



LATE

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of **Ford Fuchigami**
Administrative Director, Office of the Governor

Before the
Senate Committee on Ways and Means
January 31, 2018
9:30 a.m., Conference Room 211

In consideration of
Senate Bill No. 2999
RELATING TO TAXATION

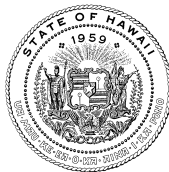
Chair Dela Cruz , Vice Chair Keith-Agaran, and committee members:

The Governor's Office **supports the intent of S.B. 2999 Relating to Taxation**, but we will defer to comments from the Attorney General's Office.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR

LATE



LAUREL A. JOHNSTON
ACTING DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON WAYS AND MEANS
AND ECONOMIC DEVELOPMENT, TOURISM, AND TECHNOLOGY
ON
SENATE BILL NO. 2999

January 31, 2018
9:30 a.m.
Room 211

RELATING TO TAXATION

Senate Bill No. 2999 establishes a one-time amnesty program for delinquent tax obligations falling under Title 14, HRS, except for real property and county vehicular taxes. The bill also allows transient accommodation brokers to act as a tax collection agent on behalf of providers utilizing a broker's services, and sets the duties and reporting requirements of a broker acting as a tax collection agent.

The Department of Budget and Finance supports this bill, which reflects a work in progress between the Administration and the Legislature and supports the General Fund Financial Plan submitted to the Legislature with the Executive Supplemental Budget for FY 2019. The Administration will continue to work with the Legislature through the session to develop tax policy that achieves revenue enhancements in a legal and practicable manner.

The department defers to the Department of Taxation regarding the technical issues of the bill and its impact on general fund revenues.

Thank you for your consideration of our comments.



LATE

Statement of
George D. Szigeti
Chief Executive Officer
Hawaii Tourism Authority

on
SB2999
Relating to Taxation
Senate Committee on Ways and Means
Wednesday, January 31, 2018
9:30 a.m.
Conference Room 211

Chair Dela Cruz, Vice-Chair Keith-Agaran and Committee Members:

The Hawaii Tourism Authority (HTA) offers the following **testimony in support of SB2999**, which, among other things, proposes to (1) establish a system for online transient accommodations brokers (TABs) to register as tax collection agents (TCAs) on behalf of their transient vacation unit (TVU) operators to collect transient accommodations tax (TAT) and general excise tax (GET); (2) provide a one-time amnesty program for certain delinquent tax obligations; (3) require TCAs to inquire with operators about the legality of TVU listings; (4) require TVU operators or plan managers to provide written verification of, and a statement certifying compliance with, county laws; (5) require TABs to remove any advertisements for illegal TVUs; (6) authorize counties to impose remedies for disgorgement of profits obtained through unlawful business practices; and (7) allocate an unspecified percentage of TAT and GET revenues to counties for compliance.

As Hawaii competes in the global tourism market, it is critical that we ensure safe and enjoyable visitor experiences whether our guests choose to stay in traditional accommodations or alternative accommodations, which are becoming increasingly popular with travelers from around the world. Proponents of alternative accommodations highlight the importance of supporting a variety of accommodations in order to maximize Hawaii's appeal as a visitor destination, respect visitor preferences, derive economic benefit from operators and bring additional tax revenue to the State. Others in the community express concern about alternative accommodation operators that do not pay their fair share of taxes, the loss of rental housing stock to transient uses, the need to enforce land use regulations that restrict transient accommodations in many neighborhoods, the impact on communities that host transient accommodations and the inability to ensure the quality of the experiences for, and the safety of, visitors who stay in alternative accommodations.

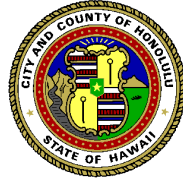
HTA supports the implementation of a regulatory framework that ensures TVU operators pay all applicable taxes and operate in compliance with all State and county laws. A clear and fair regulatory framework will strengthen the quality of life for residents in communities on all islands and ensure a more positive experience for visitors who choose alternative forms of lodging.

Mahalo for the opportunity to offer this testimony.

LATE

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

GEORGETTE T. DEEMER
DEPUTY MANAGING DIRECTOR

CITY AND COUNTY OF HONOLULU
WEDNESDAY, JANUARY 31, 2018, 9:30 AM

TO: THE HONORABLE DONOVAN M. DELA CRUZ
THE HONORABLE GILBERT S.C. KEITH-AGARAN
AND MEMBERS OF THE COMMITTEE ON WAYS AND MEANS

THE HONORABLE GLENN WAKAI
THE HONORABLE BRIAN T. TANIGUCHI
AND MEMBERS OF THE COMMITTEE ON ECONOMIC
DEVELOPMENT, TOURISM, AND TECHNOLOGY

FROM: KIRK CALDWELL, MAYOR
CITY AND COUNTY OF HONOLULU

SUBJECT: COMMENTS ON SB2999

The City and County of Honolulu (City) has concerns with the provisions of SB2999 that allow the Director of Taxation to permit a transient accommodations broker to register as a tax collection agent on behalf of its operators and plan managers; provided that the tax collection agreement is subject to and in accordance with all applicable state laws and county ordinances.

The City believes that permitting tax collection agents to act on behalf of all operators and plan managers, including those operators of illegal short term rentals, would provide a shield for owners and operators who do not presently comply with county ordinances that limit or prohibit the use of properties in areas zoned for residential use for short term rentals. Many operators of short term rentals mistakenly believe that they comply with all laws because they pay general excise taxes and transient accommodations taxes on their short term rentals.

To address this issue, the City believes that this section should be amended to allow tax collection agents to collect taxes only from operators and plan managers of short term rentals compliant with state laws and county ordinances. Such an amendment would address the issue of appearing to legitimize short term rentals that do not comply with county land use or zoning ordinances.

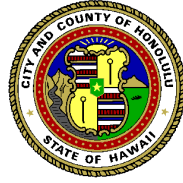
The City does not take a position on Part I of SB2999, which creates a tax amnesty program for state taxes and defers to the Department of Planning and Permitting on the enforcement tools that this measure provides.

Thank you for your consideration of our comments.

LATE

**OFFICE OF THE MAYOR
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 300 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4141 • FAX: (808) 768-4242 • INTERNET: www.honolulu.gov



KIRK CALDWELL
MAYOR

ROY K. AMEMIYA, JR.
MANAGING DIRECTOR

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CITY AND COUNTY OF HONOLULU
WEDNESDAY, JANUARY 31, 2018, 9:30 AM

TO: THE HONORABLE DONOVAN M. DELA CRUZ
THE HONORABLE GILBERT S.C. KEITH-AGARAN
AND MEMBERS OF THE COMMITTEE ON WAYS AND MEANS

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THE HONORABLE BRIAN T. TANIGUCHI
AND MEMBERS OF THE COMMITTEE ON ECONOMIC
DEVELOPMENT, TOURISM, AND TECHNOLOGY

FROM: KIRK CALDWELL, MAYOR
CITY AND COUNTY OF HONOLULU

SUBJECT: SUPPORT FOR SB2999

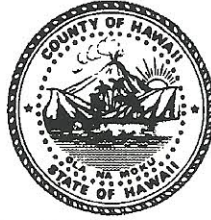
The City and County of Honolulu (City) supports the provisions of SB2999 that allow the Director of Taxation to permit a transient accommodations broker to register as a tax collection agent on behalf of its operators and plan managers; provided that the tax collection agent verifies that the subject operators and plan managers comply with all state laws and county ordinances.

Many operators of non-compliant short term rentals mistakenly believe that they comply with all laws because they pay general excise taxes and transient accommodations taxes on their short term rentals. We believe the requirement that tax collection agents verify compliance with all state laws and county ordinances will address this issue.

The City does not take a position on Part I of SB2999, which creates a tax amnesty program for state taxes and defers to the Department of Planning and Permitting on the enforcement tools that this measure provides.

Thank you for your consideration of our testimony in support.

VALERIE T. POINDEXTER
Council Chairwoman & Presiding Officer
Council District 1



Phone: (808) 961-8828
Fax: (808) 961-8912
Email: vpindexter@co.hawaii.hi.us

LATE

HAWAI'I COUNTY COUNCIL

County of Hawai'i
Hawai'i County Building
25 Aupuni Street, Suite 1402
Hilo, Hawai'i 96720

January 30, 2018

Senate Committee on Ways and Means
Donovan M. Dela Cruz, Chair
Gilbert S.C. Keith-Agaran, Vice Chair

Email: sendelacruz@Capitol.hawaii.gov
Email: senkeithagaran@Capitol.hawaii.gov

Senate Committee on Economic Development,
Tourism, and Technology
Glenn Wakai, Chair
Brian T. Taniguchi, Vice Chair

Email: senwakai@Capitol.hawaii.gov
Email: sentaniguchi@Capitol.hawaii.gov

Subject: Testimony Supporting SB2999, Relating to Taxation
Hearing: January 31, 2018, 9:30 a.m., Room 211

Dear Senators:

On behalf of myself and the constituents of Council District 1 in Hāmākua, County of Hawai'i, I would like to express our support of SB2999.

Although Hawai'i County does not have a vacation rental ordinance as of yet, SB2999 will support our eventual enforcement of vacation rental units.

I strongly support and urge the enactment of SB2999 as is. Thank you for your time and consideration.

Sincerely,

Valerie T. Poindexter
Hawai'i County Council Chairwoman
District 1, Hāmākua

VP/sc

Council Chair
Mike White

Vice-Chair
Robert Carroll

Presiding Officer Pro Tempore
Stacy Crivello

Councilmembers
Alika Atay
Elle Cochran
Don S. Guzman
Riki Hokama
Kelly T. King
Yuki Lei K. Sugimura

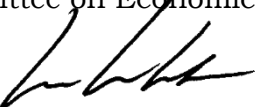


LATE

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

January 30, 2018

TO: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
The Honorable Glenn Wakai, Chair
Senate Committee on Economic Development, Tourism, and Technology

FROM: Mike White
Council Chair 

SUBJECT: **HEARING OF JANUARY 31, 2018; TESTIMONY IN SUPPORT WITH COMMENTS OF SB 2999, RELATING TO TAXATION**

Thank you for the opportunity to testify in **support with comments** of this important measure. The main purpose of this bill is to allow transient accommodations brokers to register as a tax collection agent on behalf of all of its operators and plan managers with certain requirements.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure and offer the following comments:

1. Illegal transient vacation rentals remain a problem for both the counties and the State. It is estimated that thousands of illegal units are operating throughout the State, with over \$100 million in general excise tax and transient accommodations tax going uncollected.
2. The counties currently have no recourse in preventing transient accommodation brokers from listing illegal rentals. Operators with listings on their platforms are allowed to conceal their rental locations, and operators are not required to prove compliance with local laws. Under these conditions, enforcement has been an ongoing challenge.
3. This proposal creates a clear process for the collection of taxes for online booking sites and requires collection agents to provide verification and a statement confirming compliance with all pertinent state and county land use and tax laws. **The counties should also be privy to the county related verification information submitted to the State.**

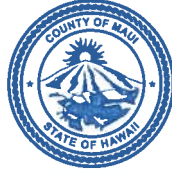
4. It is critical that the information obtained by the State, be shared with the counties. This is the only way to achieve comprehensive regulation of short-term rentals.
5. **Key information on operators however, should be available to counties when an online operator registers with the State. Waiting for critical information to be available until an annual or periodic report will slow county enforcement efforts.**
6. Funding to support enforcement is also crucial and will help to protect legally licensed operators who are paying appropriate taxes and following land use laws.

For the foregoing reasons, I **support** this measure and I hope that additional elements can be added to strengthen this bill.

ALAN M. ARAKAWA
Mayor

WILLIAM R. SPENCE
Director

MICHELE CHOUTEAU McLEAN
Deputy Director



LATE

COUNTY OF MAUI
DEPARTMENT OF PLANNING

January 29, 2018

The Honorable Donovan Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Committee Members:

SUBJECT: SENATE BILL NO. 2999, RELATING TO TAXATION AND SHORT-TERM RENTALS

The Maui Planning Department has reviewed the proposed bill and strongly supports this bill as it is currently written. While we believe that such rentals have a place within our economy, they should be paying their fair-share of GET and TAT.

From a land use perspective, we appreciate that this bill addresses the counties' concerns and have incorporated specific requirements therein. The following provisions are particularly important to us:

1. That the operators are subject to county land use ordinances and rules regulating short term rentals, vacation rentals, and bed and breakfast lodging.
2. That information regarding the operator's name, address, and location of the operation, be available to the counties upon request. This is important for two reasons.
 - a. The correct real property taxes should be paid to the counties. It is not unusual to find that operators are improperly taking homeowner and other exemptions that they are not entitled to.
 - b. To ensure adherence to local zoning laws. Maui considers itself fairly permissive in permitting, but we also seek a balance to protect neighborhoods.
3. That the advertisement of such rentals shall be taken down for noncompliance with certain provisions of the law.
4. All of the enforcement tools will aid us in providing compliance with local laws and includes injunctive relief, disgorgement, recovery of attorney's fees, etc. We note

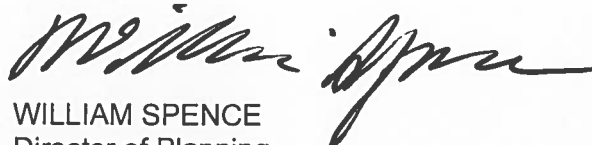
The Honorable Donovan Dela Cruz, Chair
and Members of the Committee on Ways and Means
January 29, 2018
Page 2

however, that some operations are so lucrative that \$100,000.00 may be the cost of doing business. We prefer the fine amounts be left to local enforcement laws.

5. The change to amortization of nonconforming uses in HRS 46-4 will aid the counties in . It may require an amendment to our own codes, but we would be glad to do so as needed.

We will watch this bill as it proceeds through the legislative process, and will provide additional comments if needed as amendments are proposed .

Sincerely



WILLIAM SPENCE
Director of Planning

xc: Mayor Alan Arakawa
Mike White, Maui County Council
Michael Dahilig, County of Kauai Planning Director
Kathy Sokugawa, City and County of Honolulu Planning Director
Michael Yee, County of Hawaii Planning Director
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Bernard P. Carvalho Jr.
Mayor



Michael A. Dahilig
Director of Planning

Wallace G. Rezentes Jr.
Managing Director

Ka'āina S. Hull
Deputy Director of Planning

PLANNING DEPARTMENT
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite A-473, Līhu'e, Hawai'i 96766
TEL (808) 241-4050 FAX (808) 241-6699

LATE

**Testimony before the Senate Committees on Ways and Means
And Economic Development, Tourism, and Technology
SB2999 Relating to Taxation**

Wednesday, January 31, 2018 at 9:30 am Conference Room 415

By Michael A. Dahilig
Director of Planning, County of Kaua'i

Chairs Dela Cruz, Wakai and Honorable Members of the Committee:

On behalf of the County of Kaua'i Planning Department, I offer testimony in **STRONG SUPPORT** of this measure.

This bill strikes a fair balance between insuring vacation rental transient activities pay their fair share in taxes, and allowing the Counties to not be placed at a disadvantage in the regulation of their zoning laws.

The enhanced County zoning authority in this bill will help us to hold illegal vacation rental operators responsible. We believe it will have a positive trickle down impact on preserving our local neighborhoods, keeping resort uses in resort areas, preserving our residential housing stock, and minimizing procedural barriers to insure timely due process.

We suggest the bill be effective upon approval rather than the current version stating a July 1, 2018 effective date.

We respectfully urge your committees to pass this most timely and important piece of legislation.

Mahalo for your consideration.

LATE



January 31, 2018

TO: Senate Committee on Ways and Means
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

Senate Committee on Economic Development, Tourism and Technology
The Honorable Glenn Wakai, Chair
The Honorable Brian T. Taniguchi, Vice Chair

FROM: Amanda Pedigo, Vice President, Government and Corporate Affairs
Expedia, Inc.

RE: SB 2999, Relating to Taxation OPPOSE

Dear Chairman Dela Cruz, Chairman Wakai and distinguished members of the Senate Committee on Ways and Means, and Senate Committee on Economic Development, Tourism and Technology Committees,

While Expedia recognizes the Legislature's desire to find a reasonable way to collect taxes that are due to the State and supports the tax amnesty provision in this bill, we, unfortunately, cannot support SB 2999 in its current form.

Our specific concerns are as follows:

- ❖ The bill would obligate transient accommodations brokers to take down listings upon notice from a county that the listing is not in compliance with county laws and rules. This violates the Communications Decency Act by imposing liability on online listing platforms for content posted by third parties.
- ❖ The provision in the bill authorizing counties to impose remedies of disgorgement of all profits obtained through unfair or unlawful business acts greatly expands the existing remedies (which rest in the hands of the Attorney General), and is a broad provision that would apply to a myriad of other situations, not just transient vacation rentals and should be examined further. The counties have no expertise in this area.
- ❖ The bill changes the judicial standard for injunctive relief in cases involving transient vacation rentals by eliminating the requirement for a finding of irreparable harm, a hallmark of injunctive relief.
- ❖ The bill would allow the counties to recover the cost of any action to enforce zoning laws from the owner. That is a sweeping change to the law that will not



only affect transient vacation rental owners, but also other property owners who may violate any zoning law.

- ❖ The bill establishes a civil fine of \$25,000 to \$100,000 for failure to remove a listing after being notified of non-compliance. Again, this violates the Communications Decency Act by holding platforms liable for information posted by third parties.
- ❖ The bill goes so far as to allow the counties to phase-out transient vacation rental units in all zoning areas, a drastic change from the current law that requires the grandfathering of existing uses during subsequent zone changes. There should be extensive vetting of a change in the law that could deny owners their expected use of property.
- ❖ Section 12 of the bill would allow the state to share tax data with county officials for non-tax reasons, which violates the intent and purpose of the taxpayer confidentiality provisions in the Hawaii tax code and would negate protections currently granted Hawaii taxpayers.
- ❖ Instead of trying to eliminate an essential part of the hospitality industry that is woven into the fabric of our economy, the focus should be on finding balance, to create substantial revenue for the state and counties (to fund affordable housing, public facilities, park maintenance, roads, and the like), and protection for communities that host visitors.

We commissioned¹ a study of the economic impact of transient vacation rental and found that the vacation rental industry in Hawaii contributes significantly to our state's economy.

- ❖ Last year, over 608,000 visitors spent an average of eight days staying in vacation rentals.
- ❖ These visitors spent over \$444 million on lodging and over \$475 million on other expenses such as food, entertainment and souvenirs for total expenditures of nearly \$920 million. Losing those dollars would impact thousands of workers and hundreds of small businesses, in addition to the homeowners who rent their homes.
- ❖ A large number of visiting families who prefer to stay in vacation rentals will not stay in traditional resort accommodations for their vacations. They want to rent a home that has multiple bedrooms, a kitchen, a swimming pool and a yard for their

¹ Completed by Hospitality Advisors LLC, Joseph M. Toy, President and CEO, Honolulu, Hawaii



kids to play in. For that growing segment of the tourist population, a hotel is simply not a suitable substitute for a vacation rental.

- ❖ The data we derived that was most disconcerting was the fact that even if the number of vacation rental visitors switched to traditional resort lodging, there would not be enough hotel rooms to accommodate them.
- ❖ We found that if all traditional options were at an annual 85% capacity (which is widely viewed as the maximum sustainable capacity for a hotel), there would be demand for more than 2.5 million guest nights left unmet.
- ❖ Given the average length of stay of each vacation rental user in Hawaii is about eight) days, the result is that nearly 320,000 visitors would have no place to stay.
- ❖ While that might mean less crowded beaches, it would also mean over \$430 million NOT spent in Hawaii on lodging and other local goods and services, causing a loss of over \$37 million in TAT and GET. It is undeniable that those types of economic losses would also result in lost jobs and potential loss of airlift into Hawaii.

In addition to sharing concerns about SB 2999 and the contributions to Hawaii's economy of the transient vacation rental industry, we would like to take this opportunity to debunk the misconception that all online vacation rental advertising platforms are the same. For nearly three decades, HomeAway platforms have been the leaders in offering unique, family-focused vacation experiences for travelers. We take immense pride in our long-standing commitment to our local homeowners and their small business partners, as well as the millions of families that have used vacation rentals to experience Hawaii in a unique and special way.

- ❖ HomeAway/VBRO started out as a subscription service and the majority of our owners have listing subscriptions today. That means, owners pay only an annual fee for posting a property on our sites. For those bookings, the homeowner does not pay a fee per rental.
- ❖ Most of our owners include taxes as a line item cost in their listing and collect taxes directly, without HomeAway/VRBO doing so for them. We have no reason to believe that the owners—having collected taxes—do not remit them.
- ❖ The typical HomeAway/VBRO guest is a 50 year old female traveling with a family of four.
- ❖ The average stay for a HomeAway/VBRO guest is 6-7 days.



- ❖ The typical HomeAway/VBRO owner offers part-time use of their second home, at times when they are not in residence. There is no reason to expect these owners to make their homes available on the long-term rental market.

The transient vacation rental industry plays a vital role in our state economy. We would like to work with the state and local governments to modernize the regulations of this important economic sector. We note that the City and County of Honolulu considered several measures last year on transient vacation rentals that are being prepared for consideration by the Planning Commission. We want to work to protect communities while also protecting the State's economy. This legislation does not meet those goals.

Thank you for the opportunity to share this testimony.

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HAWAI'I LODGING & TOURISM
ASSOCIATION

Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Senate Committees on
Ways and Means
Economic Development, Tourism, and Technology

Senate Bill 2999

Chair Dela Cruz, Chair Wakai and members of the committees, mahalo for the opportunity to offer this testimony on behalf of the nearly 700 members of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

Senate Bill 2999 is a major priority bill for the Hawai'i Lodging & Tourism Association. The HLTA **strongly supports** this measure, as we did a similar measure last session, which would allow online hotel and vacation booking companies to collect the TAT and GET from their hosts, as well as add layers of transparency, enforcement and accountability to the short term online rental markets and their operators.

It is the goal of the hospitality industry, which we represent, to ensure a level playing field for all visitor accommodations, from the traditional hospitality businesses to the alternative accommodations offered online. There are an estimated 25,000 alternative accommodations in the Hawaiian Islands competing with hotels, resorts, timeshares, and bed-and-breakfasts, except that the majority of them are most likely avoiding proper tax registrations, county zoning laws, and are skirting our 10.25 percent Transient Accommodations Tax, and our General Excise Tax.


Through SB 2999 we are glad to see that many of the visitor industry's concerns from the past two years have been addressed. This includes the issues of transparency, registration, accountability, and enforcement. We strongly support this measure as it requires the transient accommodations brokers to ensure their operators obtain a GET license and TAT registration as well as ensure they are compliant with county zoning and land use ordinance, it requires the tax collection agents to file proper periodic returns with the state, it requires the brokers to remove any advertisement that isn't compliant with state or county laws, and it also allocates a percentage of funds to the counties to support enforcement efforts.

This bill will help us achieve a level playing field in regards to collecting taxes owed, provide for greater transparency and accountability for hosting platforms and their operators, as well as safeguard the proliferation of illegal rentals in our communities.

We thank the Senate Ways and Means Chair Dela Cruz and Senate Economic Development, Tourism and Technology Chair Wakai for their leadership in crafting this bill and we look forward to working with the Chairs of the aforementioned committees to ensure the successful passage of this measure.

Mahalo.

Sincerely,



Mufi Hannemann
President & CEO



Gregg Nelson
Chairman of the Board



Glenn Vergara
Chairperson Elect



Michael Jokovich
Vice Chairperson



Bonnie Kiyabu
Oahu Chapter Chairperson



Angela Nolan
Maui Chapter Chairperson



Steve Yannarell
Hawai'i Island Chapter Chairperson



Jim Braman
Kaua'i Chapter Chairperson

The following is a list of hotels represented by the Hawai'i Lodging & Tourism Association:

Aqua-Aston Hospitality, LLC
Castle Resorts & Hotels
Colony Capital, LLC
Halekulani Corporation
Hawaiian Hotels & Resorts, LLC
Highgate Hotels
Hilton Grand Vacations
InterContinental Hotels Group
Ko Olina Resort
Kyo-ya Company LLC
Kyo-ya Management Company, Ltd.
Lucky Hotels U.S.A. Co., Ltd.
Marriott International, Inc.
Outrigger Enterprises Group
Prince Resorts Hawaii, Inc.
Pulama Lana`i
Sasada International, LLC

Aina Nalu Lahaina by Outrigger
Airport Honolulu Hotel
Ala Moana Hotel
Alohilani Resort Waikiki Beach
Ambassador Hotel Waikiki
Andaz Maui at Wailea Resort
Aqua Aloha Surf Waikiki
Aqua Bamboo & Spa
Aqua Kauai Beach Resort
Aqua Oasis
Aqua Pacific Monarch
Aqua Palms Waikiki
Aqua Park Shore Waikiki
Aqua Skyline at Island Colony
Aqua White Sands Hotel
Aston at Papakea Resort
Aston at Poipu Kai


Aston at the Executive Centre Hotel
Aston at the Maui Banyan
Aston at the Waikiki Banyan
Aston at The Whaler on Kaanapali Beach
Aston Islander on the Beach
Aston Kaanapali Shores
Aston Kona by the Sea
Aston Mahana at Kaanapali
Aston Maui Hill
Aston Maui Kaanapali Villas
Aston Shores at Waikoloa
Aston Waikiki Beach Hotel
Aston Waikiki Beach Tower
Aston Waikiki Beachside Hotel
Aston Waikiki Circle Hotel
Aston Waikiki Sunset
Aston Waikoloa Colony Villas
Aulani, a Disney Resort & Spa
Best Western Pioneer Inn
Best Western The Plaza Hotel
Breakers Hotel
Coconut Waikiki Hotel
Courtyard by Marriott Kaua'i at Coconut Beach
Courtyard by Marriott King Kamehameha's Kona Beach
Courtyard by Marriott Waikiki Beach
Courtyard Oahu North Shore
Doubletree by Hilton Alana Waikiki Hotel
Embassy Suites by Hilton Oahu Kapolei
Embassy Suites Hotel - Waikiki Beach Walk
Ewa Hotel Waikiki - A Lite Hotel
Fairmont Orchid Hawaii
Four Seasons Resort Lana`i
Four Seasons Resort Maui
Four Seasons Resort O'ahu at Ko Olina
Grand Hyatt Kauai Resort & Spa
Grand Naniloa Hotel
Grand Wailea
Hale Koa Hotel
Halekulani
Hampton Inn & Suites, Kapolei
Hapuna Beach Prince Hotel
Hilton Garden Inn Kauai Wailua Bay
Hilton Garden Inn Waikiki Beach
Hilton Grand Vacations at Waikoloa Beach Resort
Hilton Grand Vacations Club
Hilton Hawaiian Village Waikiki Beach Resort
Hilton Waikiki Beach
Hilton Waikoloa Village Resort & Spa
Hokulani Waikiki by Hilton Grand Vacations Club
Holiday Inn Express Waikiki
Holiday Inn Waikiki Beachcomber Resort
Honua Kai Resort & Spa
Hotel Coral Reef Resort
Hotel Renew by Aston
Hotel Wailea Maui
Hyatt Centric Waikiki Beach
Hyatt Place Waikiki Beach
Hyatt Regency Maui Resort & Spa
Hyatt Regency Waikiki Beach Resort & Spa
Ilikai Hotel and Luxury Suites
Ilima Hotel
Ka`anapali Beach Club
Ka`anapali Beach Hotel
Kahana Falls
Kauai Marriott Resort & Beach Club
Kiahuna Plantation Resort by Castle Resorts
Ko`a Kea Hotel & Resort
Kona Coast Resort
Lawai Beach Resort
Lotus Honolulu at Diamond Head
Luana Waikiki Hotel and Suites
Marriott's Kauai Lagoons, Kalanipu'u
Marriott's Ko Olina Beach Club
Marriott's Maui Ocean Club
Marriott's Waiohai Beach Club
Maui Beach Hotel
Maui Coast Hotel
Maui Condo & Home, LLC
Maui Eldorado Kaanapali by Outrigger
Mauna Kea Resort
Mauna Lani Resort
Mauna Loa Village IOA
Moana Surfrider, A Westin Resort & Spa
Montage Kapalua Bay
Napili Kai Beach Resort
OHANA Waikiki East by Outrigger
OHANA Waikiki Malia
Ohia Waikiki Hotel
Outrigger Kiahuna Plantation
Outrigger Napili Shores
Outrigger Palms at Wailea
Outrigger Reef Waikiki Beach Resort
Outrigger Regency on Beachwalk
Outrigger Royal Sea Cliff
Outrigger Waikiki Beach Resort
Pacific Marina Inn


Pagoda Hotel
Pearl Hotel Waikiki
Plantation Hale Suites
Prince Waikiki
Queen Kapiolani
Raintree - Kona Reef Raintree Vacation Club
Ramada Plaza Waikiki
Royal Grove Hotel
Royal Kahana Maui by Outrigger
Royal Kona Resort
Royal Lahaina Resort
Sheraton Kauai Resort
Sheraton Kona Resort & Spa at Keauhou Bay
Sheraton Maui Resort and Spa
Sheraton Princess Kaiulani
Sheraton Waikiki Resort
Shoreline Hotel Waikiki
St. Regis Princeville Resort
Stay Hotel Waikiki
The Cliffs at Princeville
The Club at Kukui`ula
The Fairmont Kea Lani, Maui
The Imperial Hawaii Resort At Waikiki
The Kahala Hotel & Resort
The Laylow, Autograph Collection

The MODERN Honolulu
The New Otani Kaimana Beach Hotel
The Point at Poipu, Diamond Resorts International
The Ritz-Carlton Residences, Waikiki Beach
The Ritz-Carlton, Kapalua
The Royal Hawaiian, A Luxury Collection Resort
The Surfjack Hotel & Swim Club
The Westin Maui Resort & Spa
The Westin Princeville Ocean Resort Villas
Travaasa Hana
Trump International Hotel Waikiki
Turtle Bay Resort
Vive Hotel Waikiki
Waikiki Beach Marriott Resort & Spa
Waikiki Grand Hotel
Waikiki Parc Hotel
Waikiki Resort Hotel
Waikiki Sand Villa Hotel
Waikiki Shore
Waikoloa Beach Marriott Resort & Spa
Wailea Beach Marriott Resort & Spa
Waipouli Beach Resort & Spa by Outrigger
Westin Ka'anapali Ocean Resort Villas
Wyndham at Waikiki Beach Walk
Wyndham Vacation Resorts Royal Garden at Waikiki



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 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

January 31, 2018

The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

LATE

The Honorable Glenn Wakai, Chair
Senate Committee on Economic Development, Tourism, And Technology

RE: S.B. 2999, Relating to Taxation

HEARING: Wednesday, January 31, 2018 at 9:30 a.m. in Conference Room 211

Aloha Chair Dela Cruz, Chair Wakai, and Members of the Committees,

I am Ken Hiraki, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 9,500 members. While HAR generally supports the intent of Senate Bill 2999, we **oppose** the language in section 11 (pages 49-50), that authorizes counties to adopt ordinances to amortize or phase our transient vacation rental units and request that this language be deleted from the measure.

While we understand the argument for regulating non-conforming uses, it is important to note that there are many property owners who have been legitimately and responsibly running Transient Vacation Rentals ("TVR.")


Counties should have the power to adequately control what goes on in their communities. However, we believe that counties already have the authority they need to regulate TVRs via their existing powers to enact zoning ordinances and enforce those ordinances.

For example, in 2009, the County of Maui adopted a permitting system that would allow TVRs and Bed and Breakfast operations ("B&Bs") in residential areas, and established caps on the number of permitted units in specific neighborhoods and districts. Maui County Council has the authority to either repeal the vacation rental permitting ordinances, or issue a moratorium on new permits until more residential housing is available.

Kauai for example, in 1982, established what are called "visitor destination areas" ("VDA") via the passage of Ordinance 436. The primary reason for establishing VDA's was to designate areas on the island where resort activity would be permitted, and to preserve other areas of the island for residential, agricultural or other non-resort commercial and non-commercial uses.



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Today, TVR's can operate legally within VDA's and can operate outside of the VDA only if a nonconforming use certificate is obtained by the County of Kauai Planning Department. This certificate must have been obtained by March 30, 2009 and the County will permit no additional TVR's outside the VDA after that date.

For the foregoing reasons, we believe counties already have existing powers to enact zoning ordinances and enforce them.

In addition, we also **oppose** the language in section 11 (p. 48, lines 5-12) that imposes automatic penalties for a transient accommodations broker who fails to remove an advertisement within seven days of receiving a notice of noncompliance. As a matter of fairness, we request that the word “**shall**” found on lines 7 and 9 be changed to “**may**” to allow for greater discretion in withholding penalties when noncompliance may be due to situations beyond a transient accommodation broker’s control such as an emergency situation when a broker is hospitalized and is unable to respond in a timely basis or in a situation when he/she may be out of the country, etc. In other words, a non-compliant ad should not automatically equal a civil fine of \$25,000 to \$100,000 without some opportunity for inquiry as to the reason for noncompliance.

Mahalo for the opportunity to testify on this measure.



LATE

SB-2999

Submitted on: 1/30/2018 9:44:08 AM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Moyer	OALA	Support	Yes

Comments:

January 31, 2018

LATE

Hon. Donovan M. Dela Cruz
Chair, Committee on Ways and Means
Hawaii State Senate
415 S. Beretania Street, Room 208
Honolulu, Hawaii 96813

Hon. Glenn Wakai
Chair, Committee on Economic Development, Tourism and Technology
Hawaii State Senate
415 S. Beretania Street, Room 216
Honolulu, Hawaii 96813

Re: Support for SB 2999 and Sensible Regulation and Taxation of Short-Term Rentals

Aloha Chairmen Dela Cruz and Wakai,

I write to express strong support for SB 2999 on behalf of Marriott International's 36 properties and nearly 5000 employees in the state of Hawaii. This bill offers a workable framework for the taxation and regulation of short-term rentals in our state that will restore a level playing field within the local lodging industry and promote compliance with rules designed to protect and preserve Hawaii's communities.

In particular, we support the bill's efforts to promote transparency on the part of both rental operators and the websites that facilitate rentals. These include requirements that (1) rental operators publicly display registration numbers; (2) websites disclose rental data to counties to enable cross-checking with registration databases; and (3) websites not participate in bookings of unregistered units.

Each of these provisions is based on best practices borrowed from other jurisdictions that have successfully addressed the proliferation of short-term rentals. All are necessary to ensure only lawful rental units are on the market, and that applicable taxes are collected and remitted.

Increasingly, short-term rental units in Hawaii are owned by non-residents, real estate investors or commercial operators, and not by local homeowners attempting to occasionally supplement their income. Many are whole-unit rentals available full-time – essentially, unlicensed or illegal hotels — which take workforce housing supply off the local market and change the character of

Hawaii's neighborhoods. As shown by a March 2017 study by CBRE, 85% of Airbnb's revenue on Oahu now comes from these commercial operations. This marketplace ought to be regulated accordingly.

SB 2999 does that, striking the right balance between the goals of ensuring fairer competition within the lodging sector, short-term rental compliance with tax and local land use laws, and preserving lodging options for visitors to our beautiful islands.

For these reasons, we urge you and your respective committees to act favorably on SB 2999 and move it toward passage.

Thank you for your consideration.

Mahalo nui loa,

Christopher Tatum
Area General Manager, Hawaii
Waikiki Marriott Beach Resort

cc: Honorable Members, Senate Committee on Ways and Means
Honorable Members, Senate Committee on Economic Development, Tourism and
Technology

LATE

Hilton

Gerard C. Gibson
Area Vice President
Hilton Hawaii
2005 Kalia Road
Honolulu, HI 96815
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Jerry.gibson@hilton.com

Testimony in Support of SB 2999

January 30, 2018

The Honorable Donovan M. Dela Cruz
Chair, Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street, Room 208
Honolulu, Hawaii 96813-2425

The Honorable Glenn Wakai
Chair, Committee on Economic Development, Tourism, and Technology
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street, Room 216
Honolulu, Hawaii 96813-2425

Dear Honorable Chair Dela Cruz and Honorable Members of the Senate Committee on Ways and Means, and Honorable Chair Wakai and Honorable Members of the Senate Committee on Economic Development, Tourism, and Technology:

Hilton strongly supports SB 2999 and agrees with the position set forth by the American Hotel & Lodging Association (AHLA) that it represents a commonsense, measured approach to taxation of legal short-term rentals (STRs) and online STR platforms. In particular, SB 2999 ensures the collection of tax revenues while preserving and facilitating the Counties' ability to enforce local land use laws.

Hilton further supports SB 2999's inclusion of the following requirements, based on similar provisions in the settlement agreement between Airbnb and the City and County of San Francisco:

1. Mandatory listing of a host's TAT registration number prior to the host being permitted to post a listing on an online STR platform;
2. Disclosure of sufficient information to the State/Counties to verify compliance with tax and land use laws; and



CONRAD

COOLMAY



CURIO



TAPESTRY

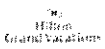


Hampton



HOMewood

HOME2





Gerard C. Gibson
Vice President
Hilton Hawaii
2005 Kalia Road
Honolulu, HI 96815
USA

- 3. Delisting of properties upon receipt of notice of noncompliance from the State or relevant County.

Like hotels, motels, and other transient accommodations, STRs should pay applicable taxes and comply with land use laws. Hilton believes that the above-listed requirements will create greater parity in this regard by increasing data transparency and facilitating enforcement of tax and land use laws.

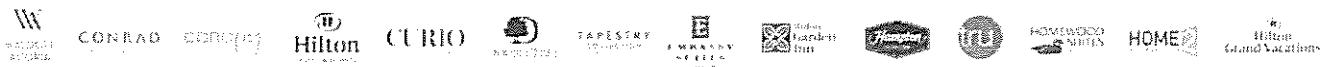
Increasingly, STR units in Hawaii are owned by part-time residents or commercial operators - not by local homeowners renting out a spare room to supplement their income. Many of these rentals are illegal, whole-unit rentals – essentially, illegal hotels—that take housing supply out of the local market and change the character of Hawaii’s neighborhoods. As shown by a March 2017 study by CBRE, 85% of Airbnb’s revenue on Oahu now comes from entire-home vacation rental units.

SB 2999 builds on the San Francisco model to help ensure that tax revenues and alternative lodging options do not come at the expense of kama'aina communities.

Thank you for your consideration of Hilton’s position.

Mahalo nui loa,

Gerard C. Gibson
Area Vice President
Hilton Hawaii



THE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018

COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM AND TECHNOLOGY
Senator Glenn Wakai, Chair

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair

1/31/18
Rm. 211, 9:30 AM

SB 2999
Relating to Taxation

Chairs Dela Cruz and Wakai and members of both Committees, I am Ed Case, Senior Vice President and Chief Legal Officer of Outrigger Hotels Hawaii, submitting this testimony for Outrigger and our 1,700 hosts and families throughout Hawaii in strong support of SB 2999.

By way of background, Outrigger is a proud member of Hawaii's legal visitor industry. Each and every day, in addition to driving Hawaii's economic engine, employing thousands of Hawaii citizens and hosting thousands of visitors, we pay general excise, transient accommodations, real property and other federal, state and county taxes and fees, comply with a host of labor, workplace safety, food and liquor and other laws and regulations, and comply with various planning and zoning requirements, many of which are specific to our hotels and resorts.

To be very clear at the outset: Outrigger and the rest of Hawaii's legal visitor industry welcome legal competition. We support a diversified hotel and resort industry with a mix of vacation rental alternatives because we believe today's visitor seeks choice in accommodations and experiences and as we provide choice we are all stronger.

However, Outrigger strongly believes that much if not most of the alternative vacation rental industry (TVUs and B&Bs) now continuing to proliferate throughout Hawaii and actively marketed through hosting platforms such as Airbnb is straight-out illegal on a number of fronts and that it is fundamentally unfair and destructive to the legal industry and our broader community to allow such illegal activity and the unfair playing field it permits.

Outrigger believes that whether, where and under what conditions to permit such TVUs and B&Bs should be a matter of careful county planning, that any and all such vacation rentals should be legally conforming, that the operation of such rentals should be fully transparent, that the counties should have full enforcement mechanisms and resources, and that all such vacation rentals should fully pay the same federal, state and county taxes and fees imposed on the legal visitor industry.

Numerous recent studies have documented that TVUs and B&Bs now number in the tens of thousands throughout Hawaii and still growing. By any assessment many if not most of them are operating illegally and are not paying fees and taxes and otherwise complying with law, and the counties are not adequately resourced and empowered to enforce current law. All one has to do to see this in action is to go on Airbnb's website and search for advertised units in any residential neighborhood in Hawaii: a number of them will pop up despite the facts that hotel and resort use is largely not a permitted use in any such neighborhoods.

The negative impact on visitor and residential markets and local communities, the lack of adequate safety, labor and consumer protection regulation, and the loss of significant tax revenues are not seriously disputable. Nor is the fact that these units are not, as the hosting platforms advertise and would want you to believe, rooms in local residents' homes who are being helped out by the extra income: a recent study by CBRE showed well over 80% were whole homes, clearly investment properties, and many of those were multi-homed owned by a single owner. In other words, they were and are hotel businesses. It is inescapable at this point that a very serious and growing consequence as well is a diminished residential housing supply and increased rental and home prices.

In Outrigger's view, SB 2999 is a carefully considered and crafted measure that follows and improves on the lead of recent state, county and city legislation across the country to include that just enacted by the City of San Francisco and agreed to by Airbnb. It has the key ingredients of effective tax collection while maintaining full transparency, shining a brighter light on increasing harmful illegality, and expanding the counties' enforcement mechanisms.

We look forward to continuing further discussion as this bill moves through the legislative process. For now, we express our strong support of its basics and appreciation for the effort devoted to its development and introduction.

Mahalo.

Testimony of:
Denise Wardlow
General Manager
The Westin Princeville Ocean Resort Villas



Senate Committees on
Ways and Means
Economic Development, Tourism, and Technology

Senate Bill 2999

Chair Dela Cruz, Chair Wakai and members of the committees, Mahalo for the opportunity to offer this testimony.

Senate Bill 2999 is an important bill and I **strongly supports** this measure, as I did a similar measure last session, which would allow online hotel and vacation booking companies to collect the TAT and GET from their hosts, as well as add layers of transparency, enforcement and accountability to the short term online rental markets and their operators.

It is the goal of the hospitality industry, which we represent, to ensure a level playing field for all visitor accommodations, from the traditional hospitality businesses to the alternative accommodations offered online. There are an estimated 25,000 alternative accommodations in the Hawaiian Islands competing with hotels, resorts, timeshares, and bed-and-breakfasts, except that the majority of them are most likely avoiding proper tax registrations, county zoning laws, and are skirting our 10.25 percent Transient Accommodations Tax, and our General Excise Tax.

Through SB 2999 we are glad to see that many of the visitor industry's concerns from the past two years have been addressed. This includes the issues of transparency, registration, accountability, and enforcement. We strongly support this measure as it requires the transient accommodations brokers to ensure their operators obtain a GET license and TAT registration as well as ensure they are compliant with county zoning and land use ordinance, it requires the tax collection agents to file proper periodic returns with the state, it requires the brokers to remove any advertisement that isn't compliant with state or county laws, and it also allocates a percentage of funds to the counties to support enforcement efforts.

This bill will help us achieve a level playing field in regards to collecting taxes owed, provide for greater transparency and accountability for hosting platforms and their operators, as well as safeguard the proliferation of illegal rentals in our communities.

We thank the Senate Ways and Means Chair Dela Cruz and Senate Economic Development, Tourism and Technology Chair Wakai for their leadership in crafting this bill, and we encourage the committees to push forward SB 2999.

Mahalo.



Testimony of

Glenn P. Vergara
General Manager
Waikiki Resort Hotel

Senate Committees on
Ways and Means
Economic Development, Tourism, and Technology

Senate Bill 2999

Chair Dela Cruz, Chair Wakai, and members of the committees, mahalo for the opportunity to offer this testimony on behalf of Waikiki Resort Hotel and the 120 employees it employs, as well as the 700-member Hawaii Lodging & Tourism Association as its current Chair-Elect.

Waikiki Resort Hotel **strongly supports** Senate Bill 2999 which would allow for online hotel and vacation booking companies to collect the TAT and GET from their hosts while adding layers of transparency, enforcement and accountability to the short term online rental markets and their operators.

With an estimated 25,000+ alternative transient accommodations in the state that compete with hotels, resorts, and timeshares, it is a known fact that many are sidestepping proper tax registrations, shunning county zoning laws, and eluding our 10.25 percent Transient Accommodations Tax, and GET, giving them unfair competitive advantage over traditional accommodations that employ many thousands in the state.

This is a bill that is well overdue; one that will help us achieve a level playing field in regards to collecting taxes owed, provide for greater transparency and accountability for hosting platforms and their operators, as well as safeguard the proliferation of illegal rentals in our communities.

We thank the Senate Ways and Means Chair Dela Cruz and Senate Economic Development, Tourism and Technology Chair Wakai for their leadership in crafting this bill, and we encourage the committees to push forward SB 2999.

Mahalo.

LATE

SB-2999

Submitted on: 1/30/2018 11:45:08 AM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Allan Raikes	Condominium Rentals Hawaii	Oppose	No

Comments:

LATE

SB-2999

Submitted on: 1/30/2018 2:51:36 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gregg Nelson	Napili Kai Beach Resort	Support	No

Comments:

Dear Chair Dela Cruz, Chair Wakai and Ways and Means and Economic Development, Tourism and Technology Committee Members,

I am unable to testify before you in person as I am a resident of Maui. I am the general manager for a resort on Maui which employs 160 staff members and we urge you to approve Bill 2999. It is imparative that transient vacation rental units throughout the State be assessed appropriate taxes and made to meet similar code regulations as are required of other licensed properties offering hospitality accomodations in this State. Please support Bill 2999.

Mahalo

Gregg Nelson

General Manager

Napili Kai Beach Resort

LATE



FRIENDS AGAINST ILLEGAL RENTALS

*Maintaining the residential character
of Hawai'i communities for the
betterment of all Hawai'i residents*

Senate Committee on Ways and Means
and Senate Committee on Economic Development, Tourism, and Technology

SB 2999 Relating to Taxation

January 31, 2018 9:30 a.m. Conference Room 211

The members, leadership, and supporters of F.A.I.R., Friends Against Illegal Rentals, **SUPPORT SB 2999.**¹

This bill seeks to comprehensively address many ongoing problems with transient vacation units in residential areas. We are hopeful SB 2999 will be a positive step towards rectifying the long-standing issues that have led to the current proliferation of illegal Transient Vacation Units (TVUs) and Bed and Breakfast establishments (B&Bs). Given the potential impact of such unlawful land uses on housing opportunities for the island's residents, F.A.I.R. urges the Senate to continue to seek ways to ensure meaningful enforcement of county land use regulations, such as making measures in SB 2999 mandatory for counties.

A comprehensive solution is imperative to ensure that the State's efforts to collect taxes owed and ensure housing for residents do not undermine county efforts to regulate

¹ F.A.I.R., Friends Against Illegal Rentals, a Hawai'i non-profit corporation, is a coalition of individuals, organizations, and stakeholders formed in 2017 in response to the mounting tourism pressures on Hawai'i's natural resources, infrastructure, and neighborhoods from the increased use of homes that once housed our parents, grandparents, neighbors, and friends, now being used as tourist accommodations.

land use and effectively enforce reasonable restrictions on those uses.² Piecemeal attempts to legislatively address TVUs and B&Bs have proven to be ineffective or, more often, unable to navigate the legislative process. Giving the counties tools to ensure compliance with existing laws, while clearly delegating powers which allow for the creation of new laws that keep up with changes in technology and land use patterns, must be coupled with measures that vindicate the State's dual interests in past and future tax revenues and in advancing the health, safety, and welfare of the residents.

Websites like Airbnb, VRBO, and Flipkey have made regulation of transient accommodation land uses more difficult³, emboldening land owners who no longer fear punishment for violating the law, which has led to the current proliferation of illegal TVUs and B&Bs. The current challenges counties face in enforcing vacation rental ordinances, in light of the boom of easy-to-use host platforms, are highlighted by the rapid increase in units held off the long term rental market for use as vacation rentals.⁴ These withheld units occur in nearly all communities but are particularly prevalent in popular visitor destination areas, where it has been shown to increase rents disproportionately to less desirable areas. This effectively forces residents out of desirable areas of the island, often where their families have lived for generations.⁵

The negative effects of this proliferation of illegal vacation rentals in residential areas coupled with decades of population growth and unmet demand for home ownership and home rental opportunities has burdened our natural resources and infrastructure, impacted residents' quality of life, and exacerbated Hawai'i's housing crises. Despite this dire need for housing, many of the units that were previously available to residents as rentals, or to first-time

² Gov. Msg. No. 1334 (July 11, 2016) (While bills attempting to collect taxes owed by vacation rental operators may correct one problem with vacation rentals the ensuing law may also act as "a shield for owners who do not presently comply . . . with county ordinances" which may actually "encourage owner-occupants to choose transient accommodation renters" over residents.)

³ Honolulu DPP Acting Director Kathy Sokugawa reported at an October 26, 2017 meeting of the Honolulu City Council Committee on Zoning and Housing that because of the limitations of current laws and the resources necessary to operate under these laws her department is only able to investigate complaints and originates no investigations itself. Furthermore, of the 3000 investigations in 2016 only 90 resulted in Notices of Violation, of which only 30 resulted in a monetary penalty actually being paid, and the average amount actually paid was only 10% of the statutory fine.

⁴ The Impact of Vacation Rental Units in Hawai'i, 2016 study found that VRUs increased by 34% per year between 2005 and 2015. Further investigation found that between 2011 and 2014, units held for seasonal use, not available for long term rent, increased by 12%. See THE IMPACT OF VACATION RENTAL UNITS IN HAWAI'I 2016, pgs. 3, 9, available at <http://www.hawaiiitourismauthority.org/default/assets/File/Housing%20and%20Tourism%20113016.pdf>

⁵ See THE IMPACT OF VACATION RENTAL UNITS IN HAWAI'I 2016, pg. 8, available at <http://www.hawaiiitourismauthority.org/default/assets/File/Housing%20and%20Tourism%20113016.pdf>

homebuyers, are now used as TVUs and B&Bs in contravention of county land use ordinances. Up to 80% of these TVUs are whole-home rentals of studios, 1-bedroom, and 2-bedroom units.⁶ This puts the residents in direct competition with tourists competing for the same accommodations.⁷ While residential rents on O‘ahu average about \$75 per day, TVU and B&B rates are often \$150 to \$250 per night or more for similar units. Without strengthening county mechanisms for zoning enforcement, residents will be forced to continue to compete with these commercial rates.

All homeowners and potential homeowners, especially those in popular visitor destination areas, are similarly effected by the use of residential areas as transient accommodations. The supply of homes for sale has dropped as homes that formerly were likely to be sold when a family moves are now being withheld from the sales market for use as vacation rentals. Further pressure is put on the residential housing market by out-of-state demand for housing units, largely held for seasonal use and rented as TVUs. The resulting high demand and low supply have forced property prices too high for many prospective buyers, even those making upwards of \$100,000. Enabling better enforcement of TVUs and B&Bs is likely to reduce the number of illegal operators which is especially important because supply factors in the housing market increase housing prices four times as fast as demand factors, meaning that the upward pressure on home prices would be best relieved by adding more supply of housing. This is most easily, quickly, and cost effectively accomplished by ensuring that current units are available for residential use.⁸

Those that do own homes already find themselves being taxed out of their homes as property values climb due to the commercial pressures of tourism. Property tax rates rise, due in part to the burdens on infrastructure, natural resources, and services caused by the large influx of tourism into areas that were not planned or created to facilitate these activities.

Data does not show that vacation rental operations significantly increase economic opportunities for Hawai‘i residents. Data has, however, shown that 70% of properties listed as vacation rentals are owned by out-of-state property owners.⁹

Protecting residentially zoned areas from the pressures of tourism and commercial activities through effective enforcement of land use controls enables residents to compete on a

⁶ Based on a review of listings for Honolulu using www.airdna.co, viewed on October 24, 2017.

⁷ Residential rents on O‘ahu grew by 26% between 2010 and 2015. THE IMPACT OF VACATION RENTAL UNITS IN HAWAI‘I 2016, pg. 8.

⁸ Host compliance companies can aid in returning housing units to the long-term rental market for between \$100 and \$1000 each, while the cost of creating a new housing unit is in excess of \$300,000.

⁹ Notably, the Hawai‘i Tourism Authority report found 45,075 total properties available for short term vacation rentals, with between 21,295 and 23,002 as non-commercial vacation rental units advertised in 2016. 70% of these properties are offered by out-of-state property owners. See THE IMPACTS OF VACATION RENTAL UNITS IN HAWAI‘I, 2016, p. 5, available at <http://www.hawaii tourism authority.org/default/assets/File/Housing%20and%20Tourism%20113016.pdf>

level playing field with others who desire to live, work, play, and contribute to our communities, instead of being forced to compete financially with the yearly savings of a new set of non-resident tourists each week wishing to come to Hawai'i for vacation. This commercial pressure defeats the purpose of residential zoning. Residential zoning should provide respite from the pressures of tourism that are so pervasive in Hawai'i.

The measures proposed by SB 2999 provide a reasonable level of assistance in the enforcement of illegal TVRs and B&Bs, which will likely result in an overall decrease in housing units withheld for tourist accommodations, better enabling Hawai'i to overcome its current housing challenges and provide housing opportunities for its residents.

Mahalo for the opportunity to comment on this matter.

Mike Biechler
Executive Director
F.A.I.R., Friends Against Illegal Rentals



Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice-President

Tuesday, January 30, 2018

Senate Committees on Ways and Means and Economic Development,
Tourism and Technology

Hawaii State Legislature
State Capitol
415 South Beretania Street

Re: SB 2999

Aloha Chairs Delacruz, Wakai and Committee Members,

UNITE HERE Local 5 – a local labor organization representing 11,000 hotel, health care and food service workers throughout Hawaii would like to offer comments supporting the intent of SB 2999.

We acknowledge the efforts made by the authors of SB 2999 that take several important steps toward addressing the points we’ve been attempting to address since the Legislature first began to take up proposed legislation more than two years ago now.

As you know, there are today an estimated 38,100 individually advertised vacation rental units throughout Hawaii, and at the current rate, by next year that number will exceed 40,000. Regardless of what Airbnb or its commissioned reports say, vacation rentals are taking away from our housing stock, making our statewide housing crisis worse.

The key elements that at a minimum need to be included in whatever measure gets passed include:

- It must not preempt the counties’ ability to enact good regulations, and to the greatest extent possible improve the counties’ ability to make those regulations effective in practice;
- Rental operators should be required to certify to the tax collection broker that they are operating legally, and provide documentation to back that up;

- It should complement/supplement Act 204 in allowing the state to hold operators accountable; and
- Tax collection brokers should be required to operate transparently by providing lists of names and addresses of operators to the State so the State can verify that the money it is collecting reflects reality.

We believe SB 2999 take important steps that help ensure some of these points get addressed. We are encouraged by provisions that would strengthen the Counties' abilities to enforce against illegal short-term vacation rentals. Sections 10 & 11 in particular appear to allow for higher fines up to and including disgorgement, sharing of data with the proper county authorities responsible for enforcement, and increased powers to enforce; these are all meaningful steps forward in this draft that we hope will remain intact as this measure moves forward for more discussion.

Thank you.

LATE

SB-2999

Submitted on: 1/30/2018 11:34:06 AM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Autumn Ness	Hawai'i Center for Food Safety	Support	No

Comments:

I strongly support this legislation.

In my capacity as an assistant to Council Member Elle Cochran, we have confirmed through an independent data service that there are over 10,000 individual short term rental units operating in the County of Maui. We have also confirmed that the number increased 25% over the past year.

That means that about 2,500 units that used to be homes for residents are now out of the rental pool and are illegal tourist accommodation units.

Please pass this important legislation that will lead to some of these thousands of homes returning to the long term rental pool, and will provide some relief to our housing crisis.

Mahalo,

Autumn Ness

808 250-4200



TESTIMONY IN SUPPORT OF
S.B. 2999 – RELATING TO TAXATION

Nadine Ortega, J.D.
Coordinator, AF3IRM Hawai'i

Senate Committees on Ways and Means & Economic Development, Tourism and Technology
January 31, 2018, 9:30 a.m., Conference Room 309

Dear Chair Dela Cruz, Chair Wakai, and Members of the Committees:

On behalf of AF3IRM Hawai'i, I would like to thank the Committee for the opportunity to testify in SUPPORT of S.B. 2999, which would regulate and tax corporations like Airbnb and operators that profit from the proliferation of illegal short-term rentals in our communities. Our organization has spent the last three years organizing women who are struggling with rent costs. Over half of our membership spends more than thirty percent of their monthly income on rent. A 2017 study from economists at MIT and UCLA found a causal relationship between spikes in Airbnb listings and rent increases.¹

From our work and the emerging data, we that believe that the protection of our scarce housing supply from illegal short-term rentals is a critical component of the Legislature's affordable housing efforts. S.B. 2999 contains important protections to this end but we respectfully urge you to amend Section 8 from a voluntary to mandatory registration requirement.

Accordingly, I SUPPORT H.B. 2139. I respectfully urge your Committee to PASS this important bill. Thank you for the opportunity to provide testimony.

Sincerely,

Nadine Ortega, J.D.
Coordinator, AF3IRM Hawai'i

¹ Barron, K. "The Sharing Economy and Housing Affordability: Evidence from Airbnb," Jul. 25, 2017, https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3006832



HAWAI‘I APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai‘i Appleseed Center for Law and Economic Justice
Supporting SB 2999 Relating to Vacation Rentals
Senate Committee on Ways and Means
Scheduled for Hearing on Wednesday, January 31, 2018, 9:30 in Conference Room 211

Hawai‘i Appleseed Center for Law and Economic Justice Hawai‘i Appleseed is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

Thank you Chair Dela Cruz and members of the committee for an opportunity to testify in strong support for SB 2999.

Passage of the bill would assist Hawaii in taking an important step forward in controlling the proliferation of vacation rentals throughout our state while improving the collection of taxes owed for conducting those rentals that are legitimate and legal under state and county laws. The bill would replicate the arrangement that AirB&B has agreed to in the similarly highly active short term rental city of San Francisco.

The key enforcement components would require registration and monitoring of host properties including the listing of Transient Accommodations numbers along with any advertisement listing the availability of the property as a vacation rental. The Bill also requires verification of compliance with all state and county laws. Most importantly, the bill would aid the state and county in controlling the illegal use of short term rentals by requiring disclosure of host properties to the county and state to aid in enforcement.

Vacation rental units in Hawai‘i are plentiful and their numbers are growing. According to a report prepared for the Hawai‘i Tourism Authority (HTA), 22,238 Individually Advertised Units (vacation rental units) were identified in Hawai‘i between August and September of 2014. In 2015, HTA itself used different methods to arrive at an even more alarming estimate of 27,000 units.

This growth isn’t slowing. HTA asserts that the number of vacation rental units in Hawai‘i increased forty percent from 2015 to 2017. A report prepared for HTA estimated that by 2021 Hawai‘i would have almost 65,000 vacation rentals.

Since Hawai‘i has roughly 500,000 total housing units, these estimates mean that approximately 1 out of every 22 units is a vacation rental unit. The share of vacation rental units is even higher in towns frequented by tourists. In Koloa on Kauai, 1 out of every 2.5 housing units is a vacation rental.

Many believe that vacation rental owners, or “hosts,” are residents renting out extra rooms to make ends meet. However, this isn’t the case. Hosts are overwhelmingly nonresidents. Approximately one third of out-of-state property owners rent properties as short-term rentals to visitors, compared to only 17 percent

*Hawaii Appleseed Center for Law and Economic
Justice*

January 30, 2018

of in-state property owners. Furthermore, out-of-state owners hold seventy percent of short-term rental properties in Hawaii. Additionally, the majority of vacation rentals are entire-home rentals. A report prepared for the Hawaii Tourism Authority included survey results concerning vacation rental characteristics. Ninety-two percent of visitors reported that their host was not present during their stay. A report prepared for Airbnb showed that 74 percent of Hawaii Airbnb listings were for an entire unit. Renting out a unit as a vacation rental is more profitable than renting it long-term. A 2015 study by Honolulu's Office of Community Services indicated that at 80 percent occupancy, the average Airbnb unit would bring in about 3.5 times more revenue than a long-term rental.

With economic benefits this enormous, it's inevitable that speculators and corporations will use vacation rentals to commercialize our neighborhoods.

Hawai'i is facing an affordable housing crisis. A report by the state Department of Business, Economic Development and Tourism determined that Hawai'i needs 65,000 more housing units by 2025. Similarly, the Hawai'i Housing Finance & Development Corporation (HHFDC) has projected a shortage of 29,500 units between 2015 and 2020. Reasons for this shortage include the strong presence of out-of-state and international buyers in Hawai'i's housing market. Investors and second homeowners own over 60 percent of Maui's condominiums and apartments, shrinking the pool of available housing for residents.

It is time that order be restored to the legal use of housing units as vacation rentals and return for resident use the vast number of properties currently being used illegally for short-term rentals.

Thank you for an opportunity to testify in strong support for SB 2999.

Aloha,
Victor Geminiani
Hawaii Appleseed center for Law and Economic Justice



WAIKĪKĪ IMPROVEMENT ASSOCIATION

Statement of **Rick Egged, President, Waikiki Improvement Association**
Before the Senate **Committee on Ways and Means**
Wednesday, January 31, 2018. 9:30am, Room 211
in consideration of

RE: Support of SB 2999 Relating to Taxation

Aloha Chair Dela Cruz and members of the committee. I am Rick Egged testifying on behalf of the Waikīkī Improvement Association. WIA is a nonprofit organization representing 173 leading businesses and stakeholders in Waikīkī.

The Waikīkī Improvement Association strongly supports SB 2999 which provides for regulation and taxation of legal short-term rentals (STRs) and online STR platforms.

This Bill, if enacted, would incorporate registration, reporting and enforcement provisions, including: 1. Mandatory listing of STR registration numbers prior to posting a listing on a platform; and 2. Disclosure of rentals and sufficient information to the State/Counties to verify registration; and 3. Cancellation of future stays and delisting of properties upon receipt of notice from the relevant County of invalid registration. The aforementioned provisions have already been agreed to by Airbnb and Expedia/HomeAway with the City and County of San Francisco, California.

A study commissioned by the Hawaii Tourism Authority three years ago estimated that unreported TAT from unlicensed vacation rentals totaled \$100 million statewide. The total of unlicensed short-term vacation rentals is estimated to be between 15,000 and 30,000 statewide. Even the most conservative estimate means that over 20% of available vacation units in the state are unlicensed.

Obviously, this is a huge issue for the visitor industry and the community that needs to be addressed as soon as possible.

Thank you for this opportunity to provide these comments on this important legislation.

LATE

SB-2999

Submitted on: 1/30/2018 5:41:39 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Natalie Parra	Keiko Conservation	Support	No

Comments:

From: [Danny Ports](#)
To: [WAM Testimony](#)
Subject: SB2999 please oppose
Date: Tuesday, January 30, 2018 6:08:48 PM

LATE

To Whom it May Concern,

I am kindly asking you to oppose SB2999. After reviewing the information that is available and being a member of OSTR, I agree that the city should continue their research and information and leave the State out of this discussion at this time. Let's let the cities figure it out and then the State can participate.

Thank you and best regards,

Danny Ports
President

P. 808-354-1787

Confidentiality Note:

This e-mail, including any attachment, may contain confidential and privileged information. If you have received it by mistake, please notify us by reply e-mail and then delete this e-mail and any attachment from your system. Thank you.

LATE

SB-2999

Submitted on: 1/30/2018 7:26:15 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
siena schaar	keiko conservation	Support	No

Comments:

To whom it may concern:

I am writing in support of SB2999 on behalf of Keiko Conservation, an international, Hawai'i based conservation group. As constituents of Kapalama (Kalihi) in District 30, we are aware and subjected to the housing crisis that faces all of Hawai'i, but especially O'ahu. We believe that untaxed and illegal vacation rentals are a major contributing factor to the detrimental housing crisis in Hawai'i. We strongly believe that this bill will help alleviate the stress caused by illegal vacation rentals in Hawai'i. We also believe that these vacation rentals are robbing local families of housing and greatly contributing to the homelessness crisis here in Hawai'i - and this is simply unacceptable.

Beyond this, while the tourism industry is accepted as good for the economy, going unchecked, it can, and is, environmentally degrading. Tourists continue to disrespect native lands and marine inhabitants and many of these untaxed vacation rentals are catalysts to this kind of disrespectful behavior. Often offering guests "wild interactions with marine life" such as swimming out to and harrasing the resting Hawaiian Spinner dolphins, or trespassing on state or sacred land, such as the Sacred Falls Hike.

Please do not take this matter lightly and consider all impacts that these untaxed and unregulated vacation rentals have; on the environment, on local families, on homeless individuals, on native Hawaiians and on the local economy.

Mahalo for your time,

Siena Schaar

Co-founder and Representative of Keiko Conservation International

LATE

SB-2999

Submitted on: 1/31/2018 7:23:25 AM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Genevieve N Neumann	Lokoea Farms	Oppose	No

Comments:

As a lifelong Hawaii resident, I would not be able to afford to stay in Hawaii without sharing my home for vacation rentals. I am not opposed to paying legal taxes on my rental income, but please do not take away my ability to earn this supplementary income and continue to live here. Mahalo. Noe Neumann

LATE



MAUI TOMORROW

Protecting Maui's Future

Testimony before the
Senate Committee on Ways and Means
Senate Committee on Economic Development, Tourism and Technology

January 31, 2018
S.B. No. 2999 – Relating to Taxation
SUPPORT with AMENDMENTS

By Albert Perez
Executive Director
Maui Tomorrow Foundation, Inc.

Aloha Chair Dela Cruz and Chair Wakai, and Members of the Committees:

The Maui Tomorrow Foundation SUPPORTS SB 2999, WITH AMENDMENTS.

There are thousands of illegal whole-house vacation rentals throughout the state that drive up the cost of housing for Hawaii residents. Addressing this problem is a very high priority; unlike new homes that need to go through the permitting process, these units are already built. Returning them to the long-term housing market will yield immediate benefits.

This bill allows transient accommodations brokers to register as tax collection agents on behalf of all of their operators and plan managers. However, it is not clear that this voluntary arrangement, with its many restrictions and requirements, would prove attractive to transient accommodations brokers. Therefore, this registration should be made mandatory. A requirement for transient accommodations brokers to register as tax collectors and provide location and permit information to county enforcement agencies would be a reasonable approach that would quickly begin to solve Hawaii's housing crisis.

However, identification of illegal vacation rentals is only the beginning. The counties need to have the will and the financial ability to actually enforce laws governing vacation rentals. Financial constraints have long limited the number of inspection and enforcement positions that counties can afford. Therefore, this bill should also include funding for adequate numbers of such positions in each county.

Continued funding of these inspection and enforcement positions must also be contingent on actual results. Examples of possible accountability measures include a) the number of

enforcement actions brought and successfully prosecuted; and b) the number of vacation rental units converted to long-term rental units.

Funding for these positions could initially come from the Transient Accommodations Tax. Once adopted into law, this bill would bring in millions of dollars in General Excise and Transient Accommodations tax revenue, which would easily cover the cost of these new positions, as well as the cost of future pension benefits for these employees.

Thank you for the opportunity to comment on this important legislation.

LATE

SB-2999

Submitted on: 1/30/2018 9:39:12 AM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Piikea Kalakau		Support	No

Comments:

LATE

SB-2999

Submitted on: 1/30/2018 9:35:29 AM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Theresa Harden		Oppose	Yes

Comments:

TESTIMONY FROM THERESA HARDEN, PB (RB-19372) TH@808EXIT.COM 808-223-0429

RE: OPPOSE SB2999 FOR ALL REASONS LISTED BELOW

I SUPPORT a 1-time amnesty program for certain delinquent tax obligations IN FAIRNESS OF ALL OWNERS WHO DO NOT KNOW

I CAUTION efforts to FORCE Realtors to be transient accommodations brokers who must register as a tax collection agent on behalf of all of its operators and plan managers. My concern is more owners will try to “go around the professional Realtor/licensed Property Manager” by hiring non-licensed persons to act as a “Point of Contact” regardless if the owner resides on island or not which will only contribute to the aiding and abetting of illegal property management (or more than one owner’s properties as in unlicensed property management activity). Additionally, without the requirement of the condo associations reporting annually the registered use of the property or unit (owner occupied, long term more than 180 days of residential use or short term less than 180 days of non-resident use not to include students or military relocations), there is no checks and balance to catch those who intentionally lie to get around being charged higher property taxes (of which many owners were gauged with a FOUR TIMES tax rate if the property is ZONED TO ALLOW SHORT TERM USE since 2016). The TRUE OFFENDERS are those who execute a FAKE LEASE (often unknown by the property manager or owner) and then the fake tenant uses the property in part (Couch or Room rentals) or in whole (entire property rental) WITH NO REGULATION TO PREVENT UNLAWFUL/UNETHICAL PRACTICES, PROTECTION FOR THE PROPERTY OWNERS/LICENSED PROPERTY MANAGERS & PENALTY FOR THE TRUE OFFENDERS WHO DO NOT HAVE THE RIGHT TO MAKE PROFIT WITH NO REGARD TO THE ZONING REGULATIONS, BUSINESS REQUIREMENTS AND LOCAL COUNTY AND STATE LAWS.

I CAUTION Requiring registered tax collection agent's operators and plan managers to obtain a GET license and TAT registration,, requiring registered tax collection agents to file periodic and annual GET and TAT returns, requiring that each periodic return be accompanied by an electronic cover sheet containing required information and or requiring all registered tax collection agents to inquire with their operators and plan managers whether the transient accommodation is in compliance with all pertinent state and county land use and tax laws. Licensed Real Estate Professionals are not tax professionals and are not allowed to operate outside the scope of service under license law. It should always be the owner of the property where the short-term income was generated or REGISTERED OPERATOR whether the registered operator is the property owner, the licensed property manager, point of contact or the TENANT subletting whether illegally or NOT! Licensed Real Estate Professionals should be allowed to inquire with DOT WITHOUT A POA on the status of a property upon the start of the management agreement to determine if the property complies or not and additionally if the Licensed Real Estate Professional is attempting to assist in getting the OWNER OR REGISTERED OPERATOR into compliance WITHOUT PENALTY to the Licensed Real Estate Professional and Owner or Registered Operator to encourage compliance in good faith.

I CAUTION Requiring the operator or plan manager to provide verification of and a statement confirming compliance with state and county land use laws in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency. FIRST ISSUE IS Licensed Real Estate Professionals are not LAND USE OFFICIALS and are not allowed to operate outside the scope of service under license law. SECOND ISSUE IS the situation where there is a FAILURE of the "county" to provide clear REGULATIONS and or a LEGAL MEANS TO ALLOW the OWNER or Registered Operator to obtain the necessary CONDITIONAL USE PERMIT THEREBY ALLOWING A LEGAL WAY TO OPERATE A REGULATED SHORT-TERM RENTAL PROPERTY OR B&B. The state should not mandate someone other than who is legally qualified to issue verification, written certification with regards to Land Use & Zoning. THIRD ISSUE IS the state SHOULD issue guidelines whereas to specify language for owners to operator investment property legally and be required to pay GET & TAT regardless is they own the property or not AND MORE SO SPECIFIC LANGUAGE PROTECT THE SECONDARY VACATION RENTAL MARKET AND TOURISM WHO WANTS OPTIONS TO THE HOTEL EXPERIENCE AND PENALIZE THOSE WHO INTENTIONALLY AVOID following local regulations and or state laws (AKA FAKE LEASES). This is most important in cases when a county FAILS to provide regulations and enforcement of those regulations.

I SUPPORT Requiring a transient accommodations broker (AIRBNB, HOMEAWAY, BOOKING.COM & MANY MORE) to remove an advertisement for a transient accommodation upon notice that the property is not in compliance with state law or county ordinance. ADDITIONALLY, REQUIRING THE THRID PARTY BOOKING VENDOR / CHANNEL PARTNER THAT THEY MUST DISPLAY THE REQUIRED TAT PERMIT # IN ALL ADVERTIZMENTS.

I SUPPORT Authorizes counties to disgorge profits obtained through unfair or unlawful business practices. FAIRLY

I OPPOSE Authorizing counties to adopt ordinances to amortize or phase out transient vacation rental units. THE ATTITUDE TO END VACATION OR SHORT-TERM RENTALS IS WRONG. THERE IS A DEMAND FOR THIS SECONDARY MARKET WHICH CAN OPERATE LEGALLY AND IN BALANCE THEREBY PREVERVING NEIGHBORHOODS BY STRICT REGULATIONS AS FAR AS A HEALTHY BALANCE WITHIN ANY NEIGHBORHOOD LIKE LIQUIOR LICENSES (IE NO MORE THAN 10% OR 15% PERMITS FOR SHORT TERM USE IN AREAS TOURIST WANT TO EXPERIENCE JUST LIKE THE B & B. IF THIS MARKET WAS PROPERLY REGULATED UNDER STATE LAWS, THEN COUNTIES SHOULD BE ABLE TO DETERMINE THE AREAS AND PERCENT BALANCE TO MAINTAIN AND PRESERVE OUR NEIGHBORHOODS TO KEEP THEM NEIGHBORHOODS.

I CAUTION Authorizing disclosure of GET and TAT returns to authorized county officials. Here again if this industry was regulated and permits were required and be maintained to renew, enforcement would be easier all the way around. Licensed Real Estate Professionals should NOT be the “easy targets” because it is the property owner or registered operator’s responsibility to follow the zoning requirements with their property (Licensed Real Estate Professionals act on behalf of the owner).

I SUPPORT Allocates an unspecified percentage of GET and TAT tax revenues to the counties, contingent upon establishment of a process to provide verification of compliance by an operator or plan manager with county land use laws. Fair enforcement and funding is important in bringing fair regulation to the State of Hawaii with Tourism Demands in mind and restoring balance to our residential neighbors where many offenders are hiding in this unregulated industry that has been widely abused in the absence of REAL, HONEST, AND FAIR REGULATIONS TO ALL. The State Law should provide the framework where none is clearly defined, written, regulated and or enforced. Tourism is our #1 industry and the secondary market (in resort areas or desired destinations such as Kailua and Haleiwa) is in high demand as a budget friendly alterative and a “live local experience” both tourist and local owner investors want with healthy guidelines to limit permits, control the balance and enforce areas where zoning does not automatically comply. Times have changed, and more changes will come as we evolve and strike a healthy balance for our communities.

IT IS MY OPINION THAT THE STATE OF HAWAII SHOULD BE NOT BE TRYING TO STOP VACATION RENTALS HOWEVER PROPERLY REGULATE THE INDUSTRY INSTEAD. IF ALL THE FAKE LEASES AND ILLEGAL RENTALS BY TENANTS SUBLETTING THEIR COUCH, ROOM, OR ENTIRE PROPERTY WERE STOPPED IMMEDIATELY THROUGH EXTREME PENALTIES AND FINES (\$1,000, \$5,000 & \$10,000) DEPENDING HOW MANY LAWS THE OFFENDERS FAILED TO COMPLY WITH THEN MANY NEIGHBORHOODS WOULD BE RESTORED TO A HEALTHY BALANCE VERY QUICKLY.

ADDITIONALLY, A DIFFERENT APPROACH WOULD ENCOURAGE PROPERTY OWNERS / INVESTORS A FAIR BASELINE TO ASSESS FAIRLY THE PROPERTY TAX USE. FOR EXAMPLE,

OWNER OCCUPANT - 1X TAX RATE BASIS

RESIDENTIAL USE (LONG TERM) – 2X TAX RATE BASIS

RESIDENTIAL USE (LONG TERM, AFFORDABLE RENTAL) – 1.5X TAX RATE BASIS

NON-RESIDENTIAL USE (SHORT TERM) – 3X TAX RATE BASIS

NON-CONFORMING USE (NO PERMIT) – 4X TAX RATE BASIS

LATE

SB-2999

Submitted on: 1/30/2018 9:35:03 AM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
chuck defrancis	self	Oppose	No

Comments:

I strongly oppose SB2999 and instead support a fair and equitable solution to help airbnb and other transient rental hosts to flourish and in turn help strengthen the Hawaiian economy and bring a unique and welcomed Aloha spirit all its own to the islands. Thank you council members for your consideration Chuck Defrancis

LATE

SB-2999

Submitted on: 1/30/2018 11:53:33 AM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Valerie Toro		Support	No

Comments:

LATE

SB-2999

Submitted on: 1/30/2018 10:35:29 AM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pollyanna Fisher-Pool		Oppose	No

Comments:

The State should wait for the Counties to develop their own zoning and regulatory solutions before taking action.

LATE

SB-2999

Submitted on: 1/30/2018 1:16:34 PM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shane Albritton		Support	No

Comments:

Aloha,

My name is Shane Albritton, and I'm a public school teacher from Maui.

Over the past few years, my rent has steadily increased, and affordable rental units have become increasingly difficult to find.

The current unregulatd state of short term rentals in this state bears at least some responsibility for this.

For this industry to contribute to the community and not be so disruptive to the local rental market, we need:

1. Data Transparency
2. Permit Listing
3. De-Listing of non-compliant units.

Thank you for your attention to this important measure.

LATE

SB-2999

Submitted on: 1/30/2018 1:28:13 PM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Erika Lechuga Disalvo		Support	No

Comments:

Aloha, I am in strong support of SB2999. Please make it mandatory, not voluntary— no taxation without requiring data transparency, permit listing, and delisting of illegal vacation rentals. Please pass SB2999!

Mahalo Erika Lechuga DiSalvo

LATE

From: [Chuck](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 9:36:50 AM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

Sent from my iPad



From: [Sarah Danielle Zelik](#)
To: [WAM Testimony: +sendelacruz@capitol.hawaii.gov](#); [+senwakai@capitol.hawaii.gov](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 11:06:36 AM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

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Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

Sent from my iPhone



From: [Mo Schreiber](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 11:16:05 AM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

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Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

Sent from my iPad

LATE

From: [M. EVA STEELE](#)
To: [WAM Testimony](#); +sendelacruz@capitol.hawaii.gov; +senwakai@capitol.hawaii.gov
Cc: [M. EVA STEELE](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 11:24:29 AM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,
M. Eva Steele



From: [Bob Rogers](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 12:28:07 PM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

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Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,
Bob Rogers

Sent from my iPad

From: [Gretchen Ana Currie Ramirez](#)
To: [WAM Testimony](#)
Subject: Support for SB2999
Date: Tuesday, January 30, 2018 12:56:15 PM



Aloha WAM 'ohana,

I am writing in strong support of SB2999.

We need to put in place very proactive controls of vacation rentals in areas not zoned for tourist accommodation businesses! Vacation rentals have no place in residential and agricultural neighborhoods. There is plenty of land zoned appropriately for vacation rentals, and if people want to operate these businesses, they should located them in areas with correct zoning rather than invading our residential areas.

Data transparency and efficient data sharing between agencies, short-term rental permit listing on online sites, and delisting of illegal units should be mandatory before setting up a viable taxation system. Taxing illegal businesses is highly inappropriate. Please deal with the proliferation of illegal vacation rentals that have ruined entire neighborhoods first.

Thank you for your time.

Sincerely,
Gretchen Ana Currie Ramirez
808-328-8721



From: [Carol A Sutherland](#)
To: [WAM Testimony](#)
Subject: SB2999
Date: Tuesday, January 30, 2018 12:56:19 PM

Seems appropriate for our State to wait for the Counties to finalize their on-going zoning and regulatory solutions before taking any actions. Please consider this request.
Carol Sutherland



From: [Carol A Sutherland](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 12:57:07 PM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

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Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,
Carol

From: [Wai'ala Ahn](#)
To: [WAM Testimony](#)
Subject: In Support of SB2999
Date: Tuesday, January 30, 2018 1:16:25 PM



To whom it may concern,

Aloha I'm a local native Hawaiian resident here is Hawai'i Nei and I humbly request that SB2999 be supported. Affordable housing is a real issue here in Hawaii and is directly being effected by companies that this bill relates to. Please help to keep Hawaii, Hawaii and make it a place hospitable to locals not just tourist by supporting and passing SB2999.

Thank you very much for your time and consideration.

Wai'ala Ahn

LATE

SB-2999

Submitted on: 1/30/2018 1:54:06 PM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Yuen		Support	No

Comments:

I support the intent of SB2999 relating to the collection of GET and TAT, but object to the use of brokers to aid in the tax collection effort. Each transient accomodation needs to register itself, pay its own taxes, and disclose information about itself if the State and Counties will be able to regulate the activity.

Transient accomodations are taking monthly rentals off the market and turning them into short term vacation rentals. This is affecting the inventory of monthly rentals and contributing to the homeless crisis in Hawaii.

I support the general intent of this bill but each transient accomodation should get its own GET license and TAT registration. Each transient accomodation must file periodic and annual GET and TAT returns. Each transient accomodation must establish that it is in compliance with all pertinent state and county land use and tax laws. Each transient accomodation must provide verification of and a statement confirming compliance with state and county land use laws in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency. Counties need to be authorized to disgorge profits obtained through unfair or unlawful business practices. Counties need to adopt ordinances to amortize or phase out transient vacation rental units.

From: helga.fiederer
To: [WAM Testimony](#)
Subject: SB 2999
Date: Tuesday, January 30, 2018 1:42:07 PM



Aloha,

I want to give testimony in strong support of SB2999, please make it mandatory, not voluntary - no taxation without requiring data transparency, permit listing and delisting of illegal vacation rentals. Please pass SB2999 !

Thank you,
Helga Fiederer

P.O. Box 790761
Paia, HI 96779

phone: 808-250-6709



From: [Robin Lloyd](#)
To: [WAM Testimony](#)
Subject: SB2999
Date: Tuesday, January 30, 2018 1:47:04 PM

The State should wait for the Counties to develop their own zoning and regulatory solutions before taking action.

"Requires the operator or plan manager to provide verification of and a statement confirming compliance with state and county land use laws in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency."

Are you guys nuts? This will cost the State MILLIONS in tax revenues that you are already collecting!

This will cost the State MILLIONS and MILLIONS in tax revenues that you are already collecting!

The majority of people I know on Oahu ARE paying all GET and TAT taxes and being "as legal as possible" on their short term rentals.

State of Hawaii would be making a huge mistake to continue down this path. The vacation rental industry is growing by 25% a year. This is the future and how many people want to travel.

How do you travel? Ever use a vacation rental on your personal trips any where?

Thank you for your time,
Robin Lloyd

LATE

From: [Robin Lloyd](#)
To: [WAM Testimony](#); +sendelacruz@capitol.hawaii.gov; +senwakai@capitol.hawaii.gov
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 1:45:52 PM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

LATE

SB-2999

Submitted on: 1/30/2018 3:54:59 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
alarson		Oppose	No

Comments:

Allowing Countie acess to tax information is illegal and invades the privacy of ALL businesses in Hawaii.

Is the hotel industry with its clout and influence now leading our local and State government?

From: [Angela Larson](#)
To: [WAM Testimony](#)
Subject: SB2999
Date: Tuesday, January 30, 2018 3:21:46 PM

LATE

Dear WAM Committee:

Oppose SB 2999

This proposed Bill is sponsored by the **hotel industry**. Their only goal is to eliminate competition.

This proposed Bill effects ALL local businesses and employees. The onus should be held against all those who vote for SB2999.

Maui, is an example of what happens when you close STRs. Many people on Maui in small businesses never were able to recuperate. It took several years for the island to turn around.

Below is information from an extensive economic study done in 2012, commissioned by HVROA. The findings only mention Oahu. Can the State afford to lose the bill.

- Sales (output) ranging from \$752.3 million to \$1.1 billion
- Labor income (earnings) ranging from \$240.0

million to \$339.2 million

- Job numbers ranging from 7,566 to 9,993
- Hawaii State taxes ranging from \$52.4 million to \$77.5 million
- Oahu taxes ranging from \$5.5 million to \$9.4 million.

The onus should be held against all those who vote for SB2999.

It is the obligation of each county to get their affairs in order. Not the State. The counties need to permit with reasonable rules instead of raising the bar on enforcement. Oahu, has been kicking the can down the road for 30 years.

SB 2999 proposal to disclose GET and TAT information to the county is not only illegal but would go against the privacy of every business in the State.

Thank You,
Angie Larson
Board Member
HVROA 501c6

From: [dennisandcat Nutting](#)
To: [WAM Testimony: Sen. Donovan Dela Cruz; Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 2:56:21 PM



Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

Cathy

LATE

From: [dennisandcat Nutting](#)

To: [WAM Testimony](#)

Subject: The State should wait for the Counties to develop their own zoning and regulatory solutions before taking action.

Date: Tuesday, January 30, 2018 2:56:36 PM

The State should wait for the Counties to develop their own zoning and regulatory solutions before taking action.

Cathy

From: [Jill Paulin](#)
To: [WAM Testimony](#)
Subject: Oppose SB2999
Date: Tuesday, January 30, 2018 3:42:52 PM

LATE

Aloha,

I believe this issue should be resolved by the individual counties not the state. Some counties have put effective policies in place and others, including Honolulu, are in the process. I believe our State Government has enough issues on it's 2018 agenda to leave this local issue to the local governing bodies.

I thank you for listening.

Mahalo,

Jill & Daniel Paulin
Haleiwa, HI



Virus-free. www.avast.com



From: [Kaiula Jack](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 3:42:28 PM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

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Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha

LATE

SB-2999

Submitted on: 1/30/2018 4:20:18 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Mader	Hawai'i resident	Support	No

Comments:

Aloha,

I am in support of this bill. I believe illegal short term/vacational rentals contribute to our housing crisis on Maui. Also, I feel there are many legal short term rentals that don't collect or pay GE or TAT which stresses our budget for infrastructure coastal management, wastewater and other areas that we desperately need funding for.

I would also like to see Maui be given its fair share of the taxes collected by the state to support the projects we need.

Mahalo nui

Deborah Mader

Kihei

LATE

SB-2999

Submitted on: 1/30/2018 4:21:32 PM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kandis McNulty		Support	No

Comments:

Every vacation rental is a displaced family. Vacation rentals negate Neighborhood Watch Programs. Our youth are being priced out of our Islands. Vacation rentals are not sustainable for our water, our highways, our rentals, our homes, and our lifestyle. Please vote yes on SB2999.



From: [Judy Livingston](#)
To: [WAM Testimony](#)
Subject: please Oppose SB2999
Date: Tuesday, January 30, 2018 3:20:55 PM

Think about small business and local families. The hotel business is doing just fine. Even though they put pressure on you and our state.

Your vote will mean a lot to us.

Thank you. Mr L Livingston

Sent from my iPad

From: [Stephanie Fitzpatrick](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Cc: [Ms. Stephanie Fitzpatrick](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Tuesday, January 30, 2018 3:20:42 PM

LATE

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiiourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue:
<http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,
Stephanie Fitzpatrick

Aloha,

LATE

SB-2999

Submitted on: 1/30/2018 5:05:44 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michele Nihipali		Oppose	No

Comments:

I oppose SB 2999 because of this portion of the bill.

Requires the operator or plan manager to provide verification of and a statement confirming compliance with state and county land use laws in the form of a written certification, verification, or permit, as applicable, issued by the appropriate county agency. Requires a transient accommodations broker to remove an advertisement for a transient accommodation upon notice that the property is not in compliance with state law or county ordinance. Authorizes counties to disgorge profits obtained through unfair or unlawful business practices. Authorizes counties to adopt ordinances to amortize or phase out transient vacation rental units. Authorizes disclosure of GET and TAT returns to authorized county officials. Allocates an unspecified percentage of GET and TAT tax revenues to the counties, contingent upon establishment of a process to provide verification of compliance by an operator or plan manager with county land use laws.

Who is going to be responsible for collecting the statement and verifying a property is compliance with county land use laws? This bill penalizes property owners who are complying with county TAT taxes by subjecting them to further verification processes and does nothing to address those vacation rentals that do not pay the TAT tax. This is a poorly written bill and should not move forward.

LATE

From: [Peggy Taylor](#)
To: [WAM Testimony](#)
Subject: I oppose SB 2999!
Date: Tuesday, January 30, 2018 5:09:12 PM

I OPPOSE SENATE BILL 2999.

It will undermine local businesses. This is clearly a bill that has the Hotel Unions behind it. They do not want the competition of short term rentals. However, many people do not want to stay in hotels in Waikiki. There are returning local people who need housing that want to rent a B&B near by relatives, away from Waikiki. There are tourists who will not bring their tourist dollars \$\$\$ to Hawaii if they have to stay in hotels.

Disclosing GET and TAT information to the county is NOT legal. It goes against the privacy of my business. I pay my GET and TAT taxes on time. If you pass this measure, you will lose tax dollars that I pay to the state. I will also no longer need my house cleaner, my flower arranger, not to mention that I will not be able to pay my mortgage. I have decent people from all over the world who do not want the craziness of Waikiki and they love meeting local people who have a different place to offer.

Do not listen to the Hotel Union. Hotels are already full to capacity. It will give them a corner on the market, and then there will be less competition for rooms, and their room rates will go up. This is unfair! Are there some kickbacks going on?

Hawaii will be the laughing stock of tourism if you allow STR and B&B's to become illegal. Tourists will wonder why we do not accomodate this type of choice for them.

Please, I was born and raised in Hawaii. I pay my taxes. I urge you to legally regulate B&B's by allowing us to apply for a license, and be regulated fairly.

Do not allow the Hotel Union people to run the show. Bring in competition of alternative housing for our guests.

Sincerely, P Taylor

LATE

From: [Colin Lau](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: Oppose SB2999
Date: Tuesday, January 30, 2018 5:31:42 PM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

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The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Thank you

Colin Lau
808 – 239-1515

From: [Ron Steiner](#)
To: [WAM Testimony](#)
Subject: I oppose SB 2999
Date: Tuesday, January 30, 2018 5:31:19 PM

LATE

Senators DELA CRUZ, BAKER, Wakai

This bill, written by and for the benefit of the hotel industry puts unreasonable and illegal actions into play with a homegrown industry providing a well utilized and important part of Hawaii's economic stability. With the hotels at record revenues and occupancy, the alternatives provided by the community at large thru Airbnb and VRBO are able to offer options to the Waikiki travel monopoly. If properly licensed and regulated the home alternative are and can be in the future a viable portion of the housing many tourists, business folks and locals visiting families prefer....

Please do not take the drastic action this bill is demanding, let the city work out a system fair and equatable to all concerned citizens...

Thank you for your consideration

Ronald Steiner
808-388-4039

LATE

SB-2999

Submitted on: 1/30/2018 5:38:20 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jenny hudson		Support	No

Comments:

From: [Catherine Ritti](#)
To: [WAM Testimony](#)
Subject: SB2999
Date: Tuesday, January 30, 2018 5:47:32 PM



To the Ways and Means Committee,

Please regard the following as my formal testimony for SB2999.

I'm writing to express my support for SB2999. Most Airbnbs are already operating illegally, are threatening the little affordable housing supply we have, and are altering our communities in ways that make us feel out of control. Support this bill to ensure we do not go ahead blindly collecting taxes from illegal operations until there is data transparency, permit listing, and delisting of illegal rentals.

Thank you,

Catherine Ritti

LATE

From: [Angela Tisseraud](#)
To: [WAM Testimony](#)
Subject: SB 2999
Date: Tuesday, January 30, 2018 5:47:11 PM

I STRONGLY OPPOSE SB 2999

Hawaii is already the most expensive place in all of USA FOR HOLIDAY..Most of us need jobs Hawaii is unable to provide and we all do not have the 3-4 million dollars to buy a shack and and build a super home to live in 3-4 months out of the year.

Be reasonable and stop the greed...

ALOHA NUI
A simple worker

SB-2999

Submitted on: 1/30/2018 7:04:11 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Brazwell	Retired	Oppose	Yes

Comments:

I am opposed to this bill.

I support the intention, but not with the conditions stated in the bill.

It is overly restrictive and I believe that if the goal is tax collection, that it would be more effective if separated from land use enforcement. Let the Counties handle that.

LATE

SB-2999

Submitted on: 1/30/2018 7:13:43 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wailani		Support	No

Comments:

LATE

SB-2999

Submitted on: 1/30/2018 7:32:06 PM
Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mehana		Support	No

Comments:

This is my testimony in strong support of SB2999 no taxation without requiring data transparency, permit listing, and delisting of illegal vacation rentals. Pass SB2999!

LATE

SB-2999

Submitted on: 1/30/2018 11:01:35 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
sandra bunnell	na	Oppose	No

Comments:

Aloha Honorable Chairs Tokuda and Dela Cruz, and all members of the Ways & Means Committee

I speak in strong opposition for SB2999 which establishes Taxation; Amnesty; Transient Accommodations; Vacation Rentals; Taxation; Transient Accommodations Brokers; Tax Collection Agents; General Excise Tax.

For many locals home sharing allows us to make ends meet in Hawaii's economy. We pay taxes for those who stay in our home and it is beneficial for the state. The question then becomes how do we compromise with local people who are trying to make ends meet to stay on Oahu and create a safe and legal business opportunity for the state.

I humbly ask for you to oppose SB 2999 as it is and work with our city to provide alternative and updated rules with a modern approach to home sharing and vacation laws. Amnesty could still be provided for those who have not been paying the taxes. But one approach for all will not work. This is a complex issue and requires a more comprehensive approach. Surely our Hawai'i Ohana deserves this!

Mahalo nui loa for your time and careful consideration of this most important measure that will impact our Hawai'i ohana.

LATE

SB-2999

Submitted on: 1/30/2018 10:44:50 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sandra Hollenberg		Oppose	No

Comments:

I **OPPOSE SB 2999** As a taxpayer and a voter,

the SB 2999 proposal to disclose GET and TAT information to the county is not only illegal, but goes against the privacy of every business in the State. I am a small business owner, and so is my husband... we fear for our future here in Hawaii.

DO NOT let this bill go forward. We need more sensible ways to regulate this industry, not destroy it.

Sandra Hollenberg

Makaha, Hawaii

LATE

SB-2999

Submitted on: 1/30/2018 10:54:41 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrea and Shirley Haines		Oppose	No

Comments:

WE OPPOSE SB2999.

IF YOU WORK FOR US, you will strike down this bill.

It is the obligation of each county to get their affairs in order. Not the State. The counties need to permit with reasonable rules instead of raising the bar on enforcement. This bill is so blatantly catering to the hotel lobby to try to eliminate perceived competition that it is shameful!

Thank you for LISTENING TO THE PEOPLE, not BIG BUSINESS that takes all its profits OUT OF OUR STATE.

Mahalo,

Shirley and Andrea Haines

LATE

SB-2999

Submitted on: 1/31/2018 8:04:01 AM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Ampolos		Support	No

Comments:

LATE

SB-2999

Submitted on: 1/30/2018 11:19:24 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Candace Persoage		Oppose	No

Comments:

Dear Representatives,

PLEASE OPPOSE Senate Bill 2999.

This bill is yet another waste of taxpayer money on useless enforcement tactics, when our money could be better spent on developing regulations and collecting tax money to fund our failing City and County Coffers (especially the Oahu rail project).

Each of our islands is different, and a blanket of enforcement over all from the state level will hurt our local economies more than help them. This bill makes no sense.

Candace Persoage

Makaha, Hawaii

LATE

SB-2999

Submitted on: 1/30/2018 11:12:42 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Gayle Rubino		Oppose	No

Comments:

I OPPOSE Senate Bill 2999.

As a resident of Kailua and a taxpayer, I feel that you should vote AGAINST this bill because the SB 2999 proposal to disclose GET and TAT information to the county is not only illegal, but would go against the privacy of every business in the State.

This bill opens a can of worms that will lead to a failed economy as well as lawsuits from small business owners.

Mahalo,

Gayle Rubino , Kailua

LATE

SB-2999

Submitted on: 1/30/2018 11:04:12 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Whitener		Oppose	No

Comments:

I OPPOSE SB2999.

I wish I could be there to testify in person but I am temporarily out of state.

I believe this bill will impact small businesses and the city, county and state economies

Maui is an example of what happens when you close Short term rentals. Many people on Maui in small businesses never were able to recuperate. It took several years for the island's economics to turn around.

Right now Oahu is in desperate need of tax money to finish the rail project and this seems like a no-brainer as a small business tax cornucopia.

Mahalo for listening,

Ann Whitener of Waikiki, Oahu

LATE

SB-2999

Submitted on: 1/30/2018 10:00:35 PM

Testimony for WAM on 1/31/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dr. Lenora Lorenzo	American Association of Nurse Practitioners	Oppose	No

Comments:

Aloha Honorable Chairs Tokuda and Dela Cruz, and all members of the Ways & Means Committee

I speak in strong opposition for SB2999 which establishes Taxation; Amnesty; Transient Accommodations; Vacation Rentals; Taxation; Transient Accommodations Brokers; Tax Collection Agents; General Excise Tax.

I was born and raised in Hawai'i and am the 4th generation of Portuguese immigrants who came to work the plantations in Kau, Hawai'i island. was educated in our Hawai'i school and university became an RN and earned a doctorate degree. I have worked diligently to provide my family with education and a chance to succeed and stay in Hawai'i after graduation. When both of my children left to attend the UH, I found myself with increase costs of boarding and education. Times were tough and despite both parents working, like many others were unable to make ends meet. We started home sharing the 2 spare rooms in our home to supplement our income to help pay for our daughter's education and boarding costs as well as our mortgage and farm costs. We lease land from Kamehameha schools and have been farming in Haleiwa where we have lived for 4 decades. Needless to say, farming does not pay much but we felt it is important to malama aina as well as malama ohana. We all know that without local farms we cannot have fresh sources of local produce. We also know that without our home sharing we would have been unable to afford our children education at the UH as well as living and farming expenses. My daughters, both with masters degrees from the UH have now taken over our farming and home sharing business. Presently I am battling cancer and having the home sharing income is helping me to meet many added expenses. Please know I was unable to me the deadline for testimony submission due to my cancer care.

During the entire time we have had our home sharing business; we have filed for and paid both TAT and GE taxes for our home sharing business. We do not need amnesty..Because we paid our taxes and reported our income on the federal and state level. We tried numerous times to get a legal license for our rental. We had gone to numerous meeting with the city council abut home sharing and each time was told we could not apply for a license for our home sharing. I must say, I was offended with notations in this bill that refer to our business as illegal and unconcerned regarding laws. I have been contributed to our Hawaii ohana as an RN and law abiding and taxpaying resident my whole life.

One solution to this is to create an updated modern approach to home sharing and vacation laws. One that is fair to home sharing businesses protects neighborhoods and allows the city and state to benefit from the tourist industry. When I travel to neighbor islands and use vacation rentals, I have always been amazed that realtors run these businesses and that my check payments were going outside of our Hawaiian island. How can our state and county benefit from this?

Times are changing and many travelers today prefer vacation rentals as they prefer to meet the local people and share in our Hawaii life experiences...not as a tourist in Waikiki or on a tour. They prefer to be off the beaten track and experience Hawaiian hospitality first hand. My renter's book with me because they want to see our working farm, learn about our products and orchid growing. Our farm has a multitude of tropical and citrus fruits and we sell to numerous stores and chefs in Hawaii. Our orchid business include over 40 vanilla orchid plants + numerous species and interesting orchids only found here in Hawaii. We are very conscientious and teach our guests about our ALOHA culture here and the importance of malama ohana and the aina.

I believe alternative and home sharing are essential to our state economy from both our government perspective, tourism and our Hawaii ohana. Our families in Hawaii are struggling to pay bills and afford homes. Home sharing is one means to this end. Please do not abandon the many home sharing renters like me who are honest and law abiding.

I humbly ask for you to oppose SB 2999 as it is and work with our city to provide alternative and updated rules with a modern approach to home sharing and vacation laws. Amnesty could still be provided for those who have not been paying the taxes. But a one approach for all will not work. This is a complex issue and requires a more comprehensive approach. Surely our Hawai'i Ohana deserves this!

Mahalo nui loa for your time and careful consideration of this most important measure that will impact our Hawai'i ohana.

LATE

To: Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair & Members of the Ways and Means
Committee

My name is Gina AK LeTourneur
I represent myself
My number is 8087824867

The hearing day is Tuesday, January 30, 2018

Re Bill 1087. I support this bill

I am a native of Hawaii and I oppose SB2999.

The reasons I oppose SB2999 is I have been renting long term for over ten years and it has not been a good experience. I am a single mother for thirty years. I worked three jobs to get where I am at. I bought a home and rented long term for over 15 years. I have had to go to court over five times, each time the court ruled in my favor. From squatters, to home destruction, to tenants skipping out on rent and leaving my place in shambles. I have supported my two daughters and I have a disabled daughter and grandson that I support. I have switched to renting 30 days or more at a time. I pay my GE and TAT license. I believe that the laws regarding rentals are outdated. My rental supplements my mortgage so I don't have to work three jobs. I am able to pay my mortgage and keep peace on my property for my family and me. Please do not PASS SB2999. I am speaking up because the media, public and community have not heard from people like me enough. There is great opposition and I feel that home owners who are struggling also to make it in our land are targeted by opposers.

Thank you for listening to my stand on supporting Bill 1087.

Gina LeTourneur
North Shore Resident
Kahuku Red Raiders for life



From: [Bianca Isaki](#)
To: [WAM Testimony](#)
Subject: Support SB2999
Date: Tuesday, January 30, 2018 8:28:26 PM

Aloha Committee members,

I'm writing in strong support of SB2999. I worked on enforcement against illegal TVRs in agricultural districts. We need stricter rules and more transparency in the TVR industry and we need to make that mandatory.

Thank you for considering my testimony.

Bianca Isaki

sent from my phone.

LATE

From: [Ken Kribel](#)
To: [WAM Testimony](#)
Subject: Short term rentals
Date: Wednesday, January 31, 2018 3:07:14 AM

The State should wait for the Counties to develop their own zoning and regulatory solutions before taking action.

Ken Kribel

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry

(http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rent

[al%20Market%20on%20Hawaii_12-29-2016.pdf](http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rent)) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue:

<http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

Ken Kribel

LATE

From: [Sean Dyer](#)
To: [WAM Testimony](#)
Subject: Please support SB2999
Date: Tuesday, January 30, 2018 11:08:23 PM

To whom it may concern:

Illegal vacation rentals are bad for Hawaii... We have hotel zones for a reason. These illegal rentals are having a very bad effect on rentals not only by removing them from the pool, but taking up people parking spaces, depopulating the community, and making business people buy properties to do illegal rentals. It's all around bad for Hawaii.

Please support this bill!

Thank You,

Sean Dyer



Sean C. Dyer
Realtor® Salesperson RS-79347
808-298-3121
seand@mauprimerealestate.com
[Maui Prime Real Estate Website](#)

From: [Jason Orlans](#)
To: [WAM Testimony](#)
Subject: Pass SB2999
Date: Wednesday, January 31, 2018 7:49:09 AM

LATE

Aloha,

This is my testimony in strong support of SB2999 but make it mandatory, not voluntary— no taxation without requiring data transparency, permit listing, and delisting of illegal vacation rentals. Pass SB2999!

Mahalo,
Cat Orlans

LATE

From: [Gayle Rubino](#)
To: [WAM Testimony](#)
Subject: OPPOSE SB 2999
Date: Tuesday, January 30, 2018 11:30:29 PM

Aloha to all the members of the Ways and Mean Committee.

I OPPOSE SB2999 and I urge you to VOTE AGAINST this bill.

It is rushing forward to prematurely attempt to eliminate TVRs and TVUs , when we really need to be opening our hearts to them and COLLECTING THE TAXES.

This bill is born from the Hotel Lobby, not from (or for) the people who live and work HERE and spend our rental income HERE.

It is also not taking into account the different needs of various communities in the different counties of our state. There are no hotels in Pahoia, Hawaii, or Makaha, Oahu. The small kine rentals provide a valuable and needed service to our community. And legalizing and regulating them would bring in badly needed tax dollars!

Jay Rubino
Kailua

LATE

From: [C.H. Lee](#)
To: [WAM Testimony](#)
Subject: Oppose SB 2999
Date: Tuesday, January 30, 2018 10:35:19 PM

I OPPOSE SB 2999

As a taxpayer and a voter,

I oppose this bill on many levels.

My biggest complaint is that the SB 2999 proposal to disclose GET and TAT information to the county is not only illegal, but would go against the privacy of every business in the State.

DO NOT let this bill go forward. We need more sensible ways to regulate this industry, not destroy it.

Mahalo,
C H Lee
808-295-9373
888hlee@gmail.com

LATE

From: [Patricia Bellardo](#)
To: [WAM Testimony](#); +sendelacruz@capitol.hawaii.gov; +senwakai@capitol.hawaii.gov
Subject: I Oppose SB2999 - Give the Counties more time
Date: Wednesday, January 31, 2018 3:56:47 AM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiitourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha, Patricia Bellardo - Owner Papakea

LATE

From: [glen Robinson](#)
To: [WAM Testimony](#); [Sen. Donovan Dela Cruz](#); [Sen. Glenn Wakai](#)
Subject: I Oppose SB2999 - Give the Counties more time
Date: Wednesday, January 31, 2018 8:29:17 AM

Dear Senators on WAM Committee,

I oppose bill SB2999 because I think we should allow the Counties that are currently working towards creating a regulatory framework regarding vacation rentals should be allowed to finish their work.

I understand the state's desire to collect taxes due, TAT and GET, and the frustration regarding efforts to enforce, especially on Oahu.

The issues of Vacation rentals seem to have 2 different tracks: a) taxation and b) current zoning requirements. The taxes created by the \$5.1 Billion dollars of economic activity, and 30K jobs created by the industry (http://www.hawaiiourismauthority.org/default/assets/File/JLL%20Report_Impact%20of%20Home%20Rental%20Market%20on%20Hawaii_12-29-2016.pdf) could go a long way to fund schools, roads and services we all need to live here. But, this huge economic boon must be balanced with the needs of neighborhoods and local housing concerns.

This is why it is important to allow the Counties to create reasonable regulatory frameworks. Currently, both Oahu and the Big Island Councils are working on efforts to do just that. Honolulu City Council passed 4 Resolutions on the issue and the Mayor has set-up a task force to address concerns.

The Big Island is going through their own examination of the issue: <http://www.bigislandvideonews.com/2017/11/06/video-hawaii-county-talks-vacation-rental-rules/>

Both need more time, and I am urging you to give them this time, before moving forward with a tax plan that has twice been squashed by our current Governor.

I hope you will consider my testimony when you consider this bill.

Aloha,

Mahalo,

Glen Robinson
President-GL Robinson, INC
[808-439-3823](tel:8084393823)
glenrob@alumni.calpoly.edu

SB2999 Taxation, Amnesty, Transient Accom. & Brokers, Vac. Rentals, GET

Laretta Dubin <larettaaloha@gmail.com>
Draft

Wed, Jan 31, 2018 at 5:28 AM

Thank-you for allowing me to speak, my name is Laretta Dubin and I reside on the Waianae/Leeward Coast District. I am Blessed to provide long & short term (HOME STAY) housing there. My HOME STAY guests choose to avoid the busy, touristy areas, instead seeking an authentic, more local experience...The "Genie is out of the Proverbial Bottle" : HOME STAYS are what a growing number of tourists now want in this 21st Century. Friendships are formed and connectedness occurs with others in the Safety of a HOME SHARING Environment. All my residents are given an orientation on Protecting Sea Life & Community Safety Practices. We direct them to local businesses, restaurants and Farmers' Markets/Vendors, thus contributing to our States' \$ 5 Billion Economic Revenue, as well as helping create 30,000 jobs for Hawaii Citizens...We frequently host former Hawaii residents coming back to Hawaii for a Class Reunion, Wedding or Baby Luau...It's cost prohibitive for them to stay in expensive Hotel rooms....We are NOT in competition with the Hotel Industry. Ours is Affordable Housing/ HOME SHARING. Personally, my job ended last Summer and my rentals are what's sustaining me...I never want to have to go on "State Aid" and desire to "Age in Place" in my own home. Continuing to provide HOME STAYS allows my family & I to survive here in Hawaii.....Please OPPOSE SB 2999 when it comes up in committee....Mahalo to You for your Time & Effort in Representing us in an Updated and Fair Consideration.

*Sincerely,**Laretta Dubin**808-216-4340*