



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2024**

ON THE FOLLOWING MEASURE:

H.B. NO. 2606, RELATING TO TRANSIENT ACCOMMODATIONS.

BEFORE THE:

HOUSE COMMITTEE ON TOURISM

DATE: Tuesday, January 30, 2024 **TIME:** 10:00 a.m.

LOCATION: State Capitol, Room 423 and Videoconference

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Christopher T. Han or Bryan C. Yee, Deputy Attorneys General

Chair Quinlan and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

This bill requires transient accommodations brokers and any other persons or entities who offer, list, advertise, or display a transient accommodations rental rate to include resort fees and all applicable taxes and fees imposed by a government on the stay in the total price to be paid before a consumer reserves the furnishing of the accommodation.

On page 3, lines 8-9, the bill empowers the Attorney General or "a prosecuting attorney of any county" to enforce the new section. However, the new section authorizes a civil penalty of up to \$10,000 for each violation. Because the bill calls for civil, not criminal, penalties, counties' prosecuting attorney's offices do not appear to be the appropriate agencies to enforce this section. Therefore, we suggest the following amendments to subsection (d) on page 3, lines 8-9: "An action to enforce this section may be brought by the attorney general or [~~a prosecuting attorney of~~] any applicable county[-] attorney or corporation counsel."

We respectfully ask the Committee to consider our comments. Thank you for the opportunity to offer comments.



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE HOUSE COMMITTEE ON TOURISM
Tuesday, January 30, 2024 10:00 a.m.
In consideration of
HB 2606
RELATING TO TRANSIENT ACCOMMODATIONS

Aloha Chair Quinlan, Vice Chair Hussey-Burdick, 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

January 28, 2024

The Honorable Sean Quinlan, Chair
The Honorable Natalia Hussey-Burdick, Vice Chair
Committee on Tourism
House of Representatives
Hawai'i State Capitol, Room 433
415 S. Beretania Street
Honolulu, Hawaii 96813

Hearing: House Committee on Tourism
Hearing Date: Tuesday, January 30, 2024
Time: 10:00 a.m.
Place: Via Videoconference
Conference Room 423
State Capitol
415 South Beretania Street

Testimony in Support of House Bill 2606
Relating to Transient Accommodations

Chair Quinlan, Vice Chair Hussey-Burdick
and Members of the House Committee on Tourism:

I represent a number of hotel operators and owners. A number of my 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 Sean Quinlan, Chair
The Honorable Natalia Hussey-Burdick, Vice Chair
Committee on Tourism
January 28, 2024
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Thank you for considering my testimony.

Mahalo nui,

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Ivan M. Lui-Kwan

STARN • O'TOOLE • MARCUS & FISHER

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January 29, 2024

The Honorable Sean Quinlan, Chair
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Supplemental Testimony in Support of House Bill 2606
Relating to Transient Accommodations

Chair Quinlan, Vice Chair Hussey-Burdick
and Members of the House Committee on Tourism:

This written testimony supplements my written testimony submitted on January 28, 2024 regarding House Bill 2606. I respectfully request for clarification that the definition of "Person" be added after the definition of "Resort fee" to House Bill 2606 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.

The Honorable Sean Quinlan, Chair
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Committee on Tourism
January 29, 2024
Page 2

Thank you for considering my supplemental testimony.

Mahalo nui,

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Ivan M. Lui-Kwan