

# LATE

**SB41**

Submitted on: 1/31/2013

Testimony for CPN on Feb 1, 2013 08:30AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Sheehan	Individual	Oppose	No

Comments: As an owner of a legal vacation rental condo on Maui, I oppose any changes to current law that would prevent a local contact from acting as a contact for more than one property. A local contact, according to current law, is only someone on island that a guest can call IF the guest cannot reach the owner for an issue such as a lock, plumbing or electrical problem. In most cases the local contact is very rarely called and in any case the responsibility for resolving the issue is still the owner's. There is no reason why such a person, as currently defined, should not be able to be a "local contact" for more than one owner. His or her work in this capacity (calling the owner to report the issue raised by the guest, or calling an owner-approved repair person) rarely amounts to more than a few minutes per year per owner. In my case, the local contact is never called since my guests can always reach me or my husband by phone or email or text message. Changing the description of the local contact in such a way serves no clear purpose and could damage owner-operated rentals that bring so much business and good will to Hawaii.

We oppose Senate bill 41 for the following reasons:

The proposed amendment appears to amend the "custodian" or "caretaker" exception to include any individual who acts as a local contact pursuant to Act 326. Then it exempts a local contact pursuant to Act 326, making this proposed measure unnecessary.

We also oppose any measure that would limit a local contact from being able to serve more than one owner as long as the local contact does not rent, offer to rent or collect rent for more than one owner.

Mahalo,  
James & Marybeth Purvis  
2156A Aumakua St.  
Pearl City, HI 96782

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Submitted By	Organization	Testifier Position	Present at Hearing
Marsha Vaughn	Individual	Oppose	No

Comments: Aloha Representative, Given the speed at which this bill and HB 23 were introduced, I have not had time to construct a detailed opposition. I am astonished that the same people are proposing the same idea - having mainland condo owners forced to hire real estate agents or property managers to rent our condos - and that it is once again being proposed in the manner of these bills. This issue was roundly debated and voted against last year. It seems to me to be a waste of the legislator's time and the tax payers money to be revisiting this yet again. I would like to state at this time that I oppose vigorously any attempt to limit the number of properties that a "local contact" can serve as "local contact" for as long as they are not collecting rents, renting or offering to rent these properties. There is no reason to limit this benign activity. In the three years of renting my condo I have never had any tenant require the use of the "local contact" for anything. I appreciate your time and hope you will rapidly veto this issue and get to work on those that may be more pertinent to the State. Sincerely,  
Marsha Vaughn

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Submitted By	Organization	Testifier Position	Present at Hearing
Judy Cash	Individual	Oppose	No

Comments: I am opposed to any changes in current law that would prohibit a local agent from acting as a local agent for more than one property. A local agent is on 'on-island' contact a guest can call when they cannot reach the off-island owner in the case of a problem such as a plumbing, electrical or lock issues. (Please note that most condo complexes have resident managers who would be called especially for plumbing and electrical problems as they affect the entire building.) In many cases, the on-island contact is the housekeeper. In my opinion the housekeepers are best suited for the job of 'on-island contact', as they are intimately familiar with the condos they clean regularly. Having a random licensed realtor who rarely enters the condo as an 'on-island' contact makes very little sense. Last year realtors and property managers put up a good fight trying to take over the marketing and managing of all off-island owned vacation rentals here on Hawaii by claiming off-island owners weren't submitting their share in taxes. I don't know if that's true, but the Hawaii legislature passed laws to aid in enforcement, and I do hope tax collection is being enforced for all. However, had some of the proposed changes passed in the property managers' favor, these managers would have stood to gain huge windfalls in new commissions as off-island owners would have been forced to use them to rent out their condos. Most of these self-managed off-island owners choose not to use property management companies as they have had bad experiences with these managers (I remember reading hundreds of pages of testimony illustrating that last year). I believe disaster was averted with the passing of last year's legislation. I strongly believe many of these off-island owners would have chosen to sell their condos, flooding the market with many additional properties and thus further depressing property prices (and property tax revenue, never mind the lost TA and GE taxes as the condos weren't being rented out at all while trying to sell). Thankfully the Hawaiian legislature did not impose these hardships on off-island condo owners last year. It seems to me, that these same realtors and property managers are now trying to get another kick at the can. I ask that you leave legislation as it currently stands. It may be a good idea to have guidelines for the 'on-island' contacts to follow, however to insist they be licensed with the Hawaii Real-estate Board would be futile. These housekeepers are hard-working Hawaiian residents who can't afford to take several weeks off to take the real estate licensing course and exam. For the most part they aren't interested in becoming realtors, they are making good money cleaning. Mahalo for taking my opinion into consideration.

I oppose SB41 because I believe it is an attempt of some property managers and realtors to renew their fight from last year to take away the individual's right to choose how he will run his business.

I have two properties on Maui and follow the procedures as they were introduced last year to list the tax number on any advertisements and to list the on-island contact person on communication with renters and in the condos.

I do not need a realtor or property manager to run my business. In fact, I quit a management company because they were totally not taking care of getting the places rented. I pay more GE and TAT taxes now that I manage on my own because I have more customers. I give personal service to many happy clients. My on-island contact person is someone to call for emergencies like broken equipment or plumbing or electrical problems. This person does not need a realtor's license to perform the job of having a list of handymen, electricians and plumbers and calling on the rare occasion when there is a need.

Thank you.

Linda Mitchell

Please vote against SB41

This bill has very little to do with protecting the tourist consumer and a lot to do with rental agents who have lost business as a result of a new way of doing business. I have an island contact and I also have a list workers with varied sets of skills who I have used when a problem arose. If a problem arises I have a cell phone and my client can make immediate contact with me. I in turn can contact a worker to take care of the problem immediately. I have never had an issue with this procedure. I have invested thousands of dollars to improve my property and cannot afford to have a property manager with the interests of many clients to run my business. I have gone that route before with much unhappiness.

Thank you for your consideration.

Sincerely,

Douglas B. Mitchell

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Vijay Madnani	Individual	Oppose	No

Comments: We oppose any measure that would limit a local contact from being able to serve more than one owner as long as the local contact does not rent, offer to rent or collect rent for more than one owner

It is impossible for me to understand the logic behind limiting an “onsite” individual to handling only one property. We have a condo in Maui. I live in California, but handle all the rental contact myself. I set up the housekeeping schedule, questions they have pertaining to the property or the island, etc. I have a property manager certificate and am ready to take my test for a real estate broker certificate. Since I took over the property management of our condo we have had much better renters, happier renters and less damage to our property.

A problem arises approximately every 2 months. Although I am constantly available by cell phone or email, our condo management normally contacts my local contact. This is fine—she contacts me and I solve the problem. I contact the renter and let them know what we are doing, call the plumber or whatever we may need and set up repair appointments. I have never had an unhappy renter in such a situation nor have I had any difficulty solving the problem.—even when it means buying a new appliance.

Should a local contact really be expected to only handle one property—solving one problem every 2 months? Is there any logic to that thinking? If there are some condos where a renter may not be happy (I’m sure it’s the occasional situation and not the rule), potential renters will soon learn about the problem property from reviews (which everyone checks these days) and property owner will find themselves without renters. If there is any kind of problem, let the market fix it—not more laws.

Carol Hunt  
Condo Owner



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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robert Humiston	Individual	Oppose	No

Comments: This bill is does not clarify anything. If it is intended to make a local agent a 1:1 requirement then it is wrong and harmful. I have noticed that even the licensed real estate professionals are not following ACT 326 - the state needs to inform and educate rather than just continuing to enact unenforced legislation. Thank you for allowing my testimony. Robert Humiston, CPA

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Bosworth	Individual	Oppose	No

Comments: Please vote this down. It is just another bill which may be amended to move money from the condo owners to the real estate brokers, for work they are taking away from the owners, which the owners can do better. It may also ultimately reduce the direct contact that the owners now have with their renters. It does nothing for the benefit of Hawaii tourism. Mahalo. Dave Bosworth, condo owner.

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<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Gordon Fall	Individual	Oppose	No

Comments: I oppose SB41 because it would limit a local contact from being able to serve more than one owner as long as the local contact does not rent, offer to rent or collect rent for more than one owner. This bill also appears to amend the "custodian" or "caretaker" exception to include any individual who acts as a local contact pursuant to ACT 326. Then it exempts a local contact pursuant to ACT 326, making this proposed measure unnecessary. I have a local contact person who takes care of cleaning our unit and alerting me to any maintenance issues, but I do all the contacts with guests, collect the rent and pay the taxes.

As a property owner of a vacation rental in Hawaii I strongly oppose the suggested changes in SB-41 which appears to amend the "custodian" or "caretaker" exception to include any individual who acts as a local contact pursuant to Act 326. Then it exempts a local contact pursuant to Act 326, making this proposed measure unnecessary.

I also oppose any measure that would limit a local contact from being able to serve more than one owner as long as the local contact does not rent, offer to rent or collect rent for more than one owner. These proposed changes are unnecessary, serve no purpose other than to stifle business opportunities and punish owners who do not reside on the island in which they own their property.

I urge you to reject the proposed amended changes to this bill.

Sincerely,

Marilyn Brown

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shauna Buckner	Individual	Oppose	No
Judith Philipps	Individual	Oppose	No