollars they bring leaving so many families from all over the world with nowhere to go that is affordable.

Further, the House Bill equivalent has already been (HB1707 ) defeated partly based on its illegality and unconstitutional discrimination.

Mahalo,

Andy Iuliano, Sunset Beach, Oahu

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, March 21, 2012 8:11 AM  
**To:** TSM Testimony  
**Cc:** motuman@cox.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Robin Jenneve  
Organization: Individual  
E-mail: [motuman@cox.net](mailto:motuman@cox.net)  
Submitted on: 3/21/2012

### Comments:

As a tax paying condominium owner I support the State's effort to create a registration system for purposes of collecting GE and TA taxes. We don't support bill HB2078 HD2 as written however, as we believe it has the potential to do more harm than good.

We support creating an improved tax ID registration system via an online registration or paper filing system. We oppose simply displaying the Tax ID number in public advertising since:

1) Publishing the numbers in advertising does not give the State an easy way to cross check owners name, property type, or property address. A closed registration system would give the state of all of this pertinent information.

2) Publishing the Hawaii Tax ID number openly in advertisements subjects owners to increased identity theft, as personal information is easily accessible on the Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>

3) The Tax ID number may also be used fraudulently by others in the advertisements, and in fact make it easier for tax evaders to display a legitimate (albeit fraudulent) Tax ID number.

- Displaying the local contact info on a website may confuse the consumer during the booking process, and will VERY LIKELY NOT HELP in the case of emergency. In the event of emergency, or need of assistance, renters will not try and re-locate the advertisement. They will rely on information supplied in their rental confirmation, displayed in the rental unit, or obtained by calling the front desk.

- Most owner operators already have a "designated local contact" including the front desk, cleaning and maintenance staff. This local contact information should be supplied with the guests confirmation, displayed inside the rental unit, and noted with the resident manager.

- We would prefer that the term "local agent" be changed to read "designated local contact";.

- MOST IMPORTANTLY...We request that the Summary of Opposition's Testimony to SB2089 prepared by State Representative Tom Brower be held up as testimony in this hearing. Special interest groups SHOULD NOT be allowed to amend the bill in such a way that the term "local agent" could be defined to be a licensed real estate professional or condo management company.

Thank you,

Robin Jenneve  
Maui Condominium Owner

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 15, 2012 7:15 PM  
**To:** TSM Testimony  
**Cc:** mk\_dancer@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: marci kunin  
Organization: Individual  
E-mail: [mk\\_dancer@yahoo.com](mailto:mk_dancer@yahoo.com)  
Submitted on: 3/15/2012

Comments:  
by publishing the TAX ID posed a security issue, since anyone can look at that and find out where you are located. This proposed bill creates liabilities.

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 15, 2012 7:38 PM  
**To:** TSM Testimony  
**Cc:** hulahun@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Angie Larson  
Organization:  
E-mail: [hulahun@hawaii.rr.com](mailto:hulahun@hawaii.rr.com)  
Submitted on: 3/15/2012

**Comments:**

Chair Donna Mercado Kim and Members of the Tourism Committee:

We oppose HB 2078, HD 2. "SECURITY ISSUES"

While we believe everyone should pay their taxes, requiring the Tax ID numbers with all advertisements can have security issues. By going to the link <https://dotax.ehawaii.gov/tls/app> you can find the name and address. Even if the address is a P.O. Box the name alone is enough information to research and locate the property.

This information can cause unwanted guests on the property and burglaries. The tax payers and visitors will be the victims. The tax dodgers will get creative. They will use other means to book without having to use a tax ID number. If you pass this Bill there must be a means to enforce. Has the State got enough money for this task?

If you still feel after listening to ONLY opinions and assumptions that there are millions being lost from tax evaders, please consider giving the tax board enough money to hire researchers to find them. This would be both time and cost effective. This was last completed in 2007 and the majority of vacation rental and bed and breakfast owners were in compliance.

Thank You,

Angie Larson

President

Hawaii Vacation Rental Owners Association



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 1:43 AM  
**To:** TSM Testimony  
**Cc:** info@pono-loa.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Keahiloa Wong  
Organization: Individual  
E-mail: [info@pono-loa.com](mailto:info@pono-loa.com)  
Submitted on: 3/16/2012

**Comments:**

This proposed bill creates liabilities as requiring the Tax ID poses a security issue and identify theft risks. We support and pay our taxes

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 5:25 AM  
**To:** TSM Testimony  
**Cc:** donmaxwell2@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Don Maxwell  
Organization: Individual  
E-mail: [donmaxwell2@gmail.com](mailto:donmaxwell2@gmail.com)  
Submitted on: 3/16/2012

**Comments:**

Opposed--This is a privacy issue. Too much personal information can be gained by searching the person's ID number.

In addition, this would be treating out of state residents differently than in-state residents which is unfair.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, March 16, 2012 9:36 AM  
**To:** TSM Testimony  
**Cc:** kenjohnson1999@hotmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ken Johnson  
Organization: Individual  
E-mail: [kenjohnson1999@hotmail.com](mailto:kenjohnson1999@hotmail.com)  
Submitted on: 3/16/2012

**Comments:**

2078 Is the right idea. But requiring the TAX ID to be published poses a security/privacy/identity theft problem for many owners as anyone can go the Tax Department Web site and find the owner's name, address, etc.

It would be better if 2078 is amended so the Tax Department issues a receipt when the annual reconciliation form is received. The receipt would be a number that has to be published instead of the Tax ID.

Better yet, a web page can be set up by the Tax Department where fraud investigators and consumers looking for a rental can validate the receipt number as the page would show a piece of information that is also in the owner's ad, like a name, phone number or even a picture.

In its current form, 2078 will cause TA/Tax collections to sharply decline because Oahu and other counties will use the Tax ID to send cease and desist notices to hundreds of TVUs and B&Bs. Hawaii will lose hundreds of millions of dollars in economy.

Ken Johnson  
Oahu Vacation Rental Owner

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Thursday, March 15, 2012 3:57 PM  
**To:** TSM Testimony  
**Cc:** kailuas@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Susan Phillips  
Organization: Individual  
E-mail: [kailuas@hawaii.rr.com](mailto:kailuas@hawaii.rr.com)  
Submitted on: 3/15/2012

Comments:  
Protect your tax payers. Keep tax records confidential. Thank you, Susan Phillips

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 3:21 PM  
**To:** TSM Testimony  
**Cc:** rathgaber@shaw.ca  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Keith and Joanne Rathgaber  
Organization: Individual  
E-mail: [rathgaber@shaw.ca](mailto:rathgaber@shaw.ca)  
Submitted on: 3/18/2012

**Comments:**

We are owners of a condo unit in Kihei Maui and have been paying TA and GE taxes as required by Hawaiian State Law. We do not feel our numbers should be listed on any advertisements re privacy and security issues. The tax numbers are akin to social security numbers! We leave our guests with a LOCAL island contact and this person is available in our absence.  
Thank you for your attention to this important matter..

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 3:08 PM  
**To:** TSM Testimony  
**Cc:** cyntravel@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Cynthia Richardson  
Organization: Individual  
E-mail: [cyntravel@yahoo.com](mailto:cyntravel@yahoo.com)  
Submitted on: 3/18/2012

Comments:  
Testimony against HB2078

Thank you for the opportunity to testify and be heard on this bill.

My husband and I believe that all citizens must pay the taxes that are owed. We do this regularly and fully for our rental condo. There are some points I hope you will consider about this piece of legislation. No one wants their identifying information to be available to identity thieves. Please ensure this is not legislation that will encourage identity theft. Also, what assurance can you give that this posting of ID #s will not allow others to use my ID# on property that isn't mine.

Regarding putting on-island contact numbers in ads:

This is likely to confuse potential renters about who they are renting from. Wouldn't it be better to make it law to give that number after a potential renter has become a confirmed guest? (as we do now!) Please use the language "on-island contact" so that it doesn't require the costly and inefficient use of property managers and real estate agents for our condo management.

Thank you,  
Cynthia

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 2:46 PM  
**To:** TSM Testimony  
**Cc:** paul@SunshineRainbows.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Paul Shields  
Organization: Sunshine & Rainbows LLC  
E-mail: [paul@SunshineRainbows.com](mailto:paul@SunshineRainbows.com)  
Submitted on: 3/18/2012

### Comments:

Just a note to remind you guys that when I pay my taxes on line, I use my tax I.D. number as my user name to log on. Now suppose a compeditor wants to mess up my life by changing the information on my tax records. Any fool could hack my records if they have the tax I.D. and you want me to put it on my web page? Why? to prove I have one? Look up my company name in your tax records, we are registered, and you can't hack my tax records by checking that way. You have tools to check to see If I'm paying my taxes, all this measure will do is to give the competition a way to put me in trouble with the tax department.

Please leave us law abiding citizens alone. Go after the ones who don't pay taxes.

Or at least provide us with an I.D. number that won't grant anyone access to our tax records.

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 2:45 PM  
**To:** TSM Testimony  
**Cc:** janethoch@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Janet Hoch  
Organization: Individual  
E-mail: [janethoch@yahoo.com](mailto:janethoch@yahoo.com)  
Submitted on: 3/18/2012

**Comments:**

We have concerns about this bill, specifically:

- With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- We are concerned that our GET/TAT may be used fraudulently by others in their advertisements
- We are concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- We believe that the on island contact phone number may confuse the prospective renter.
- We feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 2:34 PM  
**To:** TSM Testimony  
**Cc:** vleonova@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Veronica Leonova  
Organization: Individual  
E-mail: [vleonova@comcast.net](mailto:vleonova@comcast.net)  
Submitted on: 3/18/2012

**Comments:**

Although we support intent of this bill to insure GE/TA tax collection for transient accommodations, we oppose the Bill as it is written.

Our concerns/suggestions in regards to proposed bill:

1. We concerned that our W# Hawaii tax ID number can be used fraudulently by other in their advertisements
2. Security and privacy concerns - owners private information can be easily obtained from the Hawaii Taxation website using published GE/TAT ID by internet scammers and hackers alike
3. Placing local agent contact# on website or advertisements may misled and confuse prospective customers. It is more appropriate to require provide local contact information to on-site management and includes it to rental documents.
4. On island contact person - we feel that the term of designated local emergency contact is more appropriate.

Veronica Leonova, Wheeling, IL - vacation rental properties owner

## kim3 - Nancy

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**From:** Ingrid O'Connor [ingrid2@shaw.ca]  
**Sent:** Sunday, March 18, 2012 1:39 PM  
**To:** TSM Testimony  
**Subject:** SB2078 SD1, Tourism Committee March 22th 1:15pm

To Whom It May Concern

I'm writing to oppose bill SB2089. I own three condos in Maui which my husband and I bought over 35 years ago. We worked very hard to pay for them over the years and have faithfully paid the General Tax as well as the Transient Tax in later years on every booking that we attained. Since the downturn in the economy it has been much more difficult to rent our units and we have just been able to keep afloat in the last few years.

If this bills were to pass it would be a financial disaster for most owners. The cost of paying a Realtor 25% or more would be horrendous and I myself (my husband passed away one year ago) would not be able to keep these condos as the financial burden would be too great.

Also, if this bill were to pass, owners would obviously have to increase the rates on the rentals in order to pay a Realtor and that would be disastrous as it would make it even more difficult to attain bookings which I'm sure would cause many owners to sell their units.

I was in Mexico recently and was amazed at the low costs there and I believe that if this bill were to pass and condo rates go up that many a person thinking of holidaying in Hawaii will instead go to other destinations such as Mexico for their sun and relaxation.

Sincerely,

Ingrid O'Connor,  
3868 Winlake Crescent,  
Burnaby, B.C.,  
V5A 2G5  
Canada  
Kauhale Makai #523 & #307  
and #266 in Hale Kamaole

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 1:35 PM  
**To:** TSM Testimony  
**Cc:** dhoward53@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Deborah Howard  
Organization: Individual  
E-mail: [dhoward53@gmail.com](mailto:dhoward53@gmail.com)  
Submitted on: 3/18/2012

**Comments:**

GET/TA may be used fraudulently by others in their advertisements; would like on island contact person not real estate professional; want to supply guest with local contact person in room and in rental documents only

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 1:25 PM  
**To:** TSM Testimony  
**Cc:** lrcobos@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Leslie  
Organization: Individual  
E-mail: [lrcobos@earthlink.net](mailto:lrcobos@earthlink.net)  
Submitted on: 3/18/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 1:15 PM  
**To:** TSM Testimony  
**Cc:** wbgj@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Bill T  
Organization: Individual  
E-mail: [wbgj@earthlink.net](mailto:wbgj@earthlink.net)  
Submitted on: 3/18/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 1:14 PM  
**To:** TSM Testimony  
**Cc:** konareef@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kona  
Organization: Individual  
E-mail: [konareef@earthlink.net](mailto:konareef@earthlink.net)  
Submitted on: 3/18/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 1:13 PM  
**To:** TSM Testimony  
**Cc:** kfrancik@earthlink.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ken Francik  
Organization: Individual  
E-mail: [kfrancik@earthlink.net](mailto:kfrancik@earthlink.net)  
Submitted on: 3/18/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 12:29 PM  
**To:** TSM Testimony  
**Cc:** DaviDLB13310@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: David Bosworth  
Organization: Individual  
E-mail: [DaviDLB13310@aol.com](mailto:DaviDLB13310@aol.com)  
Submitted on: 3/18/2012

**Comments:**

It is ALREADY REQUIRED that we post our GET license with ID number and our TAT Cert. of Reg. with Reg. No. conspicuously in the unit. To post the numbers on-line in our ad would be inviting trouble for both us as owner and you as the State of Hawaii. For our on-island contact we already post the company name and name of individual in the company, and their phone number. We also provide that information to guest prior to arrival, and it is also in the guest book in the unit. To place this name and number in the ad may confuse the guest when trying to make reservations, and that would be counter to your intent.



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 12:10 PM  
**To:** TSM Testimony  
**Cc:** fscrooner@hotmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: David Goldson  
Organization: Individual  
E-mail: [fscrooner@hotmail.com](mailto:fscrooner@hotmail.com)  
Submitted on: 3/18/2012

**Comments:**

HB 2078 concerns me as an out of state VRBO condo owner. I don't mind listing a registration number, but I see a problem with having to list an island "contact" in my VRBO listing. I need to be able to negotiate with my customer without having a third party intervene and confusing matters. If a potential guest books thru my contact then I will lose the right to set my own price. More importantly, it sets up a serious "double booking" possibility, as I may not know that someone already booked a particular week with my "contact".

I use Whalers to manage my condo, but I only provide my guest with this contact information AFTER I have closed the deal. Even with this arrangement I still have "double booking" issues from time to time.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 11:26 AM  
**To:** TSM Testimony  
**Cc:** kenp@bigislandhost.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ken Peters  
Organization: Individual  
E-mail: [kenp@bigislandhost.net](mailto:kenp@bigislandhost.net)  
Submitted on: 3/18/2012

Comments:

Aloha honorable committee,

I support collection of taxes that are due, and agree that guest should have a local contact, however placing the local contact (which is for emergencies, repairs, etc) in an ad would tend to confuse prospective guest, and likely cause them to call a housekeeper or maintenance person when trying to make a reservation. Perhaps a better approach would be to post (as it already is) the information within the unit, and supply it AFTER a reservation has been made.

Also, publishing GET Tax number identification in advertising could easily lead to identity theft or fraudulent use of my GET number.

Again, this can be supplied to guest AFTER a reservation is obtained, but does not seem to be a prudent part of an ad.

Hopefully changes will be made to lessen confusion as to who a prospective renter should call, and protection of sensitive data such as taxpayer identification numbers in advertising.

Thank you  
Ken Peters

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 11:18 AM  
**To:** TSM Testimony  
**Cc:** rmalibu@charter.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: robert rubin  
Organization: Individual  
E-mail: [rmalibu@charter.net](mailto:rmalibu@charter.net)  
Submitted on: 3/18/2012

**Comments:**

I agree with the intent of this bill but feel it leaves us with a few questions.

- With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- I am concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- I believe that the on island contact phone number may confuse the prospective renter.
- I feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 9:20 AM  
**To:** TSM Testimony  
**Cc:** konacondo@att.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kathie West  
Organization: Individual  
E-mail: [konacondo@att.net](mailto:konacondo@att.net)  
Submitted on: 3/18/2012

Comments:  
Aloha,

I am writing to respectfully express my opposition to the proposed legislation HB2078. It is unclear who the legislation is trying to benefit. If it is to give visibility to the government of compliance to having the local agent, there would be many more ways to provide this information more privately to these agencies rather than to broadcast this private information to the world through the thousands of internet pages. This legislation would be difficult to impossible to monitor. If it is to help the vacationer, then this information needs to be sent directly to them through the owner's paperwork which has been my habit all along.

Many subcontractors, due to privacy issues, may not want their names posted on the internet. If they refuse to allow us to post their name, will we be banned from using them?

Will the government monitor this information so that it is compliant? These names will change through the months so will the owners remember to change all the sites? What if fraudulent names are used? Who will check accuracy in all the various thousands of sites? After some time, if not monitored by the government, these names will become useless since a big percent will be not updated or fraudulent. This is not the answer.

There is still the feeling that the wording will change from "local agent" to "rental agent" thereby forcing owners to use Rental Agents.

So, for all these reasons, we oppose the bill. The intent of having a local agent is a good one. Just the vehicle being suggested would cause more bureaucracy than needed and would allow a vehicle to change the verbiage from "local agent" to "rental agent".

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 6:33 AM  
**To:** TSM Testimony  
**Cc:** GoingMaui@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Jim & Sue Keithahn  
Organization: Going Maui Vacation Rentals  
E-mail: [GoingMaui@aol.com](mailto:GoingMaui@aol.com)  
Submitted on: 3/18/2012

### Comments:

As owners of rental property on Maui and website designers, we OPPOSE HB2078. Although we fully agree with the intent of this bill, to enforce tax collection, we strongly feel that this is not a workable approach. It is discriminatory for off-island owner, will cause confusion for potential guests, and no one will be able to fully comply with this bill, given that on the Internet no one has total control over where, or how much of their website information is displayed on other sites.

1. The requirement for off-island owners to display the on-island contact information in all advertising serves no purpose in regards to tax collection enforcement, which is stated as the intended purpose of this bill.

The on-island contact information is of no use to someone who is only shopping for accommodations and will only confuse potential visitors as to who to contact to make a reservation. It is important once a guest makes a reservation and should be required to be included in the rental agreement or check-in documents, and posted in the rental apartment.

2. Requiring non-resident owners to display additional information in all advertising is discriminatory in that it will force added expense to non-residents for advertisements in major publications, which charge by the word or printed space. This is could be significantly more expensive for advertisements where 2-10 individuals are sharing advertising and are now required to put contact information for each of their individual rentals. Even listing just the tax ID for up to 10 separate owners will increase costs significantly.

3. The bill states that the "operator or plan manager's registration" shall be displayed. This wording appears to be incorrect in that it is asking for the manager's registration number rather than the registration numbers of the individuals whose property they manage. It is the responsibility of the individual to file and pay the taxes, not the manger, so the manager's registration is not significant for tax collection enforcement.

4. Although we have no problem, in theory, with adding a tax ID number to our advertisements, in practice that may be impossible. We can easily make this change on Internet advertisements where we have total control of the content.

However, there are many cases where directories and other websites will pick up information from a website and display it without the original website owner's knowledge. There is no way for an individual to track down every place on the Internet where their information, or a portion of it, may be displayed. In addition, there are old sites that are no longer being maintained and multiple requests to add or change information are ignored. In these cases, we would not be able to comply with any of the requirements of this bill.

We suggest a more efficient approach:

Every condominium association is required to report the use (rental, resident, timeshare) of each unit in their building for property tax purposes. If they are also required to collect the tax ID for each unit used as a rental and report that to the tax department, the state would be assured that all condominium rentals are registered, and could verify that taxes are being paid. All TVR's (rentals in private homes) are required to be licensed, so proof of registration should be part of the licensing process. This approach would have the same effect of identifying rental properties without putting added burden and expense on the owners, and would not require Tax Department employees to spend excessive amounts of time scanning the Internet for violators.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 5:34 AM  
**To:** TSM Testimony  
**Cc:** waikiki-getaway@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Michael Marion  
Organization: Individual  
E-mail: [waikiki-getaway@comcast.net](mailto:waikiki-getaway@comcast.net)  
Submitted on: 3/18/2012

Comments:

Aloha,

I am the owner of a fully licensed, taxpaying transient vacation rental in Waikiki. I am writing to express my opposition to HB 2078 HD2 as currently written. However with minor clarifications I, and most other vacation rental owners would likely be in support. The main objection to the bill is the term "agent". This term is undefined in the bill and likewise in the rest of HRS Section 278. This ambiguity is concerning given recent proposed legislation in HB 1707, HB 1706 and SB 2089. All of these prior bills would have required out-of-state owners to employ the services of a real estate agents to operate our business. This would have imposed a significant financial burden and forced many owners to sell. This is in addition to the obvious legal challenges including but not limited to:

1. Constitutional challenges relating to the Commerce Clause
2. Prior holdings in US Supreme Court cases
3. Contradictions with existing Hawaii statutes

In addition, this bill is entitled "Relating to Taxation". The concern is, other than a \$5 registration fee, what is the agenda relating to taxation? Is there a hidden intent to accomplish the same goals as the other bills mentioned above?

I propose that the bill defines "agent" as:

"A resident of the island upon which the vacation rental is located, who is empowered to act as a representative of the owner to the extend agreed upon between the agent and owner, except:

a) The agent's contact information shall be made known in accordance with the requirements of HB 2078."

You may be interested to know that with regard to vacation rentals on the island of Oahu, the Department of Planning and Permitting already has this information. As part of the renewal application process of our Non-Conforming Use Certificate we must provide the name of our agent who resides on the island.

I hope we can refine this statute in a manner that is beneficial to all involved.

Mahalo for your time,

Michael Marion

[www.alohawaikiki getaway.com](http://www.alohawaikiki getaway.com)

TVU permit 90/TVU-0929

Tax ID W30147628-01

Dear Honorable Committee Chair Kim, Vice Chair Kouchi and Committee Members:

RE: HB2078

Please oppose this bill in its current state. I support the intent, but there needs to be some clarification of the terminology as currently it will only create confusion.

- I realize that the State of Hawaii is trying to increase its receipts of GE/TA tax. However, this bill will allow anyone to obtain your personal contact information from the public Tax Department License by checking the DOTAX page and I am concerned that our GET/TAT information may be used fraudulently by others in their advertisements. Perhaps a place marker system could be utilized.
- I would suggest that that the bill be changed to use the term ***on island contact*** rather than agent. I understand the need for having someone local in case of a problem, but as per the testimony you will hear, we all primarily have local contacts available. "Agent" gets into licensing issues.
- I would suggest we provide this contact information in our rental documents as we currently do, so as to protect the privacy of this individual.

Thank you for your attention.

Amy Siroky



## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:04 PM  
**To:** TSM Testimony  
**Cc:** dmsfremont55@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: D. Smith  
Organization: Individual  
E-mail: [dmsfremont55@sbcglobal.net](mailto:dmsfremont55@sbcglobal.net)  
Submitted on: 3/19/2012

### Comments:

We strongly oppose HB2078. Should it become law, anyone who reads a vacation rental owner's GET/TAT license number on an ad would have the power to retrieve his personal contact information from the public Tax Department License Checking page at <https://dotax.ehawaii.gov/tls/app>. This poses a serious risk to the vacation rental business owner of identity theft, burglary and/or vandalism. Since the owner is off-island, properties can be cased and then robbed when vacant.

Also, GET/TAT numbers may be used fraudulently by other establishments that are not licensed.

There is a serious effort among some Hawaiian real estate property managers to insert themselves where they are not wanted, namely in the transient vacation rental business where they hope to earn fat commissions. However, many vacation rental businesses prefer to manage their operations themselves and do not need professional real estate managers. They fear the wording of HB2078 may be changed to require their on-island contacts to be licensed real estate brokers, so the better term for this role is "Designated Local Contact."

If vacation rental owners must include on-island contacts' phone numbers on their ads, costly ad space would be taken up for no useful purpose. Prospective renters would also be confused as to whom they should call. A better solution would be to require vacation rental homes to supply their guests with the phone number of a designated local contact by posting it inside the property and on their rental documents.

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:27 PM  
**To:** TSM Testimony  
**Cc:** simpson-mark@sbcgobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Mark Simpson  
Organization: Individual  
E-mail: [simpson-mark@sbcgobal.net](mailto:simpson-mark@sbcgobal.net)  
Submitted on: 3/19/2012

Comments:  
Aloha,

We are owners of two condominiums in South Maui at the Maui Kamaole. We employ a professional management company Condominium Rentals Hawaii (CRH) and we provide this contact information to all of our guests upon booking. Posting their contact information in our ads and website may confuse guests and drive business away from us. We frequently have guests that are confused over the way CRH handles their own bookings and direct owner bookings. They do not understand that CRH moves bookings to manipulate the calendar to optimize occupancy and that they may not get the condo they asked for. With a direct owner booking we can assure them they will stay in our unit. We are also concerned over the potential for fraud that if we are required to post our GET/TAT tax ID on our vacation rental advertisement and/or website. There is a lot of information available on the web these days how would our private information remains so? We are all for the efforts the State of Hawaii to collect TET/GET taxes on bookings and we support your efforts to increase enforcement since we pay our taxes religiously and feel that all owners should but there must be a better way.

Mark & Susan Simpson  
Maui Kamaole  
2777 S. Kihei Rd.  
K103/K109

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:25 PM  
**To:** TSM Testimony  
**Cc:** marilyn@sunsetshoresmaui.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Marilyn Hybiske  
Organization: Sunset Shores Maui  
E-mail: [marilyn@sunsetshoresmaui.com](mailto:marilyn@sunsetshoresmaui.com)  
Submitted on: 3/19/2012

**Comments:**

I am writing to voice my OPPOSITION to HB2078 HD2 and any other bills that are being considered by the State of Hawaii which will prohibit owners of rental properties to continue to manage and rent their properties on their own.

I formerly used a management company to rent my condo. While it was convenient and less work for me, I was dissatisfied by the low rental rates that they insisted upon, the 30% management fee, their lack of appropriate advertising, and my occupancy rate. Their maid service wasn't as good as the one I use and my condo was "lost" among the condos they rented. My guests had no personal contact with me, the owner, and they were not given personalized service. If rental and occupancy rates go down, so will our property values. All of this will hurt the Hawaiian economy.

Renting on my own, I have raised my rental rates by 25%, eliminated the 30% management fee, improved my advertising choices, and use a much more professional maid service. Consequently my occupancy rate has gone way up. My guests like to deal with me, the owner, as I can provide individualized suggestions to make their stay on Maui the best it can be. I have many reviews supporting this on my VRBO listing ([VRBO.com/215504](http://VRBO.com/215504)).

I have a LOCAL CONTACT person for guests to contact in case of emergencies or questions. I would not feel comfortable without having her as a backup in case of problems. I do feel however, that posting her contact information on all of my advertising would be confusing for the guest (making them uncertain who is the primary contact) and also an infringement of my local contact person's privacy. I provide this information to guests prior to their arrival and it is clearly posted in several places in my condo. That is sufficient in my opinion.

Renting on my own is bringing in more money to the State via the GE/TA taxes that I pay and it allows me to be a member of the HVCB and a good ambassador for Maui----I see it as a win-win situation for all of us. Taking this choice away from me will reduce my income, which will reduce the amount of GE/TA taxes that I pay, reduce the personalized Aloha experience that I provide to my guests, reduce the amount of dollars that I am now able to spend locally on furnishings and amenities. In addition, I firmly believe that it takes away my constitutional rights to use my property as I wish. And it is just so un-Hawaiian!

The internet has changed the way people are finding rentals. Travel agents are becoming a thing of the past. Forcing me to use a management company to do something that I can do better just isn't good business. People are making their own arrangements for travel. Renting direct from an owner is preferred by many people and done throughout the country and the world. I can't fathom why the State of Hawaii feels the need to change that. The only people to come out ahead on this are the realtors and professional property management companies. It is bad for tourism, property values, and how Hawaii is perceived by others.

I paid over \$10,000 last year in GE and TA taxes. The State received every dollar to which they were entitled. I have no problem paying the taxes owed, but I DO have a problem having to pay someone else to manage MY property and make decisions as to what rate to charge and who to rent to. I am a good ambassador of Aloha for Maui. If this bill passes, it will have a great impact on the many people who rent on their own, offer a good product, and pay their fair share of taxes. If the State feels that they are not receiving the taxes they are due, then they should use the policies that are available to collect from those who are being unethical. Don't punish me and take away my rights!

I suggest better informing property owners of the laws concerning vacation rentals and better enforcement. I would support giving those who abide by the rules some sort of badge or official seal with our tax ID# to add to our websites so that it is apparent that we are following the rules. Any such display of our tax ID number would need to be done with the assurance that our personal information would be protected and safeguarded.

As a non resident (not by choice, but by circumstance) I am not eligible to vote on this legislation which will direct only me as a non-resident. This is unconstitutional and unfair. Please listen to us and the reasons we OPPOSE this legislation.

Aloha and Mahalo,  
Marilyn Hybiske

Sunset Shores Maui  
Direct Oceanfront 3-BR Vacation Condo

- - - - - [www.SunsetShoresMaui.com](http://www.SunsetShoresMaui.com) [info@SunsetShoresMaui.com](mailto:info@SunsetShoresMaui.com)

Marilyn Hybiske P.O. Box 546, Sonoma CA 95476

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:41 PM  
**To:** TSM Testimony  
**Cc:** buzz@mahana308.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dr Albert W Merrill  
Organization: Individual  
E-mail: [buzz@mahana308.com](mailto:buzz@mahana308.com)  
Submitted on: 3/19/2012

**Comments:**

This Proposal will not directly reveal who is not paying TA and GE tax and will cost administration monies to check up on. And it will put the owners at risk of fraudulent use. Use the property tax process since all property owners are included and make all owners very aware of the penalties of noncompliance.  
You can do much better than this to insure the proper taxes are being paid which I do and we all support.

kim3 - Nancy

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**From:** Buzz Merrill [buzz.merrill@mac.com]  
**Sent:** Monday, March 19, 2012 5:14 PM  
**To:** TSM Testimony  
**Subject:** HB1706

Dear, Representatives,

People should obey the law and they should pay their taxes. I do both of those things diligently. I love Hawaii and my condo in Maui which I have owned since 1978.

I suggest the legislature should focus efficiently, effectively, and directly on the people who do not pay their TA and GE taxes (and other taxes that don't pertain to me).

Perhaps the property tax system and process could be a simple way of addressing everyone property owner including people who don't pay GE and TA tax.

I suggest that you start first with education. Include literature detailing the need to pay these taxes (including the penalties for not doing so) and how to do so in every property tax notice (bill) that is sent out. You could notify all owners that they must include a copy of all their GE and TA tax submittals or maybe just their Hawaii tax ID number in their property tax payment mailings. Maybe an amnesty plan could be offered at that time.

A simple computer search would then reveal who owns property and doesn't pay GE and TA tax and then you could easily focus in on that group. Also a computer search could easily correlate GE and TA tax payments with categories of property owners (like who are in the same condo project) and determine who is not paying taxes up to the average of that group. Again this would focus further state follow up.

Then a notice could be sent to those people and to the property owners who are not correlated with paying GE and TA tax notifying them again of the substantial penalties associated with not paying those taxes and requiring them to certify under penalty of perjury (and penalty of law if they fail to do so) that don't need to pay or do pay the required GE and TA taxes and send a notarized document attesting to that certification back with their property tax payment.

Of course, anyone who fails to do these things could be specifically investigated, etc.

I think (without any specific knowledge of the Hawaii personnel tax work load, etc) suggest that doing this or something like it and use the efficiency of computer processing could result in GE and TA tax payment compliance in the high 90% and multiple \$millions more of tax revenue to the state of Hawaii at the cost of a couple of \$100 thousands of additional processing cost.

And it would not penalize the high percentage of responsible law abiding tax payers with additional bureaucracy and fees to agents (who, by the way could also be breaking the law and underreporting revenue) which would have chilling effect on non-Hawaii ownership of Hawaiian property and also tourism due to increased costs thus less revenue to the state of Hawaii.

And it would not single out non-Hawaiian residents---like me---who love Hawaii and are pay their taxes. I will be on Maui the second half of May would be available to these matters and techniques if you or your staff so wishes.

Hope this helps and, at least, encourages a conversation in effective and fair ways to address this matter.

Aloha,

Albert W Merrill, PhD

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:17 PM  
**To:** TSM Testimony  
**Cc:** buzz@mahan308.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dr Albert W Merrill  
Organization: Individual  
E-mail: [buzz@mahan308.com](mailto:buzz@mahan308.com)  
Submitted on: 3/19/2012

**Comments:**

This Proposal will not directly reveal who is not paying TA and GE tax and will cost administration monies to check up on. And it will put the owners at risk of fraudulent use. Use the property tax process since all property owners are included and make all owners very aware of the penalties of noncompliance.

You can do much better than this to insure the proper taxes are being paid which I do and we all support.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:16 PM  
**To:** TSM Testimony  
**Cc:** frogndoos@att.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Lindsay  
Organization: Individual  
E-mail: [frogndoos@att.net](mailto:frogndoos@att.net)  
Submitted on: 3/19/2012

Comments:  
Aloha,

In these days of identity theft and hacking I find this bill to be harmful to harmless people. I already give my guests 3 emergency contacts, one being my on island agent, one being me, and one being the resident manager at my condo complex. Also my AOA has the contact information. If you can figure out how to let DOT know without jeopardizing a persons privacy I am all for it



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:02 PM  
**To:** TSM Testimony  
**Cc:** akamumra@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Concerning HB 2078.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Meredith G. Johnson  
Organization: Individual  
E-mail: [akamumra@aol.com](mailto:akamumra@aol.com)  
Submitted on: 3/19/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 4:56 PM  
**To:** TSM Testimony  
**Cc:** islandadventures@cox.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Rob Jenneve  
Organization:  
E-mail: [islandadventures@cox.net](mailto:islandadventures@cox.net)  
Submitted on: 3/19/2012

**Comments:**

While we support most of the intent of this Bill, we sincerely hope the committee will give serious consideration to the following negative consequences:

- We request that the Summary of Opposition's Testimony to SB2089 prepared by State Representative Tom Brower be held up as testimony in this hearing and that special interest groups not be allowed to use this opportunity to amend the bill such that the term "local agent" be defined as a licensed real estate professional or condo management company.
- We would prefer that the term "local agent" be changed to read "designated local contact".
- Displaying the local contact info on a website may confuse the consumer during the booking process, and will VERY LIKELY NOT HELP in the case of emergency. In the event of emergency, or need of assistance, renters will not try and re-locate the advertisement. They will rely on information supplied in their rental confirmation, displayed in the rental unit, or obtained by calling the front desk.
- Most owner operators already have a "designated local contact" including the front desk, cleaning and maintenance staff. This local contact information should be supplied with the guests confirmation, displayed inside the rental unit, and noted with the resident manager.
- We support supplying tax ID numbers to the State via an online registration or paper filing system. We oppose displaying the Tax ID number in public advertising since:
  - 1) Publishing the Hawaii Tax ID number openly in advertisements subjects owners to increased incidence of identity theft, as personal information is easily accessible on the Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
  - 2) The Tax ID number may also be used fraudulently by others in the advertisements, and in fact make it easier for tax evaders to display a legitimate (albeit fraudulent) Tax ID number.

Thank you very much for your consideration.

Rob Jenneve  
Owner  
Island Adventures Travel

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 4:52 PM  
**To:** TSM Testimony  
**Cc:** ana@beachhousehawaii.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ana Murray  
Organization: Individual  
E-mail: [ana@beachhousehawaii.com](mailto:ana@beachhousehawaii.com)  
Submitted on: 3/19/2012

### Comments:

While we believe everyone should pay their taxes, requiring the Tax ID numbers with all advertisements can have security issues. By going to the link <https://dotax.ehawaii.gov/tls/app> you can find the name and address. Even if the address is a P.O. Box the name alone is enough information to research and locate the property.

This information can cause unwanted guests on the property and burglaries. The tax payers and visitors will be the victims. The tax dodgers will get creative. They will use other means to book without having to use a tax ID number. If you pass this Bill there must be a means to enforce. Has the State got enough money for this task?

If you still feel after listening to ONLY opinions and assumptions that there are millions being lost from tax evaders, please consider giving the tax board enough money to hire researchers to find them. This would be both time and cost effective. This was last completed in 2007 and the majority of vacation rental and bed and breakfast owners were in compliance.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 4:22 PM  
**To:** TSM Testimony  
**Cc:** obmissy@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Lenae Bourbeau  
Organization: Individual  
E-mail: [obmissy@gmail.com](mailto:obmissy@gmail.com)  
Submitted on: 3/19/2012

**Comments:**

I oppose HB 2078. There are too many "predators" out there. I pay my GE and TA taxes faithfully and feel that HB 2078 is invasive upon my privacy.

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 4:10 PM  
**To:** TSM Testimony  
**Cc:** idivedeep@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Norb Wolszon  
Organization: Individual  
E-mail: [idivedeep@aol.com](mailto:idivedeep@aol.com)  
Submitted on: 3/19/2012

**Comments:**

I strongly oppose this bill. By forcing us to include our GE/TA number in ANY advertisement you will open us up to thousands of potential scammers. This will make our personal information available to the public from the Tax License Checking page which is <https://dotax.ehawaii.gov/tls/app>. There has to be a better way. Please try to issue a tax ID number that WILL NOT allow access to our personal information. Also by forcing us to include a local contact number you are forcing us to confuse our potential customers. I suggest to you that this information need only be supplied to an actual person who rents a vacation property and can also be posted on the property. The information is useless to anyone else and will only cause confusion. In both instances we will be forced to spend a lot more on advertising that will do more harm than good. We would also be forced to provide free advertising for our local contact. I urge you to oppose this bill. If the intent is to force non compliant tax payers to become compliant, this WILL NOT address that issue. It will only punish law obiding tax payers. Please work with vacation rental property owners to address the REAL ISSUES. Education and communication will be your best weapons to collect unpaid taxes. I strongly support tax compliance and always have. Please don't punish me for that. The tax department should come up with a statewide approach. Develop a Tax ID # that we could post in our adds that ONLY the Tax Department could have access to. This ID number could also have our GE/TA number and personal local contact information as well. It could be issued annually and create another form of income. This way you would generate more tax revenue, lessen our advertising costs, and keep our personal inforamtion CONFIDENTIAL. Internet predators dream of situations like these. Don't make it easy for Identity thieves. Protect us from potential Internet scams and collect taxes. Don't force us to put ourselves at risk, provide free advertising for our local contacts, and pay more more to do it. This will not fix in any way your perceived tax revenue loss. I'd also like to know where you got the figures that are being tossed about. Your own latest study does not show that TA rentals are any more likely to not pay taxes. I support your efforts to force compliance, but this isn't the way to do it.

Mahalo for your time

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 4:08 PM  
**To:** TSM Testimony  
**Cc:** chris@theworleys.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** 2078-1706.pdf; Proposed Amendments to HB2078 HD2.pdf

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Chris Worley  
Organization: Individual  
E-mail: [chris@theworleys.com](mailto:chris@theworleys.com)  
Submitted on: 3/19/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 3:47 PM  
**To:** TSM Testimony  
**Cc:** Mahana604@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: William Watson  
Organization: Individual  
E-mail: [Mahana604@aol.com](mailto:Mahana604@aol.com)  
Submitted on: 3/19/2012

Comments:

Aloha Representatives:

I am writing in opposition to HB2078. This bill will be costly & confusing to all of our guests. Adding on an on-island representative in our advertising is confusing and will not accomplish your goal of collecting more taxes. It could potentially reduce tax collections by guests avoiding individual owners.

Also, adding this information could be impossible on the Internet, since pieces of each of our website information is often picked up by others and displayed without our knowledge.

In addition, it is discriminatory by the proposed legislation pertaining to non-resident owners only as opposed to all owners.

In summary, this bill only adds costs to the Hawaii rental business, would most likely cause a loss of tax revenue for the State by reducing the occupancy of Hawaii rental units, not prevent tax avoidance, and would be discriminatory against out of state owners.

Please vote no on this measure and find another way to enforce laws already written to uphold the laws of Hawaii.

Mahalo,

Bill Watson, M.D.  
110 Kaanapali Shores Pl #604  
Lahaina, HI 96761

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 2:04 PM  
**To:** TSM Testimony  
**Cc:** d\_seagars@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

**Follow Up Flag:** Follow up  
**Flag Status:** Completed

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dana Seagars  
Organization: Individual  
E-mail: [d\\_seagars@yahoo.com](mailto:d_seagars@yahoo.com)  
Submitted on: 3/19/2012

Comments:  
RE: HB 2078

I am the owner of a quality home in Kailua on the Island of Oahu. This home is rented part time to visitors who come to vacation in the State we cherish. I follow all local ordinances in doing so. I rigorously pay all State and local taxes, Hawaii GET, purchase furnishings and supplies from the greater Kailua-Honolulu region, and employ several dozen local businesses and contractors to maintain my home in a high quality manner in a beautiful and harmonious neighborhood. I have a mortgage and bank with a local Hawaiian bank. The income I collect from visitors helps to make the island economy GO and makes my home ownership possible.

I currently live off-island but anticipate relocating within the next year to live on island at least six months of each year. While I currently have hired a property management company to book visitors and to otherwise look after this home, after I move to the island I will begin to handle most rental arrangements myself. My goal lifetime goal has been to live in Hawaii from October to April and in Alaska May to September. I have worked hard to make this dream come true.

I strongly oppose HB 2078 for several reasons.

1. This bill could prohibit me as an "non-resident" from managing my own business - at a HUGE cost to the State and me. Making it mandatory for me to hire a licensed real estate agent (and to pay a commission - often between 20-40% of rental income) will make it impossible for me to earn enough to both pay my mortgage and to supplement my retirement income. I will have to put this home on the market and retreat to some other locale. End of life-long dream. End of a place for visitors to stay. End of rental taxes and input to Hawaiian economy. If enough of those thousands of others like myself are put out of business by these bills, you can expect a flood of homes, some foreclosed on, to the market. Property values will decline and property taxes will as well. THESE BILLS MAKE NO ECONOMIC SENSE FOR THE STATE OF HAWAII.

Furthermore, to segregate rules on the basis of resident vs non-resident is highly likely to be discriminatory and thus unconstitutional. To avoid wasting the States time and money with legal challenges, I strongly suggest this bill be "pulled" and completely "rethink."

2. This bill would make it impossible for non-permitted vacation homes to rent legally. Permit for TVUs have not been issued for a number of years. Because of this there is no mechanism for those outside of the existing permit system to obtain a permit, therefore, passage of this law would mean many responsible owners will be excluded from the process for becoming



"legitimate." Please note: I fully support regulation of vacation rentals provided the silly situation in existence (permits not being available) is eliminated. Without a fix to this situation, this legislation is the cart before the horse. End result for many owners: no biz= lost homes.

3. This bill would require posting of sensitive Personally Identifiable Information on ads (e.g. a social security number or tax id). This constitutes an infringement on my privacy and likely will lead to massive identity theft. This is unnecessary to carry out an effective enforcement program for tracking down those who don't submit taxes. Please note: I fully support an active law enforcement program that ensures required and appropriate payment of all State and local taxes. But such exposure is not the proper way to do this.

This bill smacks of heavy handed government overkill likely crafted by, and designed to benefit, only a very small group of (real estate people) who stand to reap a Winfall in inappropriate profits at the expense of the Hawaiian economy and individual privacy.

Please vote in opposition to HB 2078

Sincerely, Dana J. Seagars

**kim3 - Nancy**

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**From:** Jsrbj@aol.com  
**Sent:** Monday, March 19, 2012 1:45 PM  
**To:** TSM Testimony  
**Cc:** amjjas@aol.com  
**Subject:** Testimony for SB2078

HB2078 Testimony

We own a vacation rental on Maui and handle the rental and management of the condo ourselves due to the poor financial return and care provided by licensed rental management companies/Realtors. We do not object to putting our GET/TA license number in our ads but see no benefit or value to a visitor's search for a vacation accommodation.

We are very concerned about putting our local contact's phone number in our ads as potential guests might mistakenly use the number in an attempt to get rate and availability information which is our responsibility and not that of our local contact. Misdirected attempts to get information will only lead to visitor frustration and their moving on to the next advertised property. Additionally, we are also concerned that the Bill may be changed to reflect that the on island contact be a licensed Realtor or management company. Our objection to this action was well documented and expressed in the approximately 700 responses received as testimony for SB2089.

We, like most owners who self manage their property, send all guests a packet with pertinent information. Ours contains directions from the airport to the apartment; general information about the property/apartment (how to get a parking permit, about the air conditioners, how to get to the apartment when they arrive at the property, **LOCAL CONTACT** on Maui, etc.); and a few recommendations on things to do. When the guest arrives at our property, they have a letter with which to register with the front desk to get a parking permit and all the information that they might need to make their stay an enjoyable one. This approach is personal and promotes the Aloha Spirit that fosters repeat visits that benefit both the owners and the State of Hawaii.

Thank you for your consideration.

Ross & Arlene Jasper  
4071 W Harrison Street  
Chandler, AZ 85226  
[jsrbj@aol.com](mailto:jsrbj@aol.com)

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 1:42 PM  
**To:** TSM Testimony  
**Cc:** laurie@ha-ap.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Laurie Scott  
Organization: Individual  
E-mail: [laurie@ha-ap.com](mailto:laurie@ha-ap.com)  
Submitted on: 3/19/2012

**Comments:**

Chair Donna Mercado Kim and Members of the Tourism Committee:

We oppose HB 2078, HD 2. "SECURITY ISSUES"

While we believe everyone should pay their taxes, requiring the Tax ID numbers with all advertisements can have security issues. By going to the link <https://dotax.ehawaii.gov/tls/app> you can find the name and address. Even if the address is a P.O. Box the name alone is enough information to research and locate the property.

This information can cause unwanted guests on the property and burglaries. The tax payers and visitors will be the victims. The tax dodgers will get creative. They will use other means to book without having to use a tax ID number. If you pass this Bill there must be a means to enforce. Has the State got enough money for this task?

If you still feel after listening to ONLY opinions and assumptions that there are millions being lost from tax evaders, please consider giving the tax board enough money to hire researchers to find them. This would be both time and cost effective. This was last completed in 2007 and the majority of vacation rental and bed and breakfast owners were in compliance.

Thank You,

Laurie Scott

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 1:30 PM  
**To:** TSM Testimony  
**Cc:** pjswims@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Patricia Starkie  
Organization: Individual  
E-mail: pjswims@aol.com  
Submitted on: 3/19/2012

Comments:  
I oppose 2078 HD2.

Both the House Committee on Tourism and the House Committee on Finance state that the goal of this measure is to enforce tax compliance.

Like most other non-resident property owners, I love Hawai'i and its people. I fully support reasonable measures taken to see that tax laws are enforced.

Although, as a non-resident property owner I fully support enforcement of Hawaii's tax code, I oppose HB 2078 for the following reasons:

1. No data has been presented to confirm that there is a tax enforcement problem with transient accommodations. If there is a problem with enforcement of transient accommodation tax, does it represent more of a problem than other taxes, such as GET on cash transactions? Indeed, a 2007 testimony by the Department of taxation said that was not a substantial problem and no facts have been presented to indicate anything has changed. For everyone's benefit, including the legislators', it is important that when new legislation is proposed, it should also include hard data showing the need for new legislation, rather than having those with vested interests throw something on the wall to see what sticks. If proposed legislation is not accompanied by hard evidence of the need for the legislation, it should be summarily deferred until that data can be provided.
2. Display of a tax ID number could lead to intrusions on the privacy of owners and even potential identity theft. If a unique ID number can be created without the identity of the property owner being made known publicly, I would support the display of this number on all ads by residents and non-residents alike.
3. The bill uses the term agent, which is vague and not defined. Possibly the intended term was LOCAL CONTACT PERSON. But even so, a local contact person has little relevance to enforcing tax compliance.
4. Listing a local contact person on a web site is both confusing to the potential visitor and a violation of the privacy right of the local contact person. Further, if the name of the local

contact were publically available, it could easily enable criminals to falsely claim to be the emergency contact person to facilitate crimes on unsuspecting guests.

My recommendations are:

1. Ask the Department of taxation for a comprehensive study of the enforcement of all taxes, including TAT, so the extent of the problem, if any, is known and can be addressed by appropriate regulations and enforcement actions.

It has not been demonstrated that the transient accommodations tax presents a greater challenges to the Department of Taxation collection efforts than other taxes. In fact there are reasons why it should present less of a challenge. Accommodations are paid for by credit card or check, rather than cash. These transactions do are traceable, and must be included in federal tax returns. The DOT can certainly request copies of the appropriate schedule of Federal tax returns and cross check to make certain that what is reported as TAT revenue matches what is reported on the Federal tax return. I suspect that cash transactions that do not involve accommodations are more problematic. Further, in contrast to almost every other business, it is virtually impossible for a property owner (whether resident or non-resident) to easily pick up their property and leave the jurisdiction to avoid tax.

2. I would support a requirement to have a unique ID on advertisements if the associated property owner's name is kept confidential and known only to the Department of Taxation. There is little downside risk or cost to this, providing this information linking it to a specific property owner is kept out of the public domain.

3. Separate legislation involving taxes from emergency contact information. There is no reason the two should be linked. While I agree, that guests should always have an emergency contact, a local contact person has no relevance to tax collections.

4. I support a requirement that all visitors (staying at property owned by both residents and non-residents) be provided with an emergency contact. In fact I believe they should have two contacts - both a primary and a back-up emergency contact, only one of which needs to be an "on-island" contact.

When formulating legislation involving emergency contact information, please keep in mind that the current state of phone and email communications it is easy for guests to contact the mainland, and easy owners on the mainland to contact plumbers, locksmiths, etc. And no one has more of an incentive to see problems resolved than the property owner. In over twenty years, I can think of only one instance when a guest believed it necessary to call our local contact person.

However, due to privacy concerns, the emergency contact information should only be provided to guests, and not to the general the public.

Mahalo for considering my testimony.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 1:11 PM  
**To:** TSM Testimony  
**Cc:** mauihail@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB 2078 HD2.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Tim Hailey  
Organization: Individual  
E-mail: [mauihail@gmail.com](mailto:mauihail@gmail.com)  
Submitted on: 3/19/2012

**Comments:**

Aloha Senate Representatives and Committee Members,

OPPOSE HD 2078 HD2

I agree with the intent of this bill but I feel it leaves us with a few questions.

1. With my Hawaii Tax ID for GE/TA taxes which I pay every month publicized anyone can obtain my personal contact information from the public Tax Department License Checking page:  
<https://dotax.ehawaii.gov/tls/app>

2. With my Hawaii Tax ID for GE/TA taxes publicized, I am concerned that my tax id may be fraudulently used by others.

3. I am very concerned that the bill may be changed to reflect my on-island contact to be a licensed real estate professional. I would prefer the term to be designated as an on-island contact. I have tried using multiple property management companies and have had problems with all of them. They do not look out for the owner's interest. I have had my condos trashed by staff working for the management companies that allow parties to be help in my private residence. Also, they have a horrible track record at servicing my guests. I have had a lot of complaints from guests about how they were treated and that my unit was not cleaned prior to arrival, etc. People travel along ways to Hawaii for their vacation and when they arrive, they want to know that the place they rented is the one they chose and that it is clean and in good working order. Prior property management companies licensed with the State of Hawaii have continuously dropped the ball on all of these issues and I have lost thousands of dollars in bookings using them. Since I started managing the units myself, I oversee every facet of the rental process and I have people on call 24 hours a day for any possible issue that may arise. Please do not force us to use a property manager or real estate company. This will only drive away tourists that are looking for a positive experience in Hawaii.

4. I strongly believe that the on island contact phone number may confuse the prospective renter.

5. I feel that it would be better to require us to supply the guests with the phone number of a designated local contact, by posting it in the unit, as well as, in the rental documents that are provided with arrival instructions. This has worked very well for me for the last few years and I have had zero issues doing it this way.

Mahalo Nui Loa for your kokua,

Tim Hailey

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 1:06 PM  
**To:** TSM Testimony  
**Cc:** maprows@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: SL Adams  
Organization: Individual  
E-mail: [maprows@aol.com](mailto:maprows@aol.com)  
Submitted on: 3/19/2012

Comments:

Aloha~

I am writing to OPPOSE Bill HB2078 HD2, which should be stopped immediately!

This bill is very similar to recent bills trying to force owners into using management companies through &quot;unclear verbiage&quot; which can easily be used against the owners and to the advantage of realtors.

Has anyone thought this through?

\*I do not want to see GET/TAT license numbers posted so that it may be seen and used fraudulently by others to obtain social security numbers or other information!!

\*The will be make the system highly vulnerable and put everyone at risk.

\*Again~ very cleverly worded to AGAIN try to FORCE owners into the grips of management companies when everyone ALREADY HAS AN ON ISLAND CONTACT POSTED IN THEIR CONDOS!!!

\*Further~ it's again posted on paperwork with and friend, relatives or guests!

\*Excessive phone numbers are confusing and will cause more problems.

I sincerely question who is behind ALL these recent bills as they are clearly biased to FORCE owners into management companies which clearly violates freedom of choice and discriminates against property owners in this beautiful state of Hawaii!!

Please VOTE NO on HB2078 HD2.

Mahalo..

SL Adams



## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 1:04 PM  
**To:** TSM Testimony  
**Cc:** John.Eckel@pinninvest.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** 2007-04-03 DOTAX Testimony opposing SB 750 SD 3 HD 1.pdf

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: John Eckel  
Organization: Individual  
E-mail: John.Eckel@pinninvest.com  
Submitted on: 3/19/2012

### Comments:

Aloha Honorable Members of the Senate Tourism Committee

I appreciate the opportunity to testify in opposition to HB 2078 HD2.

Both the House Committee on Tourism and the House Committee on Finance state that the goal of this measure is to enforce tax compliance.

Like most other non-resident property owners, I love Hawai'i and its people. I fully support reasonable measures taken to see that tax laws are enforced.

Although, as a non-resident property owner I fully support enforcement of Hawaii's tax code, I oppose HB 2078 for the following reasons:

1. No data has been presented to confirm that there is a tax enforcement problem with transient accommodations. If there is a problem with enforcement of transient accommodation tax, does it represent more of a problem than other taxes, such as GET on cash transactions? Indeed, a 2007 testimony by the Department of Taxation (attached) said that was not evidence of a substantial problem and no facts have been presented to indicate anything has changed. For everyone's benefit, including the legislators', it is important that when new legislation is proposed, it should also include hard data showing the need for new legislation, rather than having those with vested interests throw something on the wall to see what sticks. If proposed legislation is not accompanied by hard evidence of the need for the legislation, it should be summarily deferred until that data can be provided.
2. Display of a tax ID number could lead to intrusions on the privacy of owners and even potential identity theft. If a unique ID number can be created without the identify of the property owner being made known publicly, I would support the display of this number on all ads by residents and non-residents alike.
3. The bill uses the term agent, which is vague and not defined. Possibly the intended term was LOCAL CONTACT PERSON. But even so, a local contact person has little relevance to enforcing tax compliance.
4. Listing a local contact person on a web site is both confusing to the potential visitor and a violation of the privacy right of the local contact person. Further, if the name of the local contact were publically available, it could easily enable criminals to falsely claim to be the emergency contact person to facilitate crimes on unsuspecting guests.

My recommendations are:

1. Ask the Department of taxation for a comprehensive study of the enforcement of all taxes, including TAT, so the extent of the problem, if any, is known and can be addressed by appropriate regulations and enforcement actions.

It has not been demonstrated that the transient accommodations tax presents a greater challenges to the Department of Taxation collection efforts than other taxes. In fact there are reasons why it should present less of a challenge. Accommodations are paid for by credit card or check, rather than cash. These transactions do are traceable, and must be included in federal tax returns. The DOT can certainly request copies of the appropriate schedule of Federal tax returns and cross check to make certain that what is reported as TAT revenue matches what is reported on the Federal tax return. I suspect that cash transactions that do not involve accommodations are more problematic. Further, in contrast to almost every other business, it is virtually impossibl for a property owner (whether resident or non-resident) to easily pick up their property and leav the jurisdiction to avoid tax.

2. I would support a requirement to have a unique ID on advertisements if the associated property owner's name is kept confidential and known only to the Department of Taxation. There is little downside risk or cost to this, providing this information linking it to a specific property owner is kept out of the public domain.

3. Separate legislation involving taxes from emergency contact information. There is no reason the two should be linked, While I agree, that guests should always have an emergency contact, a local contact person has no relevance to tax collections.

4. I support a requirement that all visitors (staying at property owned by both residents and non-residents) be provided with an emergency contact. In fact I believe they should have two contacts - both a primary and a back-up emergency contact, only one of which needs to be an "on-island" contact.

When formulating legislation involving emergency contact information, please keep in mind that the current state of phone and email communications it is easy for guests to contact the mainland, and easy owners on the mainland to contact plumbers, locksmiths, etc. And no one has more of an incentive to see problems resolved than the property owner. In over twenty years, I can think of only one instance when a guest believed it necessary to call our local contact person.

However, due to privacy concerns, the emergency contact information should only be provided to guests, and not to the general public.

Mahalo for considering my testimony.

John Eckel  
Maui Property owner since 1989

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 12:59 PM  
**To:** TSM Testimony  
**Cc:** dvgarlock@pacifier.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dennis Garlock  
Organization: Individual  
E-mail: dvgarlock@pacifier.com  
Submitted on: 3/19/2012

**Comments:**

This bill, again, discriminates against off-island owners, and, I believe, is unconstitutional in that respect. As an out-of-state owner of multiple rentals, I do not mind displaying my tax id number as long as all owners do likewise, and, the state can guarantee that this information cannot be used to hack into my personal information. I feel very uncomfortable about this. I have an on-island agent and I give all renters the agent's information in the rental papers. This is good enough! To give contact information of my agent in advertising is unnecessary and confusing to anyone reading the advertising. Renters do not need to know the contact until they are actually occupying the property. Also, our AOA0 already requires that information and they have it on file.

Thank you for the opportunity to comment.  
Dennis Garlock

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 12:39 PM  
**To:** TSM Testimony  
**Cc:** pmorgan@olyphen.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Patricia  
Organization: Individual  
E-mail: [pmorgan@olyphen.com](mailto:pmorgan@olyphen.com)  
Submitted on: 3/19/2012

**Comments:**

My husband and I own a condo on Maui and are concerned about HB2078 HD2 and HB1706 SD1. The bill could be easily changed to state "Designated Local Contact" as opposed to "Real Estate Professional". Our renters would be assured of better service if they were able to get in touch with our designated local contact as that has worked well for all in the past.

There really should be no need to list our designated local contact phone numbers on our web pages. We have those numbers posted in our unit and in the correspondence we send to our renters. That is how we handle it now and that has also worked well for us in the past.

We are strong advocates for Hawaii tourism, enforcing Hawaii's current tax laws and ensuring a great rental experience for our clients; but do not support adding "Property Managers" or "Real Estate Professionals" language into this bill.

Mahalo for considering these important issues regarding this bill.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 12:38 PM  
**To:** TSM Testimony  
**Cc:** mk\_dancer@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: lorin  
Organization: Individual  
E-mail: [mk\\_dancer@yahoo.com](mailto:mk_dancer@yahoo.com)  
Submitted on: 3/19/2012

Comments:  
We Oppose HB 2078 HD 2 "Security Issues";

WE do believe all should pay their taxes but putting your tax id on advertisements will just cause a security issue, we believe.  
That information can cause unwanted guests on the property and burglaries. The tax payers and visitors will be the victims.  
Also to enforce this new law you will need more people. Is the State ready and able to do that?  
We do pay our taxes and feel we should not be punished by others that may not.  
thank you  
Lorin Yates

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 12:33 PM  
**To:** TSM Testimony  
**Cc:** marcipaddock@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Marci Paddock  
Organization: Individual  
E-mail: [marcipaddock@gmail.com](mailto:marcipaddock@gmail.com)  
Submitted on: 3/19/2012

Comments:

I oppose bill HB2078. The best way to be sure to collect taxes on Transient Accommodations units is to license them and require a quarterly tax report and payment. We do this now, but if everyone was licensed there would be accountability. Much easier than policing advertisements and it would protect peoples privacy and safety of the units. The idea that the name of a licensed Real Estate agent managing the unit be attached to the advertisement is obviously one that a Realtor came up with to boost his own business. We do not require other businesses to hire a licensed Accountant or Attorney to manage their finances and tax preparation. There is no difference. As long as there is a local person managing the property and their contact information is given to each guest using the property that should be just fine. It is against federal law to discriminate against out of state owners vs in state owners. Issue people licenses and your problems will be solved.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 12:30 PM  
**To:** TSM Testimony  
**Cc:** elydahan@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ely Dahan  
Organization: Individual  
E-mail: [elydahan@gmail.com](mailto:elydahan@gmail.com)  
Submitted on: 3/19/2012

Comments:

To: Honorable Members of the Tourism Committee

Subj: Bill SB2078 HD2

I generally agree with the intent of this bill, but I have a few concerns:

1. Once someone has my GET/TAT license number my personal contact information could easily be obtained from the public Tax Department License Checking page at <https://dotax.ehawaii.gov/tls/app>. I'm concerned that others could use my GET/TAT license number fraudulently in their advertisements or for other non-legitimate purposes. Please consider a way to control this potential problem.

2. This bill COULD be changed to reflect the on-island contact be a licensed Real Estate Professional. I would prefer using the term "Designated Local Contact." We use this definition now and it has served us well for many years and without any confusion to our renters.

3. I am also concerned that listing the on-island contact phone number in advertisements and web sites will confuse a prospective renter. I'm sure most potential renters will not know the difference in terminology; this will lead to much frustration with many unnecessary calls to the wrong entity. I believe it would be better to require owners to supply their guests with the number of a "Designated Local Contact," by posting it in the room as well as included in their rental documents. We do both now and, again, it has worked very well for us over the years and it's never been confusing to our renters.

My company is a strong advocate for Hawaii tourism, enforcing Hawaii's current tax laws and ensuring a great rental experience for our clients; but do not support adding "Property Managers" or "Real Estate Professionals" language into this bill.

Mahalo for considering these important issues regarding this bill.

Respectfully,

Ely Dahan

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 11:32 AM  
**To:** TSM Testimony  
**Cc:** sjackovics@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Sebastyen Jackovics  
Organization: Individual  
E-mail: [sjackovics@aol.com](mailto:sjackovics@aol.com)  
Submitted on: 3/19/2012

**Comments:**

Chair Kim and Members of the Tourism Committee, While everyone agrees that all taxes due should be paid, requiring TAXID numbers on advertising will only create more security and privacy invasion issues. Please use common sense in this area and create a better way to collect the taxes without creating more problems for the citizens that follow the rules.

Thank you,  
Sebastyen



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 10:28 AM  
**To:** TSM Testimony  
**Cc:** cwarnn@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Charles Warner  
Organization: Individual  
E-mail: [cwarnn@comcast.net](mailto:cwarnn@comcast.net)  
Submitted on: 3/19/2012

**Comments:**

I oppose HB 2078 because it is ill conceived and creates more problems than it resolves. Since there is no reasonable short term vacation permitting the net effect would be to dramatically reduce the TAT taxes collected for the state. Time to wake up to economic reality Hawaii! Don't cut our own throat with ridiculous short term rental legislation. Give us some reasonable permitting legislation and stop screwing around with silly bills like this.  
A Laie resident.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 10:25 AM  
**To:** TSM Testimony  
**Cc:** ktlinn@pacific.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: catherine nyborg  
Organization: Individual  
E-mail: [ktlinn@pacific.net](mailto:ktlinn@pacific.net)  
Submitted on: 3/19/2012

Comments:

"We are non-resident owners of a home in Hawaii. We rent our vacation home and pay the taxes. We refer our clients to local businesses and they come back time and again to enjoy the island. The proposed law is unfair and a security risk to us. Posting our tax information and property location to the public is a violation of our privacy and a security risk to us. Also, treating us differently than state residents by requiring us to be represented by a local person is unfair treatment and we object to such treatment. This bill will hurt us and it will hurt Hawaii. Please vote no on HB 2078."

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 10:18 AM  
**To:** TSM Testimony  
**Cc:** reeniemck@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Maureen McKeague  
Organization: Individual  
E-mail: [reeniemck@yahoo.com](mailto:reeniemck@yahoo.com)  
Submitted on: 3/19/2012

**Comments:**

My husband and I oppose bill HB 2078 because putting our TA/GE tax number on our advertisements would make it possible for anyone to get our address and potentially rob or harass our guests. We do pay all our taxes and comply with neighborhood courtesy requirements. We have had no complaints from our neighbors.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 9:13 AM  
**To:** TSM Testimony  
**Cc:** GRAND@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: GRAND  
Organization: Individual  
E-mail: [GRAND@hawaii.rr.com](mailto:GRAND@hawaii.rr.com)  
Submitted on: 3/19/2012

**Comments:**

Please oppose this as publishing the Tax ID would present a security issue: anyone can obtain their personal information and location from the tax department web site. Paying one's taxes responsibility is important, YET this proposed bill creates liabilities on just this limited market, unfairly discriminating against all other market occupations. It's just a set up for future costly litigations and possible damage claims.

Please oppose this Bill.

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 9:12 AM  
**To:** TSM Testimony  
**Cc:** tjf702@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Tom Flynn  
Organization: Individual  
E-mail: [tjf702@aol.com](mailto:tjf702@aol.com)  
Submitted on: 3/19/2012

**Comments:**

I cannot believe that in these poor economic times anyone would even consider a bill that would have such an adverse impact on the economy and real estate market in Hawaii. Whoever is pushing this obviously has a hidden agenda. Passing this would cause property values to drop, a decrease in visitation due to the need to raise costs. Small businesses that support the rental business would suffer. Even the realtors that might be supporting this would suffer as investors would no longer look at or purchase vacation rentals.

I can tell you that I was currently looking at purchasing another property in Hawaii and I have now discontinued my search and I am sure that many other have as well. This type of bill will really hurt the market.

HB-2078 is illegal per Hawaii State laws. A realtor will be in violation for representing illegal rentals. This bill conflicts with a current law.

Per testimony by Rico.

It is unconstitutional . The tax board can follow the process used in 2007 by the past tax board which did an audit. They can hire consultants and research through ads. Do not take it out on the majority that pay their taxes. The State will lose more than they gain.

Agents charge 40-50% commission. We cannot afford to pay our mortgages if we sign up with agents. We have local managers to take care of all maintenance problems, we pay our taxes, we generate revenue in the communities, the condos we own have 24/7 managers and security.

This bill is being requested by a small group of realtors/booking agents who have a vested interest! If this bill passes the state has been used as a tool to create a monopoly. There will be price control and it cuts off free enterprise. Many owners will close, sell or even go into foreclosure

The agents who will financially gain from this bill have said the State is losing millions. They do not have the qualifications to discuss numbers as serious as tax money.

I hope that this is all considered before passing something that will have such a negative impact in such an unstable economy.

Thank you so much for taking the time to hear my concerns.

Sincerely,

Thomas J. Flynn

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 9:00 AM  
**To:** TSM Testimony  
**Cc:** kelc.raz@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kelcie N. Raskowsky  
Organization: Individual  
E-mail: [kelc.raz@gmail.com](mailto:kelc.raz@gmail.com)  
Submitted on: 3/19/2012

Comments:  
Oppose in current form

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:53 AM  
**To:** TSM Testimony  
**Cc:** kathyoch@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB2078.pdf

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kathy Ochsenein  
Organization: Individual  
E-mail: [kathyoch@comcast.net](mailto:kathyoch@comcast.net)  
Submitted on: 3/19/2012

Comments:



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:48 AM  
**To:** TSM Testimony  
**Cc:** surfparadise@hawaiiintel.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Thomas Raskowsky  
Organization: Individual  
E-mail: [surfparadise@hawaiiintel.net](mailto:surfparadise@hawaiiintel.net)  
Submitted on: 3/19/2012

Comments:  
Against.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:47 AM  
**To:** TSM Testimony  
**Cc:** bridgestoparadise@shaw.ca  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Ronald Bridges  
Organization:  
E-mail: [bridgestoparadise@shaw.ca](mailto:bridgestoparadise@shaw.ca)  
Submitted on: 3/19/2012

Comments:

Dear Senators:

My name is Ronald Bridges / President of Bridges to Paradise Rentals Inc. and we are a non-resident vacation rental company / owner. As a vacation rental company we provide accommodations for tourists that wish to visit this lovely state.

We OPPOSE HB2078 HD2 as it is currently written. We agree with the intent of this bill but we would like to suggest the wording of the bill be adjusted. The bill states: any website provide the contact information for a local agent. It is our belief that this should read: Local designated contact information must be posted within the Transient Accommodation and also must be placed in the rental information sheets that are given to all renters.

If the contact information is on the websites, then it will create confusion to the prospective rental and they will start contacting the contact person rather than contacting the booking person.

We must keep our tax numbers off websites as this is privileged information and releasing it to the public can only lead to illegal activities occurring to the tax department, and the illegal acquisition of personal protected information. Every day we hear of Identity Theft let's not help the criminals from getting more information.

There are laws in place, we must enforce them and punish the offenders. It does not make sense to punish the condo owners who do abide by all the laws and regulations.

Yours Respectfully  
Ronald Bridges / President  
Bridges to Paradise Rentals Inc. / Maui  
[bridgestoparadise@shaw.ca](mailto:bridgestoparadise@shaw.ca)

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:46 AM  
**To:** TSM Testimony  
**Cc:** kittiekr@comcast.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kathleen K. Raskowsky  
Organization: Individual  
E-mail: [kittiekr@comcast.net](mailto:kittiekr@comcast.net)  
Submitted on: 3/19/2012

Comments:  
Against.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:44 AM  
**To:** TSM Testimony  
**Cc:** td33@mac.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Tracy Falconer  
Organization: Individual  
E-mail: [td33@mac.com](mailto:td33@mac.com)  
Submitted on: 3/19/2012

**Comments:**

This legislation is very discriminatory and treats non- residents and residents differently. It is time that Hawaii recognizes the value of short-term rentals and the constitutional rights property owners have inherently with their properties and come together to find a fair and balanced regulation for this cottage industry. It's well overdue to end the bickering and not increase it, which is what you'll do if you pass this legislation.

Thank You,  
Tracy Falconer

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:41 AM  
**To:** TSM Testimony  
**Cc:** harborviewtravel@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Miriam Schaeffer  
Organization: Individual  
E-mail: [harborviewtravel@hawaii.rr.com](mailto:harborviewtravel@hawaii.rr.com)  
Submitted on: 3/19/2012

**Comments:**

I oppose!!! I pay my taxes!!! Please stop these absurd bills that are a waste of time and expose our personal information.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:40 AM  
**To:** TSM Testimony  
**Cc:** tris@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Micah Martindale  
Organization: Individual  
E-mail: [tris@hawaii.rr.com](mailto:tris@hawaii.rr.com)  
Submitted on: 3/19/2012

**Comments:**

I oppose!!! This bill poses severe problems with identity theft and security. I cannot stand the government requiring me to expose ALL of my information ALL over the internet. I pay my taxes!!!  
Leave me alone please!!!

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:36 AM  
**To:** TSM Testimony  
**Cc:** tris808@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Michael Trisler  
Organization: Individual  
E-mail: [tris808@gmail.com](mailto:tris808@gmail.com)  
Submitted on: 3/19/2012

**Comments:**

I oppose!!! This bill poses severe problems with identity theft and security. I've been robbed by identity thieves for situations just like this. We end up giving everyone ALL of our information! It's unfair. I already pay my taxes and now I have to reveal ALL of my personal information???? Absurd!!!

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:21 AM  
**To:** TSM Testimony  
**Cc:** bonnie@mauiownercondos.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Bonnie Pauli  
Organization: South Maui Condos Owner Direct Rental Network  
E-mail: bonnie@mauiownercondos.com  
Submitted on: 3/19/2012

**Comments:**

As the owner of a legal vacation rental and manager of an online directory advertising other South Maui by owner legal rentals I have no problem supporting the intent of this bill (by my reading that is to protect tourists, legal rentals and help the State see easily who a tax cheat might be) but I don't believe this bill will accomplish these things and thus write in opposition.

1. in this modern world - especially with Internet ads - there is really no practical way an operator can be held accountable for every ad for a property.

Are you aware that listings can easily be hijacked ('grabbed') from legitimate ads and then reproduced on a new site or even Craig's list with different contact names and phone numbers. There are current 78 pages of Maui listings that have been hijacked just this week on 1 new site on the Internet.. In other cases where condo operators (ie both owners and management and booking companies) have decided not to renew listings, the listings are left visible to help the directory look well stocked for years after the condo operator has asked the listing be removed. There is no way to login, update information or add information.

I am afraid that as in most small businesses this industry has long required the renter to be responsible to determine what is a legitimate rental and what is not. It is relatively easy for them (and I would assume the State) to use the various counties online websites to see who the owner of a particular piece of property is.

2. This bill adds additional layers of time and paper work and cost (the space required for an ad is valuable real estate - both financially and in the ability to get a message across) to the ad process.

The State is putting undue hardship on one class of 'operator' - owners with fewer than 10 Tax Id's who are using their legal right to rent their own properties but do not reside on the same island as their property. If you do wish these tax IDs to be visible then allowing all ads to direct the renter to a website or provide a document upon request showing the tax ID should be allowed - not just if multiple IDs are used.

3. REMOVE THE SECTION requiring the name and contact information of a local rental agent in an ad. We as owners are allowed to act as our own rental agent and are already required by the Landlord Tenant Code HRS 521-43(f) to make the name of our on island 'agent' available to the tenant. The intent of this HRS is to insure someone responsible on island is available to help with client needs or community needs should the client cause problems. Why is this additional layer necessary? It can only be confusing if the 'agent' is not also the rental contact.

4. By the use of the TERM 'RENTAL AGENT' in this bill, the Sate could be creating a monopoly for one group and again placing an unnecessary financial burden on one class of



"operators" - off-island owners... and thus creating the same problems as SB2089 SD1. I would think "DESIGNATED LOCAL CONTACT" would serve the purpose and be fair to all parties.

5. Laws already exist governing reporting of GET and TAT. Compliance is seen as a large problem by some. In their testimony on SB2089, the Department of Taxation noted the difficulties with finding and monitoring tax cheats. I fail to see how this bill will help in that process. The cheaters will continue to cheat and those of us who respect and follow the law already are further penalized.

Servicing our renter clients and insuring a comfortable stay is the only way a business will survive. Any operator who is not providing these services will not stay in business long. Putting the best possible face of Aloha on our contacts with tourists is essential and right now owner rentals are doing a good job.

I believe the State would be more effective in achieving the intent of this bill if they were to

1. require the ISLAND or TOWN NAME, PROPERTY NAME and UNIT number or ADDRESS be included in any ad for an individual property.

2. require anyone renting a property have available upon request the tax ID and designated local contact information.

- 3 .Require all advertising mediums with a "Section" for rentals in Hawaii require a tax license number be provided with ads for individual properties as part of the sign up process and with the understanding that this can be made available to the State upon request and the ad will not be accepted unless this information is provided.

4. Institute an educational campaign to alert Advertising mediums (papers, magazines, Internet Directories) and the Public as to what "legal" rentals are and how to determine if they are considering renting one.. ie provide county websites urls for checking ownership, List of "legal" operators (ie owners, management companies, rental agents etc., request the tax ID, or name of on island contact)

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:01 AM  
**To:** TSM Testimony  
**Cc:** Cora@hotmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Cora Aquino  
Organization: Individual  
E-mail: [Cora@hotmail.com](mailto:Cora@hotmail.com)  
Submitted on: 3/19/2012

### Comments:

Chair Donna Mercado Kim and Members of the Tourism Committee:

We oppose HB 2078, HD 2. ; ; ; ;“SECURITY ISSUES”

While we believe everyone should pay their taxes, requiring the Tax ID numbers with all advertisements can have security issues. By going to the link <https://dotax.ehawaii.gov/tls/app> you can find the name and address. Even if the address is a P.O. Box the name alone is enough information to research and locate the property.

This information can cause unwanted guests on the property and burglaries. The tax payers and visitors will be the victims. The tax dodgers will get creative. They will use other means to book without having to use a tax ID number. If you pass this Bill there must be a means to enforce. Has the State got enough money for this task?

If you still feel after listening to ONLY opinions and assumptions that there are millions being lost from tax ;evaders, please consider giving the tax board enough money to hire researchers to find them. This would be both time and cost effective. This was last completed in 2007 and the majority of vacation rental and bed and breakfast owners were in compliance.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 8:00 AM  
**To:** TSM Testimony  
**Cc:** jillbright@cox.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Jill Bright  
Organization: Individual  
E-mail: [jillbright@cox.net](mailto:jillbright@cox.net)  
Submitted on: 3/19/2012

**Comments:**

I oppose this measure for two reasons. The first relates to security. By requiring our tax ID information on advertising, you are granting access to the public to all of our personal information. Secondly, requiring non-residents to list a local representative is discriminatory and will greatly hurt the Oahu real estate market. Thank you for your consideration and allowing my testimony.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:51 AM  
**To:** TSM Testimony  
**Cc:** damian.vitale@oracle.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: JD Vitale  
Organization: Individual  
E-mail: [damian.vitale@oracle.com](mailto:damian.vitale@oracle.com)  
Submitted on: 3/19/2012

Comments:  
I oppose HB 2078, HD 2.

“SECURITY ISSUES”

I pay my rental GET and TAT taxes every month, on time, last year I paid over 25K.

Requiring the Tax ID numbers with all advertisements has security issues. By going to the link <https://dotax.ehawaii.gov/tls/app> anyone can find my name and property address. Even if the address is a P.O. Box, making public, my name alone is enough information to research and locate my property.

This information can cause unwanted guests on the property and encourage theft. Further, there are vigilante groups on Oahu, such as the KIK and Keep the County Country, targeting any rental less than 90 days for multi-level harassment.

The tax payers like me, and my island guests, as well as my very supportive neighbors and workers, will be the victims. Lets focus on getting everyone to pay their share though self policing of the industry, it can work, lets orgaize and get the deadbeats to pay up or get out of the business.

The tax dodgers will get creative. They will use other means to book without having to use a tax ID number.

If you still feel after listening to ONLY opinions and assumptions that there are millions being lost from tax evaders, please consider giving the tax board enough money to hire researchers to find them. This would be both time and cost effective. This was last completed in 2007 and the majority of vacation rental and bed and breakfast owners were in compliance.

Thank You,  
JD Vitale

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:50 AM  
**To:** TSM Testimony  
**Cc:** leilanicook50@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Oppose Bill HB 2078.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Leilani Cook  
Organization: Individual  
E-mail: [leilanicook50@gmail.com](mailto:leilanicook50@gmail.com)  
Submitted on: 3/19/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:38 AM  
**To:** TSM Testimony  
**Cc:** DixonInHawaii@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dixon Smith  
Organization: Individual  
E-mail: [DixonInHawaii@gmail.com](mailto:DixonInHawaii@gmail.com)  
Submitted on: 3/19/2012

**Comments:**

It is hard enough protecting our sensitive personal information. Publishing the Tax ID poses a security issue because anyone can obtain your personal information and location from the tax department web site. This proposed bill creates liabilities.

Should the law be signed into law with the requirement of listing a local agent, this would be basis to non-resident . The Supreme Court has previously confirmed that it is illegal to give preferential treatment to local residents over non-residents. Forcing a different set of operating rules on non-residents clearly falls in this category.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:37 AM  
**To:** TSM Testimony  
**Cc:** DixonInHawaii@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dixon Smith  
Organization: Individual  
E-mail: [DixonInHawaii@gmail.com](mailto:DixonInHawaii@gmail.com)  
Submitted on: 3/19/2012

**Comments:**

It is hard enough protecting our sensitive personal information. Publishing the Tax ID poses a security issue because anyone can obtain your personal information and location from the tax department web site. This proposed bill creates liabilities.

Should the law be signed into law with the requirement of listing a local agent, this would be basis to non-resident . The Supreme Court has previously confirmed that it is illegal to give preferential treatment to local residents over non-residents. Forcing a different set of operating rules on non-residents clearly falls in this category.

**kim3 - Nancy**

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**From:** Mickey Gilbert [kiddgilbert@yahoo.com]  
**Sent:** Monday, March 19, 2012 7:31 AM  
**To:** TSM Testimony  
**Subject:** Bill HB2078 SD1

Comments:

- With your GET/TAT license number anyone can obtain my personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- I am concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- I believe that the on island contact phone number may confuse the prospective renter.
- I feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

Roderick Michael Gilbert  
owner at Waipouli Beach Resort



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:30 AM  
**To:** TSM Testimony  
**Cc:** sunnyd@tctwest.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Judith Philipps  
Organization: Individual  
E-mail: [sunnyd@tctwest.net](mailto:sunnyd@tctwest.net)  
Submitted on: 3/19/2012

**Comments:**

Why would I want all my personal information available to the general public by giving out my GET/TAT license number? Once published, what stops someone else from using my number in their advertisement? Using more than one phone number in an ad could confuse potential renters, and possibly send them elsewhere, and if this happens often enough to those looking to vacation in Hawaii, they may choose another area altogether. The designated local contact's number should be posted in the room, and on the rental agreement.

**kim3 - Nancy**

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**From:** Yvonne Gilbert [yvonnegilbert744@gmail.com]  
**Sent:** Monday, March 19, 2012 7:28 AM  
**To:** TSM Testimony  
**Subject:** Bill HB2078 SD1

**Comments:**

- With your GET/TAT license number anyone can obtain my personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- I am concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- I believe that the on island contact phone number may confuse the prospective renter.
- I feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

Yvonne Gilbert  
owner at Waipouli Beach Resort

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:26 AM  
**To:** TSM Testimony  
**Cc:** bonnie@mauiownercondos.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Bonnie Pauli  
Organization: South Maui Condos Owner Direct Rental Network  
E-mail: bonnie@mauiownercondos.com  
Submitted on: 3/19/2012

### Comments:

As the owner of a legal vacation rental and manager of an online directory advertising other South Maui by owner legal rentals I have no problem supporting the intent of this bill (by my reading that is to protect tourists, legal rentals and help the State see easily who a tax cheat might be) but I don't believe this bill will accomplish these things and thus write in opposition.

1. in this modern world - especially with Internet ads - there is really no practical way an operator can be held accountable for every ad for a property.

Are you aware that listings can easily be hijacked ('grabbed') from legitimate ads and then reproduced on a new site or even Craig's list with different contact names and phone numbers. There are current 78 pages of Maui listings that have been hijacked just this week on 1 new site on the Internet.. In other cases where condo operators (ie both owners and management and booking companies) have decided not to renew listings, the listings are left visible to help the directory look well stocked for years after the condo operator has asked the listing be removed. There is no way to login, update information or add information.

I am afraid that as in most small businesses this industry has long required the renter to be responsible to determine what is a legitimate rental and what is not. It is relatively easy for them (and I would assume the State) to use the various counties online websites to see who the owner of a particular piece of property is.

2. This bill adds additional layers of time and paper work and cost (the space required for an ad is valuable real estate - both financially and in the ability to get a message across) to the ad process.

The State is putting undue hardship on one class of 'operator' - owners with fewer than 10 Tax Id's who are using their legal right to rent their own properties but do not reside on the same island as their property. If you do wish these tax IDs to be visible then allowing all ads to direct the renter to a website or provide a document upon request showing the tax ID should be allowed - not just if multiple IDs are used.

3. REMOVE THE SECTION requiring the name and contact information of a local rental agent in an ad. We as owners are allowed to act as our own rental agent and are already required by the Landlord Tenant Code HRS 521-43(f) to make the name of our on island 'agent' available to the tenant. The intent of this HRS is to insure someone responsible on island is available to help with client needs or community needs should the client cause problems. WHY is this additional layer necessary? It can only be confusing if the 'agent' is not also the rental contact.

4. By the use of the TERM 'RENTAL AGENT' in this bill, the Sate could be creating a monopoly for one group and again placing an unnecessary financial burden on one class of

"operators" - off-island owners... and thus creating the same problems as SB2089 SD1. I would think "DESIGNATED LOCAL CONTACT" would serve the purpose and be fair to all parties.

5. Laws already exist governing reporting of GET and TAT. Compliance is seen as a large problem by some. In their testimony on SB2089, the Department of Taxation noted the difficulties with finding and monitoring tax cheats. I fail to see how this bill will help in that process. The cheaters will continue to cheat and those of us who respect and follow the law already are further penalized.

Servicing our renter clients and insuring a comfortable stay is the only way a business will survive. Any operator who is not providing these services will not stay in business long. Putting the best possible face of Aloha on our contacts with tourists is essential and right now owner rentals are doing a good job.

I believe the State would be more effective in achieving the intent of this bill if they were to

1. require the ISLAND or TOWN NAME, PROPERTY NAME and UNIT number or ADDRESS be included in any ad for an individual property.

2. require anyone renting a property have available upon request the tax ID and designated local contact information.

- 3 .Require all advertising mediums with a "Section" for rentals in Hawaii require a tax license number be provided with ads for individual properties as part of the sign up process and with the understanding that this can be made available to the State upon request and the ad will not be accepted unless this information is provided.

4. Institute an educational campaign to alert Advertising mediums (papers, magazines, Internet Directories) and the Public as to what "legal" rentals are and how to determine if they are considering renting one.. ie provide county websites urls for checking ownership, List of "legal" operators (ie owners, management companies, rental agents etc., request the tax ID, or name of on island contact)

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:17 AM  
**To:** TSM Testimony  
**Cc:** byholly@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB2078 HD2.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Dean Burroughs  
Organization: Individual  
E-mail: [byholly@sbcglobal.net](mailto:byholly@sbcglobal.net)  
Submitted on: 3/19/2012

Comments:

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:15 AM  
**To:** TSM Testimony  
**Cc:** byholly2@sbcglobal.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB2078 HD2.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Jane Burroughs  
Organization: Individual  
E-mail: [byholly2@sbcglobal.net](mailto:byholly2@sbcglobal.net)  
Submitted on: 3/19/2012

Comments:

## kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:14 AM  
**To:** TSM Testimony  
**Cc:** yvonnegilbert744@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Yvonne Gilbert  
Organization: Individual  
E-mail: [yvonnegilbert744@gmail.com](mailto:yvonnegilbert744@gmail.com)  
Submitted on: 3/19/2012

Comments:

- With your GET/TAT license number anyone can obtain my personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- I am concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- I believe that the on island contact phone number may confuse the prospective renter.
- I feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:09 AM  
**To:** TSM Testimony  
**Cc:** JesusisLordus@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** Ltr to Rosalyn Baker.pdf

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Anna Stone  
Organization: Individual  
E-mail: [JesusisLordus@yahoo.com](mailto:JesusisLordus@yahoo.com)  
Submitted on: 3/19/2012

**Comments:**

Many of my friends that rent their condo out to help travel to the islands see very many flaws to these bills. Please see how this bill will hurt the travel to Hawaii!

Figure out ways to help travel to Hawaii, not to fill real estate people who may own condos or not to fill their pockets with cash. This will hurt tourism to Hawaii. ~~Anna Stone



**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 6:55 AM  
**To:** TSM Testimony  
**Cc:** JesusisLordus@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Anna Stone  
Organization: Individual  
E-mail: [JesusisLordus@yahoo.com](mailto:JesusisLordus@yahoo.com)  
Submitted on: 3/19/2012

**Comments:**

I do not think this is a good idea to put our Hawaii tax number on advertising websites. We do pay all our Tat and Get Taxes quarterly. Why would you recommend doing anything that increases our costs. If you need to know our tax number to see if we pay TAT and GET all you need to do is ask us. We have one condo and we very much oppose this bill for owners security reasons. Anna Stone Fairway Villas Waikoloa Hi.

### kim3 - Nancy

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:58 AM  
**To:** TSM Testimony  
**Cc:** khendra@cox.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Kevin Hendra  
Organization: Individual  
E-mail: [khendra@cox.net](mailto:khendra@cox.net)  
Submitted on: 3/19/2012

**Comments:**

I am not sure what this bill accomplishes. If the intent is tax collection, then advertising one's tax ID number doesn't seem to make any difference. A local island contact is already required under the law (in Maui anyways) as far as we know, so not sure why this needs to be listed on a web ad. Our unit has all the local island contact in it for our guests use when they arrive.

My biggest concern is the broadcasting of the Tax ID number, though. Why not have everyone list their social security numbers too, while you are at it? This will open nonresidents to as yet undetermined privacy issues.

Hopefully this bill and HB1706 aren't simply part of the now deferred effort to require nonresidents to utilize expensive on island management companies and realtors to operate their units.

Kevin Hendra

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:46 AM  
**To:** TSM Testimony  
**Cc:** jvdunlap@verizon.net  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** 120319 Hawaii tax opposed 2.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Jerald dunlap  
Organization: Individual  
E-mail: [jvdunlap@verizon.net](mailto:jvdunlap@verizon.net)  
Submitted on: 3/19/2012

**Comments:**

Putting the tax ID number on advertising is acceptable as I pay my taxes but please do not pass bill HB2078 HD2 in its present form requiring owners to list a local contact telephone number. We provide a local contact person phone number (in case of emergency) in the rental contract.

I have rented my house for 9 years and paid the TAT and GET taxes promptly every month totaling \$28,347. The rentals help the State of Hawaii and have enabled me to continue to own the house which is to be our retirement home 3 years from now.

Forcing us to employ a real estate agent to rent our property would be a disaster for us.

The details of renting and using the house are involved and an unrelated agent would not be able to advise, direct and negotiate successfully with a client. We are able to rent it out because we are the owners and we deal personally with the clients. We would also have to give a percentage of the rent to the agent which we cannot afford. That and the reduced occupancy would likely put us over the edge and we would be forced to sell it in this down market with the result that our dream of moving to Hawaii would be destroyed.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 5:36 AM  
**To:** TSM Testimony  
**Cc:** kreller2124@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Oppose  
Testifier will be present: No  
Submitted by: Brad Kreller  
Organization: Individual  
E-mail: [kreller2124@aol.com](mailto:kreller2124@aol.com)  
Submitted on: 3/19/2012

**Comments:**

We agree with the intent of this bill but we feel it leaves us with a few questions.

- With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- We are concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- We believe that the on island contact phone number may confuse the prospective renter.
- We feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

March 19, 2012

Honorable Legislative Members,

While I agree with the intent of **HB2078 HD2**, making it a law to have GET/TA Number and our on-island contact listed on our website I am concerned:

- That publishing our GET/TAT License Number will give anyone the ability to obtain our personal contact information from the Pubic Tax Department License Checking page, as well as that it may be used fraudulently by others in their advertisements.
- I am concerned that the bill may be changed to reflect that the on island contact be a licensed real estate professional. I suggest using the term "designated local contact" to afford us the freedom use a contact person of our choice.
- I believe that the on island contact phone number may confuse the prospective renter. My suggestion is that it will be better to require us to supply the guests with the number of a designated local contact by posting it in the unit as well as including it in their rental documents.

Thank you for your attention to these important details that will make the bill supportive to all owners and renters.

Sincerely,  
Jane Burroughs  
251 Camino al Mar  
La Selva Beach CA 95076  
831-688-5713

March 19, 2012

Honorable Legislative Members,

While I agree with the intent of **HB2078 HD2**, making it a law to have GET/TA Number and our on-island contact listed on our website I am concerned:

- That publishing our GET/TAT License Number will give anyone the ability to obtain our personal contact information from the Pubic Tax Department License Checking page, as well as that it may be used fraudulently by others in their advertisements.
- I am concerned that the bill may be changed to reflect that the on island contact be a licensed real estate professional. I suggest using the term "designated local contact" to afford us the freedom use a contact person of our choice.
- I believe that the on island contact phone number may confuse the prospective renter. My suggestion is that it will be better to require us to supply the guests with the number of a designated local contact by posting it in the unit as well as including it in their rental documents.

Thank you for your attention to these important details that will make the bill supportive to all owners and renters.

Sincerely,  
Dean O. Burroughs  
251 Camino al Mar  
La Selva Beach CA 95076  
831-688-5713

Leilani Cook

Publishing the Tax ID poses a security issue because anyone can obtain your personal information and location from the tax department web site. This proposed bill creates liabilities.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 11:24 AM  
**To:** TSM Testimony  
**Cc:** mikebwilde@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** HB2078 HD2.doc

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Michael Wilde  
Organization: Individual  
E-mail: [mikebwilde@gmail.com](mailto:mikebwilde@gmail.com)  
Submitted on: 3/19/2012

Comments:



March 19, 2012

Honorable Members of the Tourism Committee

Subj: Bill SB2078 HD2

I generally agree with the intent of this bill, but I have a few concerns:

1. Once someone has my GET/TAT license number my personal contact information could easily be obtained from the public Tax Department License Checking page at <https://dotax.ehawaii.gov/tls/app>. I'm concerned that others could use my GET/TAT license number fraudulently in their advertisements or for other non-legitimate purposes. Please consider a way to control this potential problem.
2. This bill COULD be changed to reflect the on-island contact be a licensed Real Estate Professional. I would prefer using the term "Designated Local Contact." We use this definition now and it has served us well for many years and without any confusion to our renters.
3. I am also concerned that listing the on-island contact phone number in advertisements and web sites will confuse a prospective renter. I'm sure most potential renters will not know the difference in terminology; this will lead to much frustration with many unnecessary calls to the wrong entity. I believe it would be better to require owners to supply their guests with the number of a "Designated Local Contact," by posting it in the room as well as included in their rental documents. We do both now and, again, it has worked very well for us over the years and it's never been confusing to our renters.

My company is a strong advocate for Hawaii tourism, enforcing Hawaii's current tax laws and ensuring a great rental experience for our clients; but do not support adding "Property Managers" or "Real Estate Professionals" language into this bill.

Mahalo for considering these important issues regarding this bill.

Respectfully,

Michael Wilde  
HKPM, LLC  
11375 Pepper Circle  
Sandy, Utah 84092

Millard and Shirley Blancaflor  
26518 Avenida Veronica Mission Viejo, CA 92691  
949.586-5312

March 19, 2012

Congressional / Senate Tourism Committee  
TSMtestimony@capitol.hawaii.gov

RE: Opposing HB 2078 HD2

Dear Congressman /Congresswoman:

My wife and I are vehemently OPPOSED to publishing our Hawaii Tax ID No. on the internet. Some unscrupulous operator could obtain this number and apply it to their own rental condo fraudulently. We would then be paying taxes on income that we never obtained. This is like posting our social security number for the whole world to see.

We also OPPOSE listing on our website a local "agent" with contact information about our rental. This would only confuse our prospective guests and contact this "agent" for the rental of our condo. This would clearly be similar in intent to the recently "deferred SB 2089.

We already have a contract with a local company for our guests to call in case of problems relating to the condo. We have used this company for as long as we have managed our rental and have never had any complaints from our guests. This company is listed in our rental agreement documents as well as posted inside the condo with contact persons and telephones numbers.

There is no reason for this bill!! Just enforce your existing statutes now in the books.

Hopefully you will vote *against* this House Bill.

Mahalo,

Millard and Shirley Blancaflor - Maui property Napili Point A21

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 2:07 PM  
**To:** TSM Testimony  
**Cc:** dreamwalker4141@gmail.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM  
**Attachments:** hb2078.docx

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Comments Only  
Testifier will be present: No  
Submitted by: Mickey Roberts  
Organization: Individual  
E-mail: [dreamwalker4141@gmail.com](mailto:dreamwalker4141@gmail.com)  
Submitted on: 3/19/2012

Comments:

March 19, 2012

Honorable Members of the Tourism Committee

Subj: Oppose Wording of Bill SB2078 HD2

I generally agree with the intent of this bill, but I have a few concerns:

1. Once someone has my GET/TAT license number my personal contact information could easily be obtained from the public Tax Department License Checking page at <https://dotax.ehawaii.gov/tls/app>. I'm concerned that others could use my GET/TAT license number fraudulently in their advertisements or for other non-legitimate purposes. Please consider a way to control this potential problem.
2. This bill COULD be changed to reflect the on-island contact be a licensed Real Estate Professional. I would prefer using the term "Designated Local Contact." We use this definition now and it has served us well for many years and without any confusion to our renters.
3. I am also concerned that listing the on-island contact phone number in advertisements and web sites will confuse a prospective renter. I'm sure most potential renters will not know the difference in

terminology; this will lead to much frustration with many unnecessary calls to the wrong entity. I believe it would be better to require owners to supply their guests with the number of a "Designated Local Contact," by posting it in the room as well as included in their rental documents. We do both now and, again, it has worked very well for us over the years and it's never been confusing to our renters.

I am a strong advocate for Hawaii tourism, enforcing Hawaii's current tax laws and ensuring a great rental experience for our clients; but do not support adding "Property Managers" or "Real Estate Professionals" language into this bill.

Thank you for considering these important issues regarding this bill.

Respectfully,

Mika Roberts

RE: **opposition to HB2078 HD2**

Dear Representative:

What causes me the most stress and anguish is the fear that this bill will force me to lose control of my home and vacation rental business to the required "agent". This isn't just an investment; I take a great deal of pride in my property and the service I provide my guests... more than a property manager ever could. I've compared my guest's feedback on TripAdvisor/FlipKey/VRBO to that of the many property managers that testified against us in committee hearings, saying they provide better service: I have more feedback with higher ratings than them, and I have no issues of the magnitude their guests have complained about (and you should hear the horror stories from owners using property managers). The bottom line for me is: turning over our home and business to these agents is unthinkable. I would sooner stop renting or sell my property before I'd let them take control. **The bottom line for you is: "rentals by owners" provide better service to guests than do property managers, and to destroy our businesses in favor of theirs will be detrimental to the states tourist industry.**

**This bill refers to an "agent", but does not define the role of this agent.** If the agent is merely an on-island emergency contact, then that is beneficial to the guest, but it is highly inappropriate to advertise this contact on a web page (more below).

If this is an agent that is to handle the transaction, then this bill is clearly illegal under interstate commerce laws: **since there is no obvious need to have the transaction performed in the state other than to subvert interstate commerce law and assure the monetary transaction is performed in the state of Hawai'i, a judge will quickly block execution of this law.**

**If the agent is merely a local emergency contact, then it is appropriate to require that information be given to a guest, possibly on our tax forms, but not be advertised elsewhere, for a variety of reasons:**

- 1) Should a thief try to gain entry while my guests are on my property, the intruder would only need to see the required posted information to pose as my trusted emergency contact, and readily gain their confidence and entry in order to rob or assault my guests.
- 2) Federal law requires us to keep employee information confidential. Of course, my guests are all given emergency contact numbers... but I don't advertise my employee's names, addresses, and telephone numbers on the Internet. In what other business does an employer have to post the personal contact information of their employees on all their advertising?
- 3) These are supposed to be "emergency numbers"... posting them on the web would expose these employees to inadvertent calls, crank calls, robo-dialing salesmen, and mailing lists... possibly even identity theft.
- 4) There are web sites (three that I know of) that post my property without my permission, for bait-and-switch purposes (I've asked them to stop, but short of trying to cut-through FTC red-tape, I really have no power over them). Am I responsible for those web pages content too? Would I be in violation if they didn't post my emergency contact information? I have no control over what they do.

Please assure that whatever bill passes 1) doesn't require loss of control of my property and business to an agent, and 2) doesn't require advertising of my employees confidential information.

Sincerely,

Chris Worley

The reasoning behind requiring an "on-island agent" to perform rental transactions is clear:

1. Revive the legacy business model requiring an inefficient middleman, which has been supplanted by the Internet... allowing the owner and guest to work together directly (although the new internet-based business model makes for more satisfied guests than the legacy property manager business model ever did).
2. Assure that all monetary transactions concerning people in (or to be in) the state occur within the state boundaries, so all applicable taxes can be collected (not just GE and TA, but the transaction "agents" income taxes too).

Therefore, this is really not a "Transient Accommodation" bill; it is an "undo the effect of the internet on legacy business models and tax revenues" bill.

Given that sales tax losses due to Internet sales dwarf any losses from GE/TA tax losses, be it resolved that all businesses on the Internet must collect sales taxes within the state of Hawai'i when selling to someone within the state. Given the estimated loss in state sales tax collection in the hundreds of millions of dollars by buyers who don't properly claim sales tax on these items, and billions in loss to local "brick-and-mortar" store sales due to Internet on-line tangible good sales (and the decreased income tax collected due to their loss in sales), the following amendment is proposed to both bills:

**Any off-island Internet ("on-line") business selling tangible goods to residents of Hawai'i must perform the monetary transaction through a local, on-island, licensed retail business who will collect the appropriate Hawai'i sales tax. For this service, the local business may charge the Internet business a fee of up to 50% of the purchase price of the goods being sold.**

Given that Travel Agencies have lost business to Internet travel services:

**Any off-island Internet ("on-line") business selling air/ocean travel to or from any of the Hawaiian Islands, or sell hotel accommodations within the islands, must perform the monetary**



**transaction through a local, on-island, licensed travel agent who will collect the appropriate Hawai'i sales tax. For this service, the local travel agency may charge the Internet business a fee of up to 50% of the purchase price of the service being sold.**

Given that Pages no longer run messages between elected officials in the capitol, having been supplanted by more efficient email:

**Representatives and Senators shall no longer be allowed to communicate government business via email, and shall instead be required to hire Pages to hand-deliver all communications.**

... Thereby collecting income taxes from these pages.

The USPS is cutting back on workers and closing rural post-offices due to the increased use of e-mail:

**All solicitations over the Internet (both desired and "spam") shall not be allowed to be sent to residents of the state of Hawai'i via the Internet, and shall instead be sent by U.S. Post Office mail.**

Changes such as the above should be able to stop the deleterious effects the internet has had on legacy business models and tax collection.

Concerning HB 2078

I oppose HB2078 for the following reasons:

Even though I am okay with displaying our business license number on our advertisements, I think it would open the door for identity theft. I currently am displaying our number on our advertisements.

I am against listing the phone number of a rental "agent." The author of that idea needs to think how they would feel to have their number displayed on everyone's advertisements!

A rental agent or property manager cannot give the personal attention that we give our customers. As an example, we have three hours logged in of conversation with a new guest who is coming next winter. It has been delightful talking with this older gentleman and we let him know that he can call us 24/7 if he has a problem, and we will contact our "local contact." I prefer the wording as "local contact" to be used.

How many of us don't answer our phones when a telemarketer calls or a number that we don't recognize? How many of us answer when we do recognize the number? Our contact person lives across the street and is the caretaker of our property. If you look at our reviews you will notice the outstanding job this person does. She has a Hawaii business license, is insured and bonded, but she is not a real estate agent, sales person, rental agent or property manager. She is our "local contact," our caretaker, and a friend, and her husband does our repairs when needed.

Respectfully submitted

Meredith G. Johnson

Kihei, Hawaii

Gayle Larson  
2295 Hamilton Ave.  
North Bend, Oregon 97459  
[gaylelarson@me.com](mailto:gaylelarson@me.com)  
541-297-1249

March 19<sup>th</sup> 2012

To the House Senate Committee and House Representative Committee  
State Capitol  
Honolulu Hawaii 96813

**Re: HB 2078 SD1/SB 1706/  
OPPOSE**

Dear Respective Committee Members,

We agree with the *intent* of this bill. However, hear are our concerns:

- With your GET/TAT license number anyone can obtain your personal contact information from the public Tax Department License Checking page:  
<https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- We are concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- We believe that the on island contact phone number may confuse the prospective renter.
- We feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

As a property owner I **strongly oppose** the bills. The Hawaii Department of Revenue/Taxation have rules to follow to see that the GET/TAT are paid by property owners. These invasive, quiet bills that are mulling through the House and Senate are unfortunately not going to address the problem.

Furthermore, as for Consumer Protection here is a reply from the onsite property manager that rented my unit just last week. This is in regards to a young family from Kentucky who traveled to Hawaii for a family wedding. When the family booked the unit, a crib was included in the booking for the baby that was travelling with the young family. The family arrived about 6 pm Kihei time, picked up the keys from the off hours/onsite manager, went to my unit. The crib was not in the unit, they went to the onsite off hours property manager and the person told them to call for an on island crib rental, that there weren't any available. Because I keep my personal cell phone number on the VRBO site, the young Mother

contacted me at 10 pm PST (Oregon), and explained the situation. I asked the young Mom to return back to off hours manager unit and have her call me. No call came and miraculously, a crib for the baby was produced. When I asked the onsite property manager about this via email, here is the reply:

"I ASSURE you this woman has been accommodated. This is a FREE service we offered to provide. We forgot to put it in the room. My night manager, Vanessa, was not aware that we provide the playpens. Vanessa gave the woman numbers of services that rent baby equipment. That's when the guest called you. When the guest went back to Vanessas, she called me. I told her where we keep them in our back laundry room. The guest had the crib by 6pm. Due to this guests rude, entitled dramatic performance, I will no longer be providing this service to any of my guests. It burns me up to try to do something nice for people only to have it bite me in the butt. NO more. I have not been able to talk to you about this because every four letter word I know comes flying out of my mouth in regards to the attitude of this woman. This woman showed up yelling at her husband and was looking to fight with someone. How pathetic, in trying to do something nice, I am dealing with this days later. No more grief if I don't offer it in the first place. She can pay for one next time. "

I'm not sure what to think of this as this person receives 25% commission for rentals. If the committee truly thinks an agent, property manager, off hours person can do a better job than the owner, I ask you to please think carefully about these bills. I'm not sure this visitor and her family will want to return to Hawaii. For these reasons and more, I want the option to rent my unit. Every island has issues. Perhaps these issues should be managed at the county/local level. But please be respect what the off island owners do for the economy and tourism industry.

Respectfully Submitted,

Gayle Larson  
Condo Owner  
Kihei, Maui 96753

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 18, 2012 5:21 PM  
**To:** TSM Testimony  
**Cc:** martink004@hawaii.rr.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Kenneth Martin  
Organization: Individual  
E-mail: [martink004@hawaii.rr.com](mailto:martink004@hawaii.rr.com)  
Submitted on: 3/18/2012

**Comments:**

We feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 7:18 AM  
**To:** TSM Testimony  
**Cc:** kiddgibert@yahoo.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Roderick Michael Gilbert  
Organization: Individual  
E-mail: [kiddgibert@yahoo.com](mailto:kiddgibert@yahoo.com)  
Submitted on: 3/19/2012

Comments:

- With my GET/TAT license number anyone can obtain my personal contact information from the public Tax Department License Checking page: <https://dotax.ehawaii.gov/tls/app>
- Concerned that our GET/TAT may be used fraudulently by others in their advertisements
- I am concerned that the bill may be changed to reflect the on island contact be a licensed real estate profession. Would prefer the term designated local contact.
- I believe that the on island contact phone number may confuse the prospective renter.
- I feel that it would be better to require us to supply the guests with the number of a designated local contact, by posting it in the room as well as included in their rental documents.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 11:29 AM  
**To:** TSM Testimony  
**Cc:** mike@r7r.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Michael Curtis  
Organization: Individual  
E-mail: [mike@r7r.com](mailto:mike@r7r.com)  
Submitted on: 3/19/2012

**Comments:**

The Landlord Tenant Code requires an agent or custodian on the island any rental is offered. If anyone is a contact for the owner of a rental for more than one owner, a Hawaii Real Estate Brokers license is required. Currently, these illegal agents are another issue that should also be addressed in this discussion.

In many cases, the resident manager of a Condominium Association is named the contact for rental issues in a condominium project. Also, in many cases, the Condominium Association Managing Agent and Board of Directors are aware of and condone this illegal service. This enables individual owners to market their rentals on the internet, from wherever they reside, usually off island.

I've mentioned before that tax collection could be facilitated by funding Tax Department enforcement derived from information already required of taxpayers.

On Kauai, Transient Vacation Rentals require registration, including the name of the on island contact. Enforcement of licensing law and proper tax reporting is enabled with this information, already filed with the County of Kauai. I believe other counties have this information, as well.

**kim3 - Nancy**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 19, 2012 2:00 PM  
**To:** TSM Testimony  
**Cc:** moddielv@aol.com  
**Subject:** Testimony for HB2078 on 3/22/2012 1:15:00 PM

Testimony for TSM 3/22/2012 1:15:00 PM HB2078

Conference room: 224  
Testifier position: Support  
Testifier will be present: No  
Submitted by: Margaret M Alderman  
Organization: West Hawaii Property Services, Inc.  
E-mail: [moddielv@aol.com](mailto:moddielv@aol.com)  
Submitted on: 3/19/2012

Comments:

Aloha,

We strongly support HB2078HD2 however we suggest you add the provision that the on island agent be modified to read licensed real estate agent operating under a licensed real estate broker. As a Property Manager we have had many distraught visitors to Hawaii that have booked reservations with an owner and upon arrival nothing was as it seemed to be and DCCA had no control of this situation. In addition the main reason for this bill is that most off island owners not handled by a licensed property manager do not pay tax to the state. They discount the rates and unfairly compete with other owners that follow the law.