

Honolulu, Hawaii

JUL 02 2020

RE: H.B. No. 460
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 460, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE COUNTIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit a county from accepting a discounted payment of a fine levied by the county planning and permitting department or agency; and
- (2) Require the Auditor to conduct an annual audit of the fines levied and collected by the counties.

Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1 of this measure. The proposed S.D. 1 deletes the existing provisions of this measure and replaces its contents with provisions to provide better regulation and accountability of short-term rentals by:

- (1) Clarifying the authority of counties to regulate hosting platforms;



- (2) Authorizing the counties to establish a registry of lawfully authorized or permitted short-term rentals for public inspection and accountability;
- (3) Authorizing the counties to require short-term rental operators or owners to list the complete physical address, including unit number if applicable, short-term rental registration or certificate or permit number, and tax map key of the short-term rental property in any posting or advertisement on a hosting platform;
- (4) Authorizing the counties to prohibit hosting platforms from completing any booking transaction for a short-term rental unless it is listed on a county's registry at the time the hosting platform receives a fee for the booking transaction;
- (5) Authorizing the counties to prohibit hosting platforms from collecting or receiving fees, directly or indirectly through an agent or intermediary, for facilitating or providing services ancillary to a short-term rental;
- (6) Authorizing the counties to subpoena records from hosting platforms to seek out illegally operating short-term rentals; and
- (7) Requiring all persons arriving into a county to submit and confirm the complete physical address of their place-of-stay, including unit number if applicable.

Your Committee received written comments in support of this measure from the Mayor of the County of Maui, Department of Planning and Permitting of the City and County of Honolulu, County of Hawaii Planning Department, Department of Planning of the County of Maui, a member of the Maui County Council, American Hotel and Lodging Association, Hawaii Lodging and Tourism Association, Kakaako United, Turtle Bay Resort, and numerous individuals.

Your Committee received written comments in opposition to this measure from Airbnb; Bed and Breakfast/Transient Vacation Units Association of Oahu; Exit Real Estate Associates; Expedia



Group; Hawaii First Realty, LLC; Hawaii Life Real Estate Brokers at the Gold Coast; Hawaii's Best Properties, LLC; Rent Responsibly; Rental By Owner Awareness Association; Super Clean Vacation Rentals; and numerous individuals.

Your Committee received comments on this measure from two individuals.

Your Committee finds that the proliferation of illegal "short-term rentals," which are generally transient accommodations other than hotels and motels, has adversely impacted the State. Short-term rentals pose health and safety risks to local residents and guests, reduce the availability of permanent housing, drive up residential rental rates, and adversely alter the character and quality of residential neighborhoods. Your Committee also finds that the proliferation of illegal short-term rentals has been particularly difficult to regulate because owners and operators are able to attract and transact business through online hosting platforms.


Your Committee has amended this measure by adopting the Proposed S.D. 1 and further amending the Proposed S.D. 1 by:

- (1) Expanding the methods by which place-of-stay information may be conveyed to the counties;
- (2) Clarifying that any person who defaces a place-of-stay declaration form, gives false information, or fails to declare the person's place of stay is in violation of section 710-1063, Hawaii Revised Statutes; and
- (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 460, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 460, H.D. 1, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

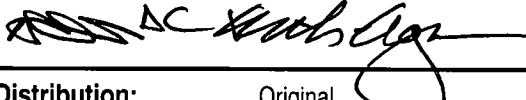


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 460, HD 1	Committee Referral: PSM, WAM	Date: 7/2/20		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	11			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes