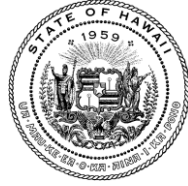


DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



ISAAC W. CHOY  
DIRECTOR OF TAXATION

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

To: The Honorable Sylvia Luke, Chair;  
The Honorable Kyle T. Yamashita, Vice Chair;  
and Members of the House Committee on Finance

From: Isaac W. Choy, Director  
Department of Taxation

Date: Friday, February 25, 2022  
Time: 11:00 A.M.  
Place: Via Video Conference, State Capitol

**Re: H.B. 1839, H.D. 2, Relating to Transient Accommodations Tax**

The Department of Taxation (Department) offers the following comments regarding H.B. 1839, H.D. 2, for your consideration.

H.B. 1839, H.D. 2, imposes transient accommodations tax (TAT) on “camper vans” and defines the term. The bill also allows a rental motor vehicle lessor to pass on the amount of the TAT applicable to camper vans. The bill has a defective effective date of January 1, 2050.

First, the Department notes that camper van rentals are subject to the rental vehicle surcharge tax (RVST). The imposition of the TAT will be in addition to the RVST. The RVST is a per day surcharge tax, currently imposed at \$5.50 per day. Therefore, depending on the county it is located in, a camper van will face impositions of: 10.5% TAT; 3% county TAT; and \$5.50 per day RVST.

Second, the Department appreciates that the definition of gross rental or gross rental proceeds was amended by the previous committee to exclude amounts of RVST passed on the customer from the TAT. This is consistent with the exclusion of any amounts of TAT and general excise tax passed on to the customer.

Finally, the Department is able to administer this measure but requests an effective January 1, 2023 if a functional effective date is to be inserted. This will provide the Department time to make the necessary forms, instructions, and computer system changes.

Thank you for the opportunity to provide testimony on this measure.



Hawai'i Convention Center  
1801 Kalākāua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourism-authority.org](http://hawaii-tourism-authority.org)

**David Y. Ige**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

Statement of  
**JOHN DE FRIES**

Hawai'i Tourism Authority  
before the  
**COMMITTEE ON FINANCE**

February 25, 2022  
11:00 a.m.  
State Capitol  
via videoconference

In consideration of  
**HOUSE BILL NO. 1839 HD2**  
**RELATING TO TRANSIENT ACCOMMODATIONS TAX**

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Aloha Chair Luke, Vice Chair Yamashita, and members of the Committee on Finance.

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on HB1839 HD2, which makes camper vans a type of transient accommodation, the rental of which is subject to the Transient Accommodations Tax. We understand the intent of this measure to establish a framework to tax camper van accommodations in the same manner as other accommodations.

While our community-driven Destination Management Action Plans did not specifically discuss camper vans, what came through loud and clear was a desire to manage visitor accommodations – specifically, to take steps to limit non-traditional accommodations (such as illegal short-term vacation rentals) that may infiltrate our neighborhoods and other sensitive areas in our communities.

We understand the desire to properly tax legally permitted visitor accommodations to level the playing field from a taxation standpoint. Our primary concern is the potential to inadvertently give the appearance of legitimizing camper vans as a form of transient accommodation, particularly if the counties in which they operate have not established a permitting system that will manage such accommodations and prevent them from negatively impacting our residential communities.

We encourage the Legislature to engage the counties to ensure processes are in place to control and manage these types of accommodations. We also urge the legislature to consider sharing

February 25, 2022

Page 2

information obtained from transient accommodations tax collection on camper van rentals with the respective counties to ensure compliance with county ordinances intended to enforce and manage such accommodations.

We appreciate the opportunity to provide these comments on HB1839 HD2. Mahalo.

Council Chair  
Alice L. Lee

Vice-Chair  
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Gabe Johnson  
Kelly Takaya King  
Michael J. Molina  
Tamara Paltin  
Shane M. Sinenci  
Yuki Lei K. Sugimura



Director of Council Services  
Traci N. T. Fujita, Esq.

Deputy Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 24, 2022

TO: Honorable Sylvia Luke, Chair  
House Committee on Finance

FROM: Alice L. Lee  
Council Chair

DATE: February 24, 2022

SUBJECT: **SUPPORT OF HB 1839, HD2, RELATING TO TRANSIENT  
ACCOMMODATION TAX**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. The purpose of this measure is to classify camper vans a type of transient accommodation, the rental of which is subject to the transient accommodations tax.

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 for the following reasons:

1. Businesses and private individuals are increasingly renting camper vans to visitors that essentially function as transient accommodations in lieu of hotel rooms or transient vacation rentals; therefore, camper van rental operations should register and tax renters in the same way as other types of transient accommodations.
2. The proliferation of thousands of illegal transient accommodation rentals has decreased the State's housing supply and resulted in over \$100 million in general excise tax and transient accommodation tax going uncollected.
3. Providing the counties with additional funding from TAT revenue for the purpose of enforcing transient accommodation regulations should also be considered to further efforts to eliminate illegal short-term rentals.
4. The additional funding from TAT revenue will further aid the counties with their enforcement efforts.

For the foregoing reasons, I **SUPPORT** this measure.

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Include Camper Van Rentals

BILL NUMBER: HB 1839 HD 2

INTRODUCED BY: House Committee on Labor and Tourism

EXECUTIVE SUMMARY: Makes camper vans a type of transient accommodation, the rental of which is subject to the transient accommodations tax (TAT). We are wondering whether this is a solution in search of a problem, and what direction this will take us.

SYNOPSIS: Amends section 237D-1, HRS, to add a new definition for “camper van,” and to amend the definition of “transient accommodations” to include letting of a camper van.

Amends section 437D-8.4, HRS, to allow car rental companies to visibly pass on the TAT to the lessees.

Makes other technical and conforming amendments.

EFFECTIVE DATE: January 1, 2050

STAFF COMMENTS: The apparent aim of this bill is to impose TAT on visitors who otherwise could get around the TAT by sleeping in a camper van instead of in a hotel room, timeshare, or other transient vacation rental on terra firma. So what if the rental camper van is subject to the Rental Motor Vehicle / Tour Vehicle Surcharge Tax (chapter 251, HRS)? The committee report says that the intent is to “ensure[] that camper vans are properly taxed as transient accommodations.”

We are wondering if this is a solution in search of a problem, and where we go from here. Is this a real issue? And are we going to start imposing TAT on cruise ship passengers who spend the night on the boat while docked in a harbor?

Digested: 2/23/2022



**HAWAII LODGING & TOURISM**  
**A S S O C I A T I O N**

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

House Committee on Finance  
House Bill 1839, HD2: Relating to Transient Accommodations Tax  
February 24, 2022

Chair Luke, and members of the Committee, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—opposes House Bill 1839, HD2 which would classify camper vans as transient accommodation units. At the core of the issue, classifying sleeper vans, campers, and RVs as transient accommodation units would effectively legitimize them and will lead to a number of issues that will negatively affect Hawai'i's tourism industry, the local community, and the relationship between the two.

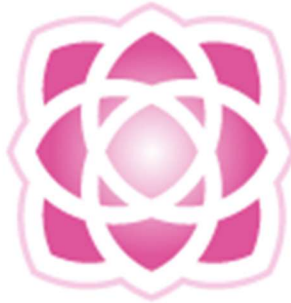
The issues of overcrowding, traffic, and the strain on our limited natural resources are common themes in the ongoing discussions surrounding tourism and its impacts. Providing an opportunity for campers to serve as a type of transient accommodation will increase the inventory of these units around the state, eat into local supply of campsite permits, add a new layer to the proliferation of vacation rentals into our neighborhoods and communities, and will further exacerbate existing tensions between tourism and the local populace. It will also take a considerable amount of government resources to properly regulate these units and enforce the provisions set forth in this measure.

We are aware that this issue was discussed at length during Maui Nui's Destination Management Action Plan process, and the steering committee agreed that the ongoing shift away from traditional lodging units to new models including timeshares, short-term rentals and the like contributed to tourism-adjacent issues in Maui County. In its situational analysis summary, Maui Nui's DMAP lists "changing lodging demand" as a critical threat that has affected one of their most critical problems: a high visitor to resident ratio.

We also know that similar concerns are shared in other communities on O'ahu, such as the North Shore, the leeward coast, and 'Ewa Beach.

**HLTA feels that this measure would ultimately have an adverse effect on the goals set forth for better tourism management around the state. For this reason, we oppose HB1839, HD2.**

Mahalo for the opportunity to provide this testimony.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON  
FINANCE  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308  
WEDNESDAY, FEBRUARY 23, 2022 AT 2:30 P.M.

To The Honorable Sylvia Luke, Chair  
The Honorable Kyle T. Yamashita, Vice Chair  
Members of the committee on Finance

### COMMENTING ON HB1839 HD2 RELATING TO TRANSIENT ACCOMODATIONS TAX

The Maui Chamber of Commerce would like to comment on HB1839 HD2 which makes camper vans a type of transient accommodation, the rental of which is subject to the transient accommodations tax.

This bill will ultimately legitimize another accommodation that would need regulation and enforcement. As can be seen by the explosive growth of illegal vacation rentals, especially in Maui County, we do not have enough enforcement in place for yet another accommodation platform.

Given that the state nor the county can make the use or importing of camping vans illegal, if the vehicles are rented for the purpose of camping, then they need to be taxed as transient accommodations. But these vehicles must use permitted camping areas or be heavily fined. Since most of the areas where these vans park for sleeping are on state land, the department of land and natural resources DOCARE division must increase their enforcement officer corps.

Maui County (and we suspect most other counties) does not have the necessary resources to host such camping vehicles. There are no RV parks where proper sewage, water, and electricity can be accessed. The locations these vans may proliferate will put our residents in competition for the few camping permits that exist while adding their presence in areas that do not have permitting available.

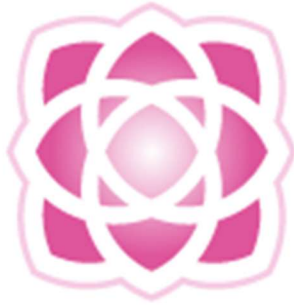
We would encourage this Committee to look towards legislation, in addition to this bill, that does not allow this type of accommodation to flourish on our islands and add restrictive language only allowing the presence of this type of accommodation in areas requiring permitting with significant fines to those found in non-compliance.

Thank you for the opportunity to provide this testimony.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.





*Maui Hotel & Lodging*  
ASSOCIATION

Testimony of  
Lisa H. Paulson  
Executive Director  
Maui Hotel & Lodging Association

Committee on Finance  
**House Bill 1839 HD2: Relating to Transient Accommodations Tax**  
February 25, 2022, 11:00 am  
Conference Room 308

The Maui Hotel & Lodging Association is the legislative arm of the visitor industry for Maui County. We represent over 160 property and allied business members and over 19,000 rooms. **We want to provide comments on House Bill 1839 HD2**, which would make camper vans a type of transient accommodation, the rental which is subject to the transient accommodations tax. This Bill will ultimately legitimize another accommodation that would need regulation and enforcement. As can be seen by the explosive growth of illegal vacation rentals, especially in Maui County, we do not have enough enforcement in place for yet another accommodation platform.

Furthermore, Maui County does not have the necessary resources to host such camping vehicles. There are no RV parks where proper sewage, water, and electricity can be accessed. The locations these vans may proliferate will put our residents in competition for the few camping permits that exist while adding their presence in areas that do not have permitting available.

We would encourage this Committee to look towards legislation that does not allow this type of accommodation to flourish on our islands and add restrictive language only allowing the presence of this type of accommodation in areas requiring permitting with significant fines to those found in non-compliance.

Thank you for the opportunity to provide this testimony.