

STAND. COM. REP. NO.

2519

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2123
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred S.B. No. 2123, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ZONING,"

begs leave to report as follows:

The purpose and intent of this measure is to clarify county zoning authority by:

- (1) Distinguishing single-family residential use from single-family vacation rental use; and
- (2) Allowing a zoning ordinance to amortize nonconforming single-family transient vacation rentals over a reasonable period.

Your Committee received testimony in support of this measure from the Office of Hawaiian Affairs; Hawai'i State Association of Counties; City and County of Honolulu, Department of Planning and Permitting; County of Kauai, Planning Department; Kailua Neighborhood Board; and five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS, Rentals by Owner Awareness Association, and seven individuals.

Your Committee finds that the proliferation of vacation rentals in areas zoned for single-family residential use has created planning-related challenges for counties and highlights the need for clarity in state law governing this issue. Ambiguity

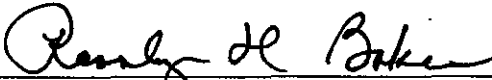


in existing law has enabled vacation rental operators to argue their use is residential, despite these operators' obligations to pay transient accommodation taxes and general excise taxes, similar to the taxation obligations of resort-use entities like hotels.

Your Committee further finds that this measure recognizes the counties' home rule authority to treat single-family transient vacation rental use distinctly from single-family residential use and enables the counties to gradually phase out nonconforming single-family transient vacation rentals. Finally, your Committee notes that this measure is intended to clarify the counties' zoning authority. Any effort by the counties to amortize non-conforming vacation rentals would still need to be implemented fully by ordinance.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2123, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:	
SB 2123, SD1	PSM, CPH	2-26-16	
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____			
The Recommendation is:			
<input checked="" type="checkbox"/> Pass, unamended 2312	<input type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310	<input type="checkbox"/> Recommit 2313
Members	Aye	Aye (WR)	Nay
Excused			
BAKER, Rosalyn H. (C)	/		
KIDANI, Michelle N. (VC)	/		
ESPERO, Will		/	
IHARA, Jr., Les	/		
NISHIHARA, Clarence K.			/
RUDERMAN, Russell E.			/
SLOM, Sam			/
TOTAL	3	1	3
Recommendation:			
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted			
Chair's or Designee's Signature:			
			
Distribution:			
Original	Yellow	Pink	Goldenrod
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy

*Only one measure per Record of Votes