



TESTIMONY OF DANIEL NĀHO'OPI'I  
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY  
BEFORE THE HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE  
Thursday, February 8, 2024 2:00 p.m.  
In consideration of  
**HB 2606 HD 1**  
**RELATING TO TRANSIENT ACCOMMODATIONS**

Aloha Chair Nakashima, Vice Chair Sayama, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) offers the following comments for consideration on this measure which requires transient accommodations brokers and any other persons or entities to offer, list, advertise, or display a transient accommodations rental rate that includes all resort fees required for the furnishing of transient accommodations.

HTA agrees with the finding in this measure that “fully transparent pricing – from the outset of a consumer’s Hawai'i transient accommodations booking journey – is paramount to enjoying a proper experience of aloha.”

In the most recently available Visitor Satisfaction and Activity survey – fielded in the third quarter of 2023 – visitors who said they are unlikely to return to Hawai'i identified cost and value as some of their top reasons. We believe that transparency is important in this area.

We stand ready to assist with outreach to the visitor industry should this measure be enacted.

Mahalo for the opportunity to offer these comments on this measure.

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A LAW CORPORATION

February 7, 2024

The Honorable Mark M. Nakashima, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
Committee on Consumer Protection & Commerce  
House of Representatives  
Hawai'i State Capitol, Room 432  
415 S. Beretania Street  
Honolulu, Hawaii 96813

Hearing: House Committee on Consumer Protection & Commerce  
Hearing Date: Thursday, February 8, 2024  
Time: 2:00 p.m.  
Place: Via Videoconference  
Conference Room 329  
State Capitol  
415 South Beretania Street

Testimony in Support of House Bill 2606, HD1  
Relating to Transient Accommodations

Chair Nakashima, Vice Chair Sayama and  
Members of the House Committee on Consumer Protection & Commerce:

We represent a number of hotel operators and owners. A number of our clients support “transparent pricing practices by displaying resort and other mandatory fees up front, rather than only before a booking’s finalization.” They believe “consumers should have access to the same pricing transparency, regardless of the type of transient accommodations type or the channel of distribution” and that establishing a “single standard for mandatory display of fees across the tourism ecosystem’s entirety--from hotels, motels, and short-term rental accommodations to online travel agencies, metasearch sites, and short-term rental platforms--will not only prevent consumers from being misled but also ensure a level playing field across the tourism industry.”

California was the first state to enact legislation requiring mandatory fees (AB 537) be included in the initial advertised price to consumers. Several other states including Pennsylvania, New York, Massachusetts, and Colorado have introduced or are planning to introduce legislation to require upfront disclosure of mandatory fees in the initial price. Some other states may also have legislation in this space, but it is currently unknown at this time. We support the California model to create a single disclosure and display standard, avoid a patch work of different standards, and avoid large costs to businesses to update their booking systems several times to account for differences amongst states.

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The Honorable, Mark M. Nakashima, Chair  
The Honorable Jackson D. Sayama, Vice Chair  
Committee on Consumer Protection & Commerce  
February 7, 2024  
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We respectfully request for clarification that the definition of “Person” be added before the definition of “Resort fee” to House Bill 2606, HD1 as follows:

“Person” means an individual, corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership, limited liability company, association, joint venture, public corporation, unincorporated association, two or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity.

The above definition of “Person” was taken from HRS §481B-21 Definitions, [Part II.] Cybersquatting.

Thank you for considering my testimony.

Mahalo nui,

A handwritten signature in black ink, appearing to read "Cori J. Terayama", with a horizontal line extending to the right from the end of the signature.

Ivan M. Lui-Kwan  
Cori J. Terayama



February 8, 2024

**LATE**

**The Honorable Mark M. Nakashima, Chair**  
House Committee on Consumer Protection & Commerce  
State Capitol, Conference Room 329 & Videoconference

**RE: House Bill 2606 HD1, Relating to Transient Accommodations**

**HEARING: Thursday, February 8, 2024, at 2:00 p.m.**

Aloha Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR provides **comments** on House Bill 2606 HD1, which requires transient accommodations brokers and any other persons or entities to offer, list, advertise, or display a transient accommodations rental rate that includes all resort fees required for the furnishing of transient accommodations. Requires transient accommodations brokers and any other persons or entities to include all applicable taxes and fees imposed by a government on the stay in the total price to be paid before the consumer reserves the furnishing of transient accommodations. Establishes penalties. Effective 1/1/3000.

Under this measure, it provides for the following definitions of transient accommodation broker as Hawai'i Revised Statutes §237-1, which is defined as "any person or entity, including but not limited to persons who operate online websites, online travel agencies, or online booking agencies, that offers, lists, advertises, or accepts reservations or collects whole or partial payment for transient accommodations or resort time share vacation interests, units, or plans." Additionally, transient accommodations is defined as "the furnishing of a room, apartment, suite, single family dwelling, or the like to a transient for less than one hundred eighty consecutive days for each letting in a hotel, apartment hotel, motel, condominium or unit as defined in chapter 514B, cooperative apartment, dwelling unit, or rooming house that provides living quarters, sleeping, or housekeeping accommodations, or other place in which lodgings are regularly furnished to transients."

HAR is concerned that the broad definitions in this measure might unintentionally affect real estate licensees who list, advertise, or display accommodation rates and enter into rental agreements for properties that are less than 180 days. This doesn't appear to be the intent of this measure.

Additionally, HAR would note that for real estate licensees that do manage legal short-term rentals, the resort fees may be collected by the front desk or could also change so there may be challenges in disclosing the resort fees in advertisements.

Mahalo for the opportunity to testify.

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**LATE**

February 8, 2024

The Honorable Mark Nakashima  
Chair  
House Committee on Consumer Protection & Commerce  
Hawai'i State Capitol, Room 432  
415 S Beretania St.,  
Honolulu, HI

RE: Oppose HB 2606: Relating to Transient Accommodations

Dear Representative Nakashima and members of the Committee:

On behalf of the Chamber of Progress, a tech industry coalition promoting technology's progressive future, I write to **oppose HB 2606 based on its current drafting**. While we support efforts to eliminate deceptive fees and manipulative pricing in certain industries, HB 2606 risks penalizing online marketplaces for the hotel industry's lack of transparency.

We agree that deceptive fees in industries like hotels, ticketing, and airlines, should be addressed. Inconsistent prices and a lack of transparency make it more difficult for consumers to do "apples to apples" comparisons between competing services and hinder fair competition.

**Unfortunately, the bill as drafted doesn't reflect the complexity of some three-sided online marketplaces, like online lodging rental platforms, that have a fundamentally different structure.** In three-sided online marketplaces - including online lodging rental and home sharing platforms - independent sellers offer and set the prices for their goods and services. The market operator connects the independent sellers with customers, and may offer additional services like order processing, safety checks, and identity verification. In these marketplaces, the sellers set the prices posted on the marketplace platform.

In the transient accommodation industry, many hotels and resorts advertise available rooms on online lodging rental or home sharing platforms. Hotels and resorts, like homeowners renting out their homes, are responsible for the list price and any applicable fees. Including hotel and resort rooms on the same platforms as short term home rentals enables consumers to compare all of their options and reduces search time.

However, under HB 2606, the platforms could be held liable if the hotel or resort failed to incorporate all resort fees or applicable taxes into the price they post on the platform. This concern could be addressed by including a safe-harbor provision for three-sided marketplaces and platforms that do not independently set prices for transient accommodation.

We support efforts to crack down on industries that deceive customers and use manipulative pricing tactics. However, marketplace platforms should not be penalized for the hotel industry's lack of transparency. We encourage you to amend the bill to address complexities of different marketplaces. Unless these differences can be addressed during the drafting stage, we urge you to **oppose HB 2606**.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Singleton". The signature is fluid and cursive, with a prominent "R" and "S".

Robert Singleton,  
Director of State & Local Government Relations, Western US

**HB-2606-HD-1**

Submitted on: 2/7/2024 11:06:58 AM

Testimony for CPC on 2/8/2024 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Victoria Johnson	Individual	Oppose	Written Testimony Only

Comments:

The House of Representatives

The Thirty-Second Legislature

Regular Session of 2024

To: Committee on TOURISM

Date: February 8, 2024

Place: Conference Room 329 - Via Video Conference

Hawai'i State Capitol

415 South Beretania Street

RE: HB2606 Relating to Transient Accommodations

Aloha Chair Quinlan, Vice Chair Hussey-Burdick, and Members of the Committee,

- **I OPPOSE SB2606**
- 
- **Requirement for Fee Transparency:** Transient accommodations brokers or any other involved parties are prohibited from advertising or displaying rental rates for accommodations that don't include all required resort fees.

- Transparency is important.
- 
- WHY is the RESORT fee excluded? Is parking a fee? Damage deposit a fee? Cleaning Fee?
- 
- **Inclusion of Taxes and Fees:** All applicable taxes and fees imposed by the government on the stay must be included in the total price to be paid by the consumer before reserving the accommodations.
- 
- Agree, we do need all fees included - and encourage a clear definition of “ALL” Taxes and fees, be clearly stated

ie. State General Sales & Use tax 4.1885%

State Accommodations Tax 10.25%

County Accommodations Tax 3%

County General Sales & Use Tax 0.5235%

Amend the BILL - CLARIFY “ALL” fees/Tax for ALL accommodation brokers

- **Penalties for Violations:** Those found to be in violation of these regulations may be subject to civil penalties, with a maximum fine of \$10,000 per violation.
- 
- FINE - Excessive fines are unconstitutional violation enforceable. The issue of excessive fines as it pertains to the U.S. Constitution primarily falls under the Eighth
- Amendment, which states: "Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted."

The concept of excessive fines has historically been interpreted as a safeguard against government power, particularly in the realm of criminal justice and civil penalties.

The recent ruling of HILSTRA vs Honolulu Case 1:22-CV-00247 further details excessive fines

- **Enforcement:** The attorney general or applicable county attorney or corporation counsel may bring actions to enforce these regulations.
- This is exposing the county to liability for determining excessive fines



Recommend amendment

RULES that are fair to all accommodations should be encouraged to disclose fees and taxes.

This would help to level the playing field for tourists coming to the State as guests and know the true costs.

Respectfully submitted

Victoria Johnson

INDIVIDUAL

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