



Ke'ena Kuleana Ho'okipa O Hawai'i
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Josh Green, M.D.
Governor

John De Fries
President and Chief Executive Officer

Statement of
JOHN DE FRIES
Hawai'i Tourism Authority
before the
COMMITTEE ON FINANCE

Thursday, February 24, 2023
1:30 p.m.

State Capitol Conference Room 423 & Videoconference

In consideration of
HOUSE BILL NO. 820 HD1
RELATING TO THE TRANSIENT ACCOMODATIONS TAX

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

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on HB820 HD1 which establishes a transient accommodations tax rate of twenty-five percent for furnishing transient vacation units to transient occupants for less than thirty days.

Our community-driven Destination Management Action Plans across Hawai'i clearly articulate a desire to manage visitor accommodations – specifically, taking steps to limit and regulate short-term vacation rentals in neighborhoods and other sensitive areas in our communities. We are generally supportive of state and county efforts to advance that priority.

We respectfully defer to the Department of Taxation for their expertise in the implementation of this particular measure.

Mahalo for the opportunity to provide these comments on HB820 HD1.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 820, H.D 1, Relating to the Transient Accommodations Tax

BEFORE THE:

House Committee on Finance

DATE: Friday, February 24, 2023

TIME: 1:30 p.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding H.B. 820, H.D. 1, for your consideration.

H.B. 820, H.D. 1, seeks to amend section 237D-2, Hawaii Revised Statutes (HRS), to establish a transient accommodations tax (TAT) rate of 25 percent on the gross rental or gross rental proceeds derived from furnishing "transient vacation units," which is defined as a dwelling unit or lodging unit advertised, solicited, offered, or provided to transient occupants for compensation for less than 30 days, with the exception of a "bed and breakfast home."

This measure has a defective effective date of June 30, 3000.

First, the Department notes that "transient vacation units," as defined in the bill, appear to fall within the definition of "transient accommodations" in section 237D-1, HRS. Accordingly, this bill will result in "transient vacation units" being subject to the TAT at the combined rate of 35.25 percent. To clarify that transient vacation units are only subject to TAT at the new rate of 25 percent, the Department recommends amending section 237D-2(a), HRS, to read as follows:

- (a) There is levied and shall be assessed and collected each month a tax of:
- (1) Five per cent for the period beginning on January 1, 1987, to June 30, 1994;
 - (2) Six per cent for the period beginning on July 1, 1994, to December 31, 1998;
 - (3) 7.25 per cent for the period beginning on January 1, 1999, to June 30, 2009;
 - (4) 8.25 per cent for the period beginning on July 1, 2009, to June 30, 2010; and
 - (5) 9.25 per cent for the period beginning on July 1, 2010, and thereafter;

on the gross rental or gross rental proceeds derived from furnishing transient accommodations[-]; provided that the furnishing of a transient vacation unit as provided in subsection (f) shall not be subject to the taxes imposed under this subsection.

Second, the Department recommends amending the definitions for "dwelling unit" and "lodging unit" by removing the phrase "for a family," and replacing it with more inclusive language, such as "for one or more persons."

Third, to clarify that all taxpayers who receive gross rental proceeds from furnishing transient vacation units are required to pay the TAT, the Department recommends amending section 237D-2(b), in section 1, page 2, lines 1 through 6 of this bill, to read as follows:

(b) Every transient accommodations broker, travel agency, and tour packager who arranges transient accommodations at noncommissioned negotiated contract rates and every operator or other taxpayer who receives gross rental proceeds shall pay to the State the tax imposed by ~~subsection~~ subsections (a) and (f) as provided in this chapter.

The Department estimates a revenue gain to the general fund as follows (\$ millions):

FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1,085	1,108	1,136	1,159	1,182	1,204

Finally, the Department notes that it will be able to implement this measure with an effective date of January 1, 2024.

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

HB-820-HD-1

Submitted on: 2/22/2023 9:48:39 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Marvin Chang	Dragon Tours	Oppose	Written Testimony Only

Comments:

I oppose this bill.

Bill 820 basically designed to stop any short term rental under 30 days...so, if it passed, it will benefit hotels and hurt state and C&C, because lots of unit will covert to minimum 30 days rental to avoid the additional tax, and the 10.25% TAT and 3% OTAT will lost a lot revenue, because those tax won't apply to minimum 30 days rental!

So basically it benefit hotels only, it damage state and C&C tax revenue...

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/22/2023 10:04:04 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jay Summers	A&J Management Team	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB820 violates the Equal Protection Clause of the Fourteenth Amendment because it creates a distinction between short-term rentals and hotels or bed and breakfasts based solely on the type of accommodation. The bill proposes that the tax rate for short-term rentals will be significantly higher than for hotels or bed and breakfasts. This creates a classification based on the type of accommodation and penalizes guests who choose to stay in short-term rentals.

The Equal Protection Clause of the Fourteenth Amendment requires that all people be treated equally under the law. The Supreme Court has held that laws that create classifications based on the type of accommodation are subject to a rational basis review. This means that the classification must be rationally related to a legitimate state interest.

In the case of HB820, the distinction between short-term rentals and hotels or bed and breakfasts is not rationally related to a legitimate state interest. The bill does not provide any justification for why short-term rentals should be taxed at a significantly higher rate than hotels or bed and breakfasts. This arbitrary distinction penalizes guests who choose to stay in short-term rentals, and it is not rationally related to any legitimate state interest.

Moreover, this distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This

may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

Conclusion

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 1:43:15 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
THE XI-FAMILY TRUST	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 7:19:02 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Derek T	DLDB HI LLC	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill. As much as people will object to this bill because of how it will affect STR businesses, owner's incomes and the subcontractors involved, the biggest issue is the fairness in the increase. Why aren't all STR's including hotels raised to the same rate across the board? And how was this amount of increase justified?

This is very discriminating as this is the only type of business being targeted. Why not increase the GET across the board for all businesses to 10%. Lets affect everyone, rather than STR's.

If anything, current STR's should be grandfathered in to an old rate and new STR's given a new rate. Then people have a choice.



Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the House Committee on Finance,

[Hawaii House Bill 820](#) is a poorly drafted bill that tries to impose a **25% tax** on "transient vacation units" which it defines as units offered to occupants for less than 30 days. Not only does this ignore the fact that there is a state-level transient accommodation tax on rentals of less than 180 days as well as additional City & County of Honolulu-level transient accommodation tax, but it also **unfairly singles out transient vacation rentals while letting hotels off the hook.**

Why is OSTR A against Hawaii Bill 820

The following statements outline why OSTR A opposes HB 820:

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

Please kindly vote to defer this legislation,

Edward Jones
OSTRA
higov@paradiseip.com

HB-820-HD-1

Submitted on: 2/23/2023 8:00:45 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Randall Moss	Moss Rentals	Oppose	Written Testimony Only

Comments:

1. I oppose a 25% TAT. It is hurting small business.
2. This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**
3. HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.
4. This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units.**

HB-820-HD-1

Submitted on: 2/23/2023 8:08:30 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Aimee Agnew	Agnew Rentals	Oppose	Written Testimony Only

Comments:

I oppose a 25% TAT.

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units.**

HB-820-HD-1

Submitted on: 2/23/2023 8:15:55 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jason Agnew	Agnew Rentals	Oppose	Written Testimony Only

Comments:

Oppose the 25% TAT!!

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units.**

HB-820-HD-1

Submitted on: 2/23/2023 10:00:52 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Fox	2 Papayas, LLC	Oppose	Written Testimony Only

Comments:

I am opposed for several reasons 1) it unfairly penalizes guests who do NOT wish to stay in resorts but prefer a private home 2) it does not apply to hotels. WHY? They are transient accomodations. 3) Homeowners who chose to rent their second home **legally** and homeowners are offered hosted stays are being unfairly singled out in favor of the Hotel Lobby. Some homeowners will lose their homes if they cannot rent them short-term. 5) Many local citizens will be out of work if TARS are eliminated i.e cleaners, yard men, pool cleaners, window washer, carpet cleaners, property managers and their staff 5) Our US constition guarantees that we can use our homes as we please! 6)) I understand there is a housing shortage on the Islands but this is NOT the solution. Spend your legislative time trying to find REAL solutions to the housing issue rather than appease the hotel industry. Mahalo for your time. Mary Fox R (B)



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February 23, 2023

HOUSE COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair, Rep. Lisa Kitagawa, Vice Chair

HEARING DATE: Friday, February 24, 2023
TIME: 1:30 p.m.
PLACE: Conference Room 308

Re: TESTIMONY ON BEHALF OF AIRBNB RELATING TO
HOUSE BILL NO. 820 H.D. 1

Dear Chair Yamashita, Vice Chair Kitagawa and Committee Members:

We write on behalf of our client, Airbnb, in response to House Bill No. 820 H.D. 1 (“**HB 820 H.D. 1**”). As an initial point, we are concerned by the vagueness inherent in the proposed language of HB 820 H.D. 1 and believe that additional clarifications are needed. Specifically, as written, HB 820 H.D. 1 would add a new tax on a specific class that is identified by a new definition in Chapter 237D, Hawaii Revised Statutes as “Transient vacation unit.” “Transient vacation unit” is defined to mean “a dwelling unit or lodging unit that is advertised, solicited, offered, or provided, or any combination thereof, for compensation, including monetary payment, services, or labor of transient occupants, to transient occupants for less than thirty days, other than a bed and breakfast home.” This definition is in addition to the existing defined term “Transient accommodations”, which is defined to mean “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.” HRS §237D-1.

It is not clear as to what portion of Transient Accommodations are intended to be included or excluded in the newly defined “Transient vacation unit.” It appears, however, that the “Transient vacation unit” definition may include units within a “hotel, motel, condominium, cooperative apartment, dwelling unit, or rooming house” within the meaning of HRS § 237D-1.

HOUSE COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair, Rep. Lisa Kitagawa, Vice Chair

February 23, 2023

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If this is the case, then the bill would increase the total tax rate on almost all transient accommodations other than bed and breakfasts to over 40%.

If, on the other hand, the intent of HB 820 H.D. 1 is to apply a new tax that is only applicable to vacation rentals to the exclusion of hotels, then it is likely that this bill would be in violation of the Hawaii and United States Constitutions.

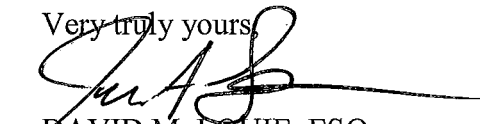
A law such as HB 820 H.D. 1 is in violation of the equal protection clauses of the Hawaii and United States Constitution when it treats classes of individuals differently without a rational basis for the difference in treatment. Willowbrook v. Olech, 528 U.S. 562, 564, 120 S.Ct. 1073, 145 L.Ed.2d 1060 (2000). Armendariz v. Penman, 75 F.3d 1311 at 1327, (9th Cir., 1996); DW Aina Lea Development, LLC v. Bridge Aina Lea, LLC., 134 Hawai'i 187, 218, 339 P.3d 685, 716 (2014) (“[T]he equal protection clauses of the United States and Hawai‘i Constitutions mandate that all persons similarly situated shall be treated alike[.]”).

To the extent that HB 820 H.D. 1 seeks to treat individual homeowners with legal Transient Accommodations differently from hotels and other Transient Accommodations, it provides absolutely no justification for such disparate treatment.

It is a fundamental principle that the Hawai‘i State Legislature has a duty to pass laws that are consistent with and effectuate the protections of the Hawai‘i State Constitution.¹ Passage of this bill without clarification could result in unnecessary litigation regarding the vagueness of its language, which would be time-consuming, costly, and harmful to Hawai‘i’s residential landowners.

For the reasons set forth herein, we have concerns about the proposed changes in HB 820 H.D. 1 and would strongly recommend that the Committee hold this bill unless clarifying amendments are made.

Very truly yours,



DAVID M. LOUIE, ESQ.

JOSEPH A. STEWART, ESQ.

for

KOBAYASHI SUGITA & GODA, LLP

¹ “[E]very enactment of the Legislature is presumptively constitutional.” *Schwab v. Ariyoshi*, 58 Haw. 25, 31, 564 P.2d 135, 139 (1977) (citing *State v. Kahalewai*, 56 Haw. 481, 541 P.2d 1020 (1975)); cf. *League of Women Voters of Honolulu v. State*, 150 Hawaii 182, 194, 499 P.3d 382, 394 (2021) (“[I]f the Legislature could alter the meaning of the Hawai‘i Constitution through its own rules of procedure, theoretically, there would be no need to go through the formality of amending the Hawai‘i Constitution. See *Mason’s Manual [of Legislative Procedure]* (2010 ed.) § 12, ¶ 1 (‘A legislative body cannot make a rule which evades or avoids the effect of a rule prescribed by the constitution governing it, and it cannot do by indirection what it cannot directly do.’).”).

HB-820-HD-1

Submitted on: 2/23/2023 11:32:37 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Beverly Moodie	Lopakas Family Lodge	Oppose	Written Testimony Only

Comments:

Dear Chairmen,

I am the owner of Lopakas Family Lodge in Hilo. My rental has been given a 5 Star rating by my guests with VRBO. My neighbors have never had to complain about my guests. In fact, I have repeat guests who have become friends with many of the neighbors.

I am a widow and have been in business since 2010. My only income besides this rental is Social Security and two very minimal pensions. The proceeds from my business are what pays the taxes, utilities, insurance, and maintenance of my property. The taxes I am currently paying contributes to the needs of the community. I also pay for housekeepers, landscapers, handymen, electricians, plumbers and various repairmen further contributing to the economy of Hawaii Island.

What this bill proposes will adversely effect my ability to remain in business, and I believe it is a very unfair assessment. Please scrap this idea. Thank you for listening.

Sincerely,

Beverly Moodie

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, 25% Tax on Transient Vacation Unit Rental

BILL NUMBER: HB 820 HD 1

INTRODUCED BY: House Committee on Tourism

EXECUTIVE SUMMARY: Establishes a transient accommodations tax rate of twenty-five per cent for furnishing transient vacation units to transient occupants for less than thirty days.

SYNOPSIS: Amends section 237D-2, HRS, by adding a new subsection imposing a 25% tax for furnishing accommodations in a transient vacation unit.

Defines “bed and breakfast home” as a detached dwelling unit in which overnight accommodations are advertised, solicited, offered, or provided, or any combination thereof, for compensation, including monetary payment, services, or labor of of guests, to guests for less than thirty days, and which is located in the same detached dwelling unit as that occupied by an owner, lessee, operator, or proprietor of the detached dwelling unit.

Defines “dwelling unit” as a room or rooms connected together, constituting an independent housekeeping unit for a family and that contains a single kitchen. "Dwelling unit" does not include two or more essentially separate structures, except for a token connection such as a covered walkway or trellis.

Defines “lodging unit" as a room or rooms connected together, constituting an independent living unit for a family and that does not contain any kitchen. "Lodging unit" does not include a resort time share vacation unit.

Defines “transient vacation unit” as a dwelling unit or lodging unit that is advertised, solicited, offered, or provided, or any combination thereof, for compensation, including monetary payment, services, or labor of transient occupants, to transient occupants for less than thirty days, other than a bed and breakfast home.

EFFECTIVE DATE: June 30, 3000.

STAFF COMMENTS: At the moment, it is not clear whether the proposed 25% rate is in lieu of or additional to the current 10.25% tax on transient accommodations generally. The House Tourism committee report acknowledges the ambiguity and states that it is working with the Department of Taxation to find acceptable language.

Either way, there appears to be no justification for the punitive treatment of transient vacation units by the state. If the problem is that the unit is rented in violation of county code, it is not the State’s problem to enforce, and county ordinances do permit transient rentals of such units under certain conditions (which this bill apparently ignores).

Re: HB 820 HD1
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Digested: 2/23/2023

HB-820-HD-1

Submitted on: 2/23/2023 11:37:45 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lawrence Rosenberg	rosiesrentals.com	Oppose	Written Testimony Only

Comments:

To whom it may concern;

If the intention is to reduce the level of tourists significantly, then passing this legislation should be effective; if not, it would be unconscionable to raise the TAT to this level. Tourists of Hawaii are already taxed at a very high level. This would make many other options such as California, Florida and Mexico much more attractive to tourists. The loss of tax revenue for the state from the airlines, accommodation suppliers, rental cars, restaurants, other island businesses and the related loss of jobs would be significant. Tourism is the goose that lays the golden egg for the state. Hopefully common sense will prevail and this motion will fail.

HB-820-HD-1

Submitted on: 2/23/2023 11:38:44 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Renee Mulliken	LUVA Real Estate	Oppose	Written Testimony Only


Comments:

I oppose 25% tax



February 24, 2023

TO: Chair Kyle Yamashita
Members of the Committee on Finance

FR: Alex April 
Airbnb Public Policy, Hawaii

HB820 HD1 RELATING TO THE TRANSIENT ACCOMMODATIONS TAX - COMMENTS

Mahalo for the opportunity to comment on HB820 HD1, related to the transient accommodations tax. We are grateful for the partnership developed between the State of Hawai'i and localities over the last several years on short-term rental policies that support the local tourism industry; and provide housing opportunities for transient workers, students, and other state guests.

In the event that HB820 HD1 is passed, increasing the transient accommodations tax to 25% could reduce the availability of rentals and would also significantly increase the prices of any remaining accommodations, having adverse effects on the State's economy.

Not only will this impact the ability of low and moderate-income families to visit Hawai'i, but it will also limit residents who need short-term housing during periods of transition, part-time students, traveling nurses, and other non-permanent island residents who participate in key sectors of Hawai'i's economy. Higher prices will also have ripple effects on the State's economy. Short-term rentals and their hosts, guests, and transitional residents support a number of local small businesses; everything from housekeeping and landscaping to restaurants and local markets benefit from a robust tourism and short-term rental market.

Mahalo for the consideration of our comments.

HB-820-HD-1

Submitted on: 2/23/2023 11:45:10 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tom Fetter	Copley Park Hawaii LLC	Oppose	Written Testimony Only

Comments:

We wish to comment on HB- 820. We have owned a residence that is on a gated three acre site fronting Keauhou Bay for the past nine years. We and family members use the property approximately 150 days a year. For another 100 days or so it rented under the short-term vacation rental procedures and regulations imposed by the County. Doing this offsets a portion of the property's operating expenses. It also allows 8 or 10 families each year to enjoy visiting Hawaii in the context of a private home which is a very different experience than hotels or other accommodations. We feel that tourism is a primary aspect of Hawaii's economy, and that each method of tourist accommodation is vital to the economy. Don't burden that with additional and unnecessary regulation!

We went through extensive regulations regarding STVR usage. We don't need more regulation and expenses. We do not see the need for HB 820 in its present form. In many ways regulations posed by Hawaii tend to stifle the local economy and make life difficult for property owners.

We join VRBO in opposition to this message.

Mahalo,

Tom Fetter

76 -120 Holua Rd.

Kailua- Kona, HI



The House of Representatives
The Thirty-Second Legislature
Regular Session of 2023

To: Committee on Finance

Date: February 23, 2023

Place: Via Video Conference
Conference Room 308
Hawaii State Capitol
415 South Beretania Street

RE: HB 820 HD1 – Relating to the Transient Accommodation Tax

Rep. Kyle Yamashita, Chair, Rep. Lisa Kitagawa, Vice Chair and the Representatives of the Committee On Finance:

RBOAA opposes HB 820 HD1. This Bill would violate the Fourth Amendment of the United States Constitution.

This bill is aimed at Short Term Rentals – **Taxing guests in only STR's is discriminatory and will likely lead to litigation if passed.**

All assessments of tourism's impact upon the State should be done fairly and not target one group. There is no data that shows that STR's impact resources more than the other classifications. It is more likely that STR's impact the resources the least because many owners use their own properties for much of the year and only rent STR when vacant. This has been documented in a number of studies commissioned by the HTA. Additionally, many STR guests travel from cold climates and enjoy spending the winter in Hawaii for the mild winter. It is not uncommon to have a couple stay for several months during this time. This does not increase the visitor count, in fact, it is the least impacting as opposed to timeshares and hotels where the stay is only a few days or one week for each guest.

It is claimed that STR's could be used to house residents, However, the majority of the units of STR inventory are in Resort areas. These STR units are not adequate for a family i.e., studio or 1 bedroom, parking for only one vehicle, no storage, high maintenance fees.

RBOAA respectfully requests that this Bill be deferred.

Sincerely,

Alicia Humiston, President
Rentals by Owner Awareness Association

2/23/23

Re: HB 820

To whom it may concern;

It is my belief that raising the TAT to 25% is a horrible idea and would be detrimental to Hawaiian tourism. Tourists in Hawaii are already taxed at such a high rate that this could easily be the reason for people to choose other tropical locations outside of the U.S. as their vacation destinations. We want to keep tourism dollars here in Hawaii, don't we? After all, that is the #1 industry in Hawaii. Please consider keeping the TAT where it is and let's keep the tourism dollars flowing.

Karen Greene

S. A. Kuhn Family Limited Partnership



February 24, 2023

1:30 p.m.

Conference Room 308 and via videoconference

To: House Committee on Finance

Rep. Kyle Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

From: Grassroot Institute of Hawaii

Joe Kent, Executive Vice President

RE: HB820 HD1 — RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer comments on [HB820 HD1](#), which would increase the transient accommodation tax on transient vacation units to 25%, up from the current 10.25% rate.

This is more than a doubling of the tax, and is inexplicably aimed at just one segment of Hawaii's tourism industry — dwelling or lodging units that host occupants for less than 30 days, other than bed and breakfast homes.

Hawaii already has some of the world's highest tourism taxes,¹ and combined with the county TAT surcharges and the state and county general excise taxes, short-term rental owners under this bill would face a levy of close to 33% on their gross earnings.

In short, HB820 would make doing business much harder for short-term rental operators, who provide substantial economic benefits and thousands of jobs across the state.²

¹ Alison Fox, "[These Cities — Including 3 in the U.S. — Have the Most Expensive Tourist Taxes in the World, Study Shows](#)," Travel + Leisure, Aug. 12, 2022.

² "[Economic Impact of Alternative Accommodations on Oahu](#)," Kloninger & Sims Consulting, LLC, July 23, 2018, p. 1; and Prahlad Kasturi and Thomas Loudat, "[Economic Impact of Transient Vacation Rentals \(TVRs\) on Maui County, Hawaii](#)," Global Journal of Management and Business Research, Vol. 14, Iss. 1, 2014.

Some things to consider for this measure:

>> Tourists are not the only ones who pay the TAT. For example, neighbor island residents who stay on Oahu for medical care and families in need of a temporary dwelling after a natural disaster must book either a hotel or a short-term rental. Likewise, medical professionals must stay somewhere while practicing in Hawaii.

And then there are just residents who want to enjoy a “staycation” — a vacation in Hawaii, whether on their own island or one of the others. All of these individuals and families might prefer a short-term rental to a hotel for a myriad of reasons.

>> This bill would help cut local residents out of Hawaii’s top economic driver — tourism. It would favor the large corporations that operate hotels and those that could afford to keep operating short-term rentals over everyday residents.

>> The state TAT started out in 1987 at 5% and was supposed to be only temporary.³

>> This bill could face a legal challenge on the grounds that it discriminates against a certain class of property owners offering short-term lodging.

Looking at the broader picture, tax increases in general are not a good idea for Hawaii’s economy, especially not now when it already has one of the highest tax burdens in the nation.⁴

Hawaii’s population has been suffering a net decline for each of the past six years, with the state’s high cost of living and lack of employment opportunities being among the most cited reasons.⁵

Other issues to consider as you deliberate on this measure include the fact that:

³ Lowell Kalapa, “[Jerking The Hotel Industry Around. You Can’t Trust Lawmakers](#),” Tax Foundation of Hawaii, Feb. 17, 2013.

⁴ Jared Walczak and Erica York, “[State and Local Tax Burdens. Calendar Year 2022](#),” Tax Foundation, April 7, 2022.

⁵ Maria Wood, “[Where People from Hawaii Are Moving to the Most](#),” 24/7 Wall Street, Jan. 23, 2022.

>> Hawaii is predicted to enter an economic slowdown later this year.⁶ Tax hikes might only exacerbate this slowdown, since entrepreneurs will be less likely to want to invest their capital — or “wealth assets,” as the case may be.⁷

>> Hawaii has a progressive income tax that taxes high-income earners at 11%, second only to California at 13.3%.⁸ Hawaii’s top 1% already pays 24.9% of all income taxes in the state.⁹

>> Hawaii’s continuing population decline leaves remaining residents with a higher tax burden. Many residents leaving Hawaii move to states without income taxes. Washington, Nevada, Texas and Florida — four of the top five destinations for Hawaii residents moving to the mainland — do not have income taxes.¹⁰

>> State lawmakers increased taxes and fees substantially following the Great Recession of 2007-2008,¹¹ despite a windfall in revenues from an economic boom over the past decade. Taxes and fees ballooned on motor vehicles, transient accommodations, estates, fuel, food, wealthy incomes, property, parking and businesses.

Hawaii’s residents and businesses need a break from new taxes, fees, surcharges and tax hikes. Whether this bill increases the TAT to 25% or 35%, this is not the time to make Hawaii a more expensive place to live and do business.

Thank you for the opportunity to testify.

Sincerely,

Joe Kent
Executive vice president
Grassroot Institute of Hawaii

⁶ Annalisa Burgos, “[Experts: Hawaii’s economy poised to slow down ‘significantly.’ but stop short of recession.](#)” Hawaii News Now, Jan. 22, 2023.

⁷ Aaron Hedlund, “[How Do Taxes Affect Entrepreneurship, Innovation, and Productivity?](#)” Center for Growth and Opportunity at Utah State University, Dec. 23, 2019; Ergete Ferede, “[The Effects on Entrepreneurship of Increasing Provincial Top Personal Income Tax Rates in Canada.](#)” Fraser Institute, July 10, 2018; Robert Carroll, Douglas Holtz-Eakin, Mark Rider and Harvey S. Rosen, “[Personal Income Taxes and the Growth of Small Firms.](#)” National Bureau of Economic Research, October 2000.

⁸ Timothy Vermeer and Katherine Loughhead, “[State Individual Income Tax Rates and Brackets for 2022.](#)” Tax Foundation, Feb. 15, 2022.

⁹ “[Hawaii Individual Income Tax Statistics.](#)” Hawaii Department of Taxation report for Tax Year 2020, Sept. 29, 2022, Table 13A.

¹⁰ Katherine Loughhead, “[How Do Taxes Affect Interstate Migration?](#)” Tax Foundation, Oct. 11, 2022.

¹¹ “[Tax Acts \(by Year\).](#)” Tax Foundation of Hawaii, accessed Jan. 30, 2023.

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February 23, 2023

Re: Transient Accommodation Tax Increase

Dear Committee Members,

I represent Hawaii Legal Short-Term Rental Alliance (“HILSTRA”). I am submitting this written testimony in opposition to H.B. 820, relating to Transient Accommodation Tax. H.B. 820, as written, unfairly imposes a tax increase on certain types of transient accommodations, but not all, and is unconstitutional as it violates the Dormant Commerce Clause.

HB820 raises constitutional concerns. The Commerce Clause of the U.S. Constitution grants Congress the power “to regulate commerce . . . among the several states.” The U.S. Supreme Court has long held that one implication of the federal commerce clause, is that States may not adopt regulations or taxes that place an “undue burden” on interstate commerce, even if Congress has taken no action. This is referred to as the dormant Commerce Clause doctrine. The Commerce Clause is a principal reason for the federal Constitution: to join the States in a national economy and to prevent the fragmentation that results from individual States imposing tariffs and laws favoring only certain merchants—and typically only favoring local merchants.

In *Complete Auto Transit v. Brady*, 430 U.S. 274 (1977), the Supreme Court set out a four-part test for analyzing the constitutionality of State taxes under the Commerce Clause. A State tax must:

- (1) Be applied to an activity that has a substantial connection with the State;
- (2) Be fairly apportioned to activities in the State;
- (3) Not discriminate against interstate commerce; and
- (4) Be fairly related to the services provided by the State.

The taxation of transient accommodations has an impact on interstate commerce. These accommodations are intended primarily from visitors, who primarily travel from places other than Hawaii.

David H. Abitbol
Nicholas K. Ernst
Matthew T. Evans
Tred R. Eyerly
Clint K. Hamada
Diane D. Hastert
Max J. Kimura
Christine A. Kubota
Gregory W. Kugle
Kenneth R. Kupchak
Na Lan
Denis C.H. Leong
Megan L.M. Lim
Jonathan N. Marchuk
David P. McCauley
Casey T. Miyashiro
Mark M. Murakami
Anna H. Oshiro
Christopher H. Pang
Laurel E. Pepe
Loren A. Seehase
Douglas C. Smith
Ross Uehara-Tilton
Toren K. Yamamoto
Amber M. Yonamine
Cheyne I.Y. Yonemori
Michael A. Yoshida
Madeleine M.V. Young

Of Counsel
Jed Kurzban

R. Charles Bocken (1921-2020)
C. F. Damon, Jr. (1926-2017)
Charles W. Key (1929-2008)



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Committee Members
Hawaii State Legislature
February 23, 2023
Page 2

HB820 does not meet the Constitutional requirements of *Complete Auto Transit* for several reasons.

First and foremost, it is not fairly apportioned. Hotels and short-term rentals alike are currently subject to the same Transient Accommodations Tax. Increasing the tax on short-term rentals but not hotels is an unfair apportionment. The 25% tax rate on short-term rentals, in contrast to the 10.25% transient accommodations tax that would remain imposed on hotels, is arbitrary. There is no constitutional justification for taxing short-term rentals at a rate that is more than double the rate imposed upon other types of transient accommodations.

Second, it unfairly burdens interstate commerce. Even though it is not discriminatory on its face (for example, by imposing a higher tax rate on non-local merchants compared to local merchants), under *Complete Auto*, discrimination is determined by economic effect. The economic effect of this tax will impose an unfair burden on interstate commerce. Although proponents may argue that it is a tax imposed on real estate activities physically located in Hawaii, a tax on real estate, like any other tax, may not impermissibly burden interstate commerce. *Camps Newfound/Owatonna v. Town of Harrison*, 520 U.S. 564 (1997). In essence, HB820 unfairly discriminates against rental activities where the renter is a transient non-resident versus rental activities where the renter is a resident. Otherwise, HB820 would have to impose a 25% tax on *all* rental income within the State.

Third, the 25% tax is not fairly related to services provided by the State. What services does the State provide for transient accommodations, that it does not provide to hotels, which would justify this disparity?

In contrast, something like a state-wide visitor fee could satisfy the *Complete Auto* test. Although it would be imposed only on out-of-state residents, it would be fairly related to the increased cost of burdens imposed by visitors, and

Committee Members
Hawaii State Legislature
February 23, 2023
Page 3

would be fairly apportioned because it would apply equally to all visitors, not merely to visitors who are staying in a particular type of accommodation.

Very truly yours,

DAMON KEY LEONG KUPCHAK HASTERT

Loren A. Seahase

LAS:las
751311

HB-820-HD-1

Submitted on: 2/23/2023 1:30:35 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Laure McElwee	First Island Realty, LLC	Comments	Written Testimony Only

Comments:

We are property managers on the Big Island and have been managing vacation rentals here for over a decade.

This tax increase would be very prohibitive to travelers. We hear from guests all the time shocked at how much the tax adds to their reservation (currently 17.962% total on the Big Island which is 10.25% TA tax, 4.712% GE tax, plus the new Hawaii County 3% tax added last year). This bill would bring the new tax total to 32.712% or worse 42.962% if it is in addition to the 10.25% rather than just increasing it.

More importantly, the effective date of July 1, 2023 is too soon and will affect existing reservations. Our guests can book as far out as 12-18 months. Regardless of the tax rate, we request and encourage making the effective date at least 12-18 months away in order to provide adequate time to prepare. It was very difficult last year when the Hawaii County 3% tax was added on very short notice and this is a much higher tax increase being proposed.

Additionally, the current TA tax applies to all accommodations of 180 days or less, but this bill appears to only apply to accommodations of 30 days or less. It's unclear if this is an additional 25% tax on 30 days or less rentals or increase to the current 10.25% tax. This discrepancy is confusing and we would appreciate clarification as to whether the current 10.25% tax rate would remain in effect for accommodations of 31-180 days and/or if the 25% tax is in addition to/instead of the current 10.25% tax for 1-30 day rentals.

Comments from one of our owner-clients:

Please don't raise the taxes for our property. We've been owners for only 2 years, and we come and stay every chance we can. During the other times, we rent it out to various tourists who come to the island that might not have come at all. But instead of a hotel, they get to share the experience of living in a home together and enjoying your island as much as possible. I believe that we are partners in this and for you to raise the taxes this significantly, we will have to raise our prices, and this in the end would hurt the amount of people that come here. We hope to continue to provide a safe haven for people to come and enjoy at a reasonable rate. Please consider this before raising that high.

HB-820-HD-1

Submitted on: 2/23/2023 1:38:53 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendi Ching	Kumulani Vacations	Oppose	Written Testimony Only

Comments:

This is absolutley absurd. We need tourism here on the Islands. Increasing it to 25% will make people rethink about coming to Hawaii and will vacation else where. Maui is already at 17.416%!

HB-820-HD-1

Submitted on: 2/23/2023 2:34:40 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Allen Benedict D. Donado	Maui Paradise Properties	Comments	Written Testimony Only

Comments:

STR in Hawaii is something that helps tourism because they help the island accommodate people from all over the globe who wanted to visit but cannot afford to stay in hotels or want a different experience (Home away from home) while spending their vacation with their family or friends.

Since the pandemic started, STR has been one of the big factors why a lot of tourists were able to come and visit our island and get back on their feet when it comes to tourism. With that being said, it helps other establishments and businesses (even the small ones) surrounding STRs. It may not look like it because big corporate hotels are affected, but the overall impact and contributions of SRTs in Hawaii are significant.

Big corporate hotels might benefit from the HB820, but everything else will be affected in the long run if you really reflect on what it entails. Better stop this as early as now before we regret having it approved and implemented before it's too late.



February 23rd, 2023

To: Members of the Hawaii House Finance Committee

On behalf of Maui PRMA, the Vacation Rental Trade Council under the Maui Chamber of Commerce, **we are writing to strongly oppose Bill HB 820.**

PRMA, the Professional Rental Management Association, is a coalition of professional property management companies representing over 1600 **legally zoned condominium vacation rental units throughout Maui**. Our members are licensed in the State of Hawaii, engaged in the management of legal vacation rental properties, primarily condominiums, and comply with real estate license law and code of ethics. Our companies represent 216 years in business, employing nearly 200 employees and over 300 independent contractors and vendors.

The short-term rental industry has been around for decades, operates professional businesses supporting the local economy and other small businesses, contributing to our island's overall economic health. **Adding a 25% tax only applicable to transient vacation units and not applicable to hotels, timeshares or B&Bs is unfair.** Why the different tax assessment? If you're going to apply a TAT tax to travel/visitor accommodations, it should be the same across the board. The condos that we manage and represent were built for the purpose of traveler accommodations – they are not homes that have been converted to transient vacation rental units. Most of them are zoned hotel and do NOT require short term rental permits. So why tax them differently? This is industry discrimination.

Short term vacation rental units are already the highest contributor to the TAT fund and so to single out this one segment of the hospitality industry doesn't make sense. Why punish your best performer? A tax like this would hurt our small businesses. When this industry is stifled and suffers, jobs are lost and that creates broad waves of negative impacts that ripple throughout our community.

It is for these reasons that the Maui PRMA opposes HB820.

Thank you and we welcome any discussion with you or a member of your administration. We can be contacted at Mauiprma@gmail.com.

Mahalo,

John Kevan
Angela Leone

[Maui Professional Rental Management Association \(Maui PRMA\)](#)

HB-820-HD-1

Submitted on: 2/23/2023 4:55:31 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Reginald E. Smith	Vista Waikoloa STVR Owner/operator	Oppose	Written Testimony Only

Comments:

When I saw the announcement of this bill, I thought at first it was a mistake or an error. They can't be serious I thought. It seems that the tourists and visitors to Hawaii who provide businesses with much of their revenues, and the states and counties with significant tax revenue from the world over are under some kind of attack. On the Big Island, visitors and vacation rental owners were recently ambushed with a new 3% county TAT in addition to the \$1000 fee we paid to the county. Our guests are now paying over 17.9%. This tax rate is already outrageous. This increase would make it 32% if my calculations are correct. Visitors are also paying relatively new parking charges to visit selected state parks. In comparison there are 0% transient accommodation taxes in California, and numerous other sunny destinations.

The state seems to be intentionally trying to kill the golden goose. I am sure many STVR owners who provide countless tourists with affordable accommodations may be thinking we have had enough and maybe it's time to sell our property and leave the business. We would no longer be willing to partner with the state to extort excessive, greedy tax revenues from our guests. If this tax increase was approved it could result in mass real estate sell offs which could plunge property values? Maybe. Would it make the state look bad to the rest of the world? You bet.

Many of us wonder what is going on behind the scenes. It is clearly unfair if hotels are exempt, and this probably would be grounds for lawsuits, though I am no lawyer. If so, there would be suspicion that the hotel industry is somehow behind this in an effort to unfairly squash competition.

Please do not damage the economy of Hawaii. Do not pass this bill. Do not give Hawaii a black eye to be seen by the rest of the world.

HB-820-HD-1

Submitted on: 2/23/2023 5:01:50 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David Englert	Rentals Maui, Inc.	Oppose	Written Testimony Only

Comments:

Aloha House Members,

I am testifying against House Bill HB 820. Tourism is the main economic driver in Hawaii, we have seen such significant increases in the TAT in such short span of time, not to mention the new County 3% TAT that started in 2021. This would be the highest increase yet, it is impossible to calculate how this change will affect our businesses. Nightly rates in the islands are already the highest they've been in years, and I trust the State has benefited from the taxes drawn in because of these increases. Our state needs understand that if the tax increases price us out of the global travel market our occupancy rates will dramatically reduce. If our occupancy rates reduce, we cannot afford to keep on all of the families we help employ. Higher unemployment will then impact many other non-accomodation small businesses: restraurants, tours, beach equipment rentals, retail and so-on.

If taxes need to be raised it should not be this significant and so rapidly. Please do not price our small business out of the travel market and study the longterm impacts this could have on our economy. Please also consider removing the county 3% TAT which was authorized from the emergency COVID Pandemic which has clearly wanned and not at emergency levels anymore.

HB-820-HD-1

Submitted on: 2/23/2023 5:50:11 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John Foster	Kauai Treehouse Vacation Rental	Oppose	Written Testimony Only

Comments:

I would like to make my voice heard and request that you do not increase the taxes and make it more difficult and more expensive for guest to visit, vacation, shop, and support the local businesses, on the beautiful islands. Thank you for your consideration.

HB-820-HD-1

Submitted on: 2/24/2023 6:44:13 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jan Jewell	Oceanfront Villas at Turtle Bay, LLC	Oppose	Written Testimony Only

Comments:

As a taxpaying owner of a condo located at a resort zoned property, I, along with all the other owners of my complex currently pay substantial taxes in the form of Property, Transient Accommodations, and General Excise taxes. These taxes have increased consistently over the past 15 years to the point of losing customers due to being forced to charge increasingly higher rates to cover increasing taxes. And now you want to add a 25% tax, yet leave hotels exempt from this prohibitively high tax? Not only is it illegal to treat like-kind entities unequally, it is immoral.

Do you not realize how many Hawaiian's make their living from the tourism industry? Do you not realize how this will affect their ability to survive? Do you not understand how this will negatively affect the property values of condos that were built specifically and LEGALLY to be short term rentals, in a resort community?

What is the gain to Hawaii for decimating the property values of short term rentals, but not hotels... which are ALSO short term rentals? If the goal is to make the hotel industry ever more powerful by providing it with such an advantage, you will succeed, to the detriment of many small property owners who invested in good faith that the laws that were in effect when they purchased would stand. The Hawaii State Legislature should keep its commitments.

HB-820-HD-1

Submitted on: 2/24/2023 7:35:59 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

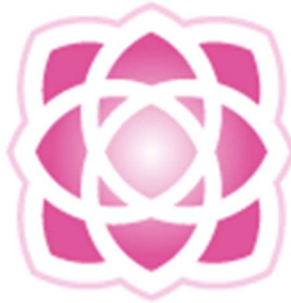
Submitted By	Organization	Testifier Position	Testify
Michael Heh	Friends of Kuilima	Oppose	Written Testimony Only

Comments:

Dear Representatives,

Please DO NOT support this very flawed legislation. Besides being unconstitutional to tax one group of STR's (Your Consituent Owners) versus the Hotels (Profits go to the mainland) you already have both Bill 89 and Bill 41 to SHUT DOWN the illegal rentals. Please don't penalize Legal STR's in this egeigious way and tell the CITY to do their jobs and Shut Down the last bit of the Illegal rentals with the tools they already have that work!

Sincerely, Mike and Maria Heh/Friends of Kuilima



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
FRIDAY, FEBRUARY 24, 2023 AT 1:30 P.M.

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

OPPOSE HB820 HD1 RELATING TO THE TRANSIENT ACCOMMODATIONS TAX

The Maui Chamber of Commerce **opposes HB820 HD1** which establishes a transient accommodations tax (TAT) rate of twenty-five per cent for furnishing transient vacation units to transient occupants for less than thirty days.

The Chamber notes that the short-term rental industry has been around for decades. The vast majority operate professional businesses supporting the local economy, non-profit organizations, and other small businesses, contributing to our states overall economic health. Adding a 25% tax only applicable to transient vacation units and not hotels, timeshares or B&Bs is unfair and seems to be punishing the TVRs who are operating legally. If the state is going to apply a TAT to travel/visitor accommodations, it should be the same across the board. The condos operating as transient accommodations were built for that specific purpose – they are not homes that have been converted to transient vacation rental units. Most of them are zoned hotel and do NOT require short term rental permits.

Short term vacation rental units are already the highest contributor to the TAT fund and so to single out this one segment of the hospitality industry doesn't make sense. A tax like this would hurt our small businesses. When this industry is stifled and suffers, jobs are lost and that creates broad waves of negative impacts that ripple throughout our community.

For these reasons we **OPPOSE HB820 HD1**.

Sincerely,

Pamela Tumpap
President



2/13/2023

Honorable Chair Kyle T. Yamashita and Members
Committee on Finance
415 South Beretania Street
Honolulu HI 96813

RE: HB-820 Oppose; HB-1375 Revise

Aloha e Committee,

Thank you for taking the time to review this bill and take testimony.

We believe in a managed hospitality industry for Maui. We also support fair taxation of vacation rental properties. However we see issues with HB820 hurting legally operating small business operators in Maui County. Further, we would like to see HB 1375 revised to include specific representation for the legitimate and legal vacation rental industry.

Maui has 13,744 legal short term rental properties, 8,336 hotel rooms, and 2,475 timeshare units in our diversified visitor accommodation industry (please reference the State reports at the end of this report). Each provides the potential Maui visitor different options. The clear differentiation regarding the legal short term rental properties is that thousands of them are owned by Maui County families. This is one of the only ways local families can directly participate in and benefit from the hospitality industry.

This bill targets these local families with a 250% increase in their taxes and is punitive. Where is the data that shows those impacts? How is it that a legally operating bed and breakfast, or short term rental home, or a 28 room condo should be taxed 250% more than other operators in this very same transient accommodation sector?

At the very least, the State should not be favoring large international corporations in the transient accommodations industry while targeting the Hawai'i's legal small businesses in the accommodations industry. We need to support small businesses; their revenues support other small local businesses and these monies stay in the state. We cannot support a bill that could potentially shut down legal operators with unfair taxation schemes that favor large outside corporate entities operating in this state. Please vote no HB820.



Many of the condo buildings operating on Maui were built in the 1970's and 1980's and have large monthly maintenance costs. Have you considered what the impacts could be for these kinds of properties where they may not be able to just pass the tax off to the visitors. If the property owners cannot continue to fund the high maintenance costs of these buildings there could be unintended consequences for the State in this bill.

When it comes to legislation that could affect the livelihood of thousands of its constituents (actual voters), the State should be considering factual and data driven based decisions. At the very least, the State should be supporting this legally operating small business sector that offers such a vibrant and diverse ecosystem for our visitors, while our county and state are already leveraging significant taxes on these businesses to benefit our local economy. The legal short term vacation rentals already generate the largest amount of tax revenue for Maui County than any other category by a very large margin.

The State should not be favoring large international corporations in the transient accommodations industry while targeting the Hawai'i's legal small businesses in the accommodations industry. We cannot support a bill that could potentially shut down legal operators with unfair taxation schemes that favor large outside corporate entities operating in this state. Please vote no HB820.

With regards to Bill 1375 please revise the language to mandate inclusion of representatives from the legitimate short term rental industry. This legally operating sector has long been misrepresented by existing tourism management methodology. It is critical that all sectors work together. Furthermore, the legal vacation rental industry is one that is highly managed and regulated already. For the State to make good informed decisions into the future of hospitality all of the different legally operating accommodations sectors need to be included. It just makes sense. Please revise the language in Bill 1375 to consider all legitimate accommodations sectors.

Maui County's operating budget has increased to over 1 Billion dollars in its current fiscal year. Most of the county's revenue comes from the short term rental classification, and the small businesses creating this revenue. The county of Maui has long had a strategy of taxing the Short Term Rental Classification in order to keep taxes low for the residents. A big part of this strategy is by means of the property assessment values that the County assessment division attributes to these properties.

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Looking at the top 30 real property tax revenue generating legal visitor accommodations in Maui county, you can see that the assessment of many short term rentals result in a higher rate and tax revenue than many of our hotel properties.

When looking at average tax revenue generated on a per Unit basis, the top 13 properties are all legal vacation rental properties. The top Hotel, the Kea Lani falls behind all of these at number 14 on this same list.

TOP REVENUE GENERATING SHORT TERM RENTAL AND HOTEL PROPERTY, MAUI COUNTY 2023

	PROJECT PROPERTY	TOTAL ASSESSED VALUE	AVE. PROPERTY TAX REVENUE	AVE. ASSESSMENT PER UNIT	AVE. TAX REVENUE PER UNIT	
1	WAILEA BEACH VILLAS	474,547,900	5,623,393	4,943,207	58,577	Largest Ave/Unit
2	KAPALUA BAY CONDO	487,731,400	5,779,617	4,601,240	54,525	
3	WAILEA POINT I, II, III	360,302,000	4,269,579	3,498,078	41,452	
4	HOOLEI	398,574,400	4,723,107	3,267,003	38,714	
5	KAANAPALI ALII	657,716,900	7,793,945	2,391,698	28,342	
6	WAILEA ELUA I, II	354,432,200	4,200,022	2,286,659	27,097	
7	HONUA KAI	1,179,135,500	13,972,756	1,602,086	18,985	Largest by Total Rev.
8	PUAMANA	296,446,000	3,512,885	1,585,273	18,785	
9	KAPALUA BAY VILLAS	175,535,500	2,080,096	1,244,933	14,752	
10	WAILEA EKAHI I, II, III	245,631,400	2,910,732	1,175,270	13,927	
11	MAUI KAMAOLE I, II, III	226,794,000	2,687,509	944,975	11,198	
12	PALMS AT WAILEA I	139,192,700	1,649,433	927,951	10,996	
13	WAILEA EKOLU	135,207,100	1,602,204	913,561	10,826	
14	KEA LANI	410,022,500	4,817,764	911,161	10,706	Largest ave/unit hotel
15	THE RIDGE	139,597,000	1,654,224	867,062	10,275	

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16	MANELE BAY HOTEL	195,762,900	2,300,214	829,504	9,747	
17	GRAND WAILEA	621,756,100	7,305,634	797,123	9,366	Largest Hotel by Total rev
18	KAPALUA GOLF VILLAS	146,211,800	1,732,610	786,085	9,315	
19	FOUR SEASONS	297,937,400	3,500,764	784,046	9,213	
20	GRAND CHAMP VILLAS	142,419,600	1,687,672	757,551	8,977	
21	PAPAKEA	238,776,500	2,829,502	655,979	7,773	
22	KAMAOLE SANDS	278,724,700	3,302,888	633,465	7,507	
23	ANDAZ	205,360,300	2,412,984	635,790	7,471	
24	HALE KAA NAPALI	161,065,400	1,908,625	624,284	7,398	
25	SHERATON	296,801,600	3,487,419	584,255	6,865	
26	ROYAL LAHAINA	254,303,200	2,988,063	580,601	6,822	
27	HYATT	386,224,700	4,538,140	479,187	5,630	
28	WAILEA BEACH MARRIOTT	238,336,000	2,800,448	438,118	5,148	
29	WESTIN MAUI	292,717,300	3,439,428	385,662	4,532	
30	RITZ CARLTON	163,362,000	1,919,504	350,562	4,119	
	Source: Maui County Real Prop Tax	Legend:	 	=STR	 	=Hotel

One of the tools used by the assessment division is the fact that the short term rental properties are sold more frequently on the **real estate** market and then these **sales** are factored into the taxable value of the properties. Thus the assessed values in the short term rental class are some of the top real property tax valued properties on the island, generating most of the tax revenue for the county.

Maui County has added a new 3% TAT tax for the county as of November 2021 and these operators and visitors have fostered this increase generating millions of dollars for Maui county.



At the very least, the State should be making data driven decisions. Where is the study that shows how much revenue these properties raise in TAT for the State? **How many jobs and taxes would be potentially lost with a measure like this?**

Maui County has had laws and regulations in place that closely regulate our short term rentals, and there is strict enforcement of these rules, keeping the illegal rentals numbers very low. In the January 2023 report, there were 25 complaints which resulted in three notices of warnings and zero notices of violations. The vacation rental industry is highly regulated and enforced in Maui County. The community leverages the existing legal operations for benefits to the community as whole.

Our visitor industry benefits from the diversity vacation rentals offer. Having a short term rental is one of the only ways local residents can have direct participation in the hospitality and accommodations sector. There are thousands of small businesses in Maui that benefit from this legal established use in the county. The properties in this district accommodating our visitors are an important legitimate part of our hospitality industry. The guests that seek out these experiences and want more local authentic culture are the educated guests Maui wants.

Last year, the county approved over \$1.07 Billion dollars for their FY2022 budget. For the first time in Maui's history we exceeded a budget of 1 Billion dollars. This was more than a \$200 Million increase, or 27% over the previous fiscal year. The county funds most of those dollars in real property tax revenue. During 2022, the county raised an additional \$430 Million in property tax revenue.

The **short term classification raised \$160 Million in RPT tax in 2022, 12% more than last year.** This was an increase of \$17 Million in tax dollars, **the highest increase in all the tax classifications.** This year short term rentals represent 37% of the real property tax revenue, and 15% of the county of Maui's entire operating budget. **What this demonstrates is that the county depends on the tax revenues of properties like the ones operating in the districts that would be affected by this measure.**

Much of the increases in revenue in property taxes overall came from the increase in values of properties. Total assessments rose **\$4 Billion overall** in Maui County in fiscal year 2022-2023. Increases in assessed values were up 5% overall in the short term classification.



Short term rentals will contribute \$12.1 Million in revenue to the Affordable Housing Fund, the largest contribution of all the classifications, and the largest contribution to date. Over the last 5 years the **short term rental classification has generated \$31.5 million dollars for the affordable housing fund**, the largest contribution by far, and more than the other accommodation sectors combined.

The legal short term rentals in Maui County are a significant and beneficial part of our hospitality industry, and have been for many years. It does not make sense for the State to create laws that would shut down legal operating small businesses without doing plenty of research first.

Given the current budget, gutting funding categories for the State and Counties county is contrary to their fiduciary duty. Creating punitive taxation schemes that harm small businesses is problematic and should not be the way our State makes changes. Please vote no on this bill HB820. Please revise bill 1375 to include the legitimate vacation rental industry with knowledgeable professionals from this industry.

Thank you for considering my testimony. If you have any questions or clarifications please feel free to contact me.

Best,

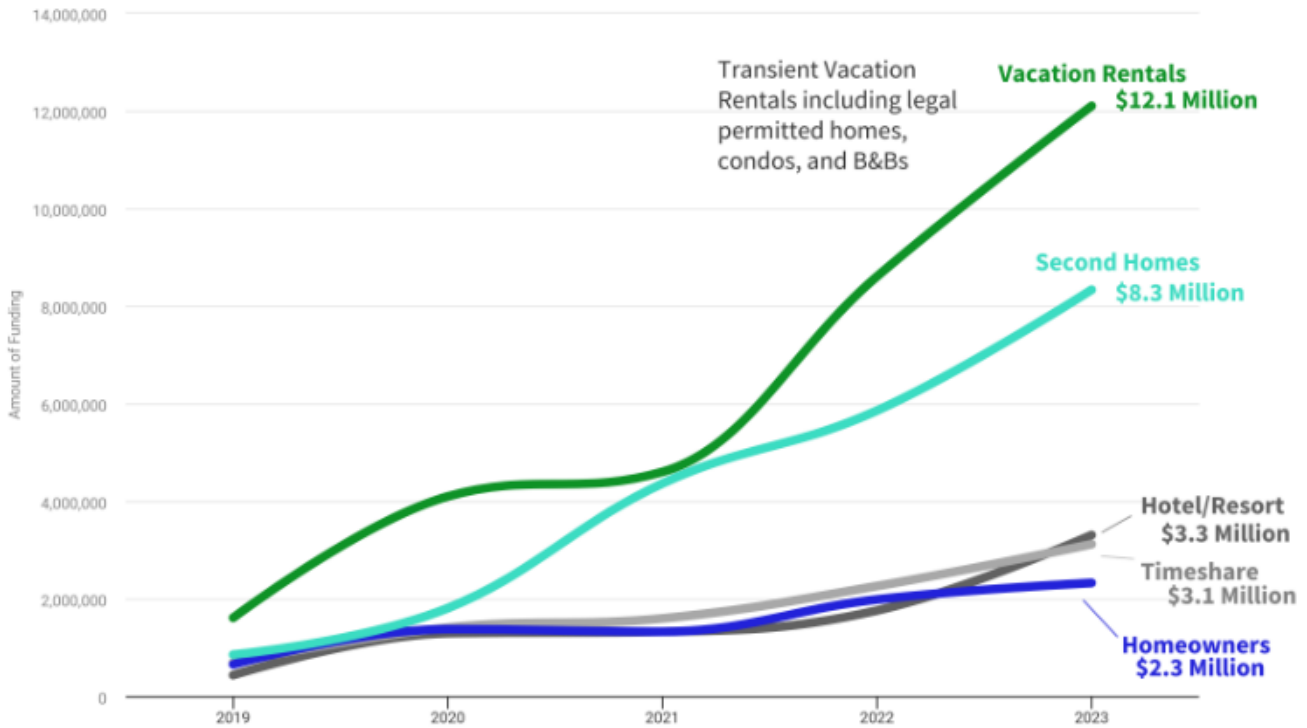
Jen Russo

Executive Director

Maui Vacation Rental Association

Who Pays for Maui's Affordable Housing Fund?

FY2019-2023
Review



Vacation Rentals have contributed a total of \$31.5 million from 2019-2023

Second Homes have contributed a total of \$12.3 million from 2019-2023

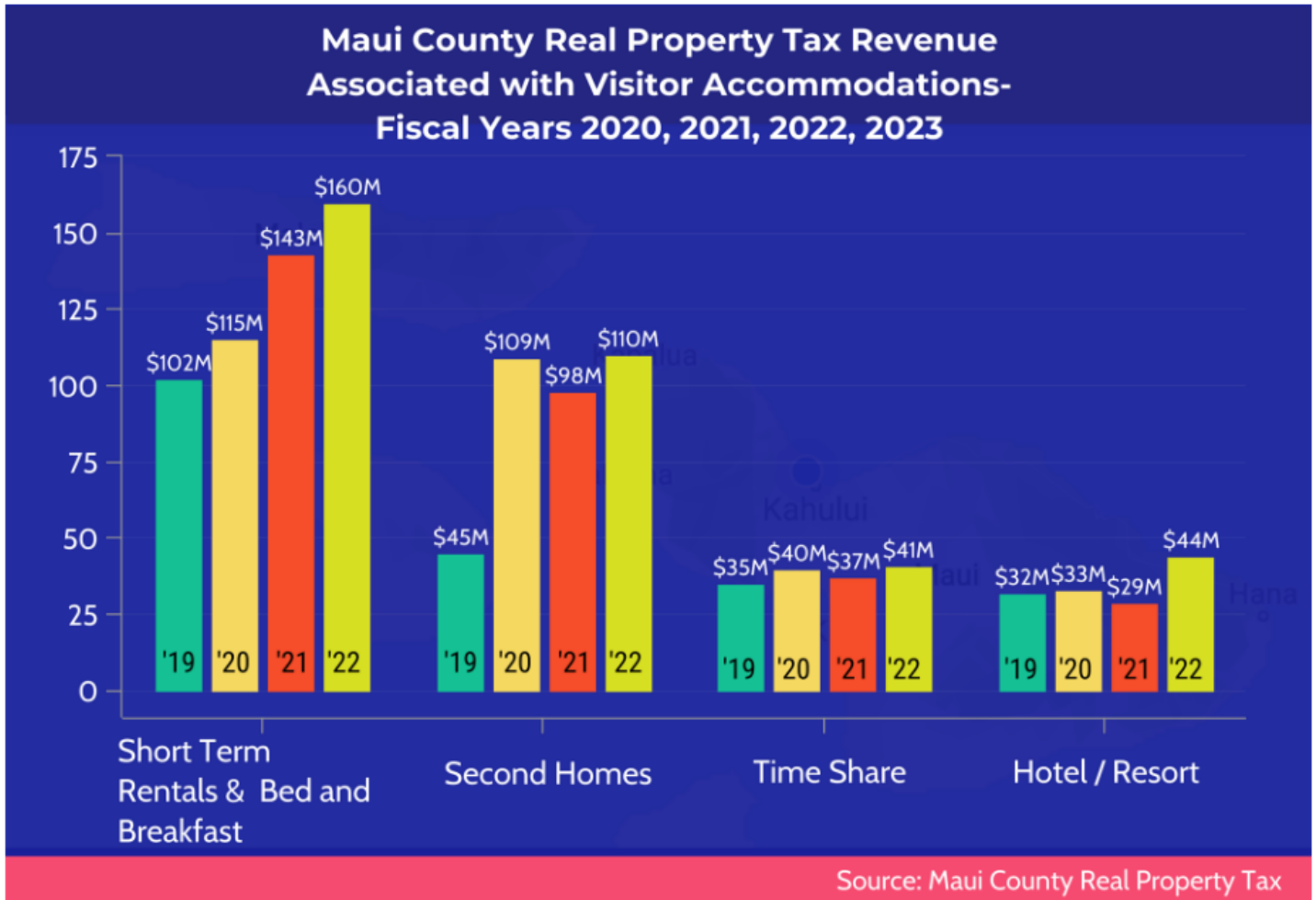
Timeshares have contributed a total of \$9 million from 2019-2023

Homeowners have contributed a total of \$8.3 million from 2019-2023

Hotel/Resorts have contributed a total of \$4.8 million from 2019-2023

Source: Maui County Real Property Tax

The Short Term Rental classification is the largest contributor to the affordable housing fund. The short term rentals have raised more for affordable housing over the past 5 years than the other categories combined.



The County of Maui has a 5 year upward trend in Real Property Tax Revenue generated from Vacation Rentals



Vacation Rental Enforcement Quarterly Report

Date of report: October 6, 2022

The Department of Planning issues quarterly reports on transient vacation rental (TVR) enforcement. This report is for the period July 1 to September 30, 2022, and provides data for advertisements, requests for service, notices of warning and violation, and fines assessed and collected for illegal vacation rental activity in Maui County. Online ads, as confirmed by a vendor already doing research for the latest RFP, number between 20 and 25,000 for the island of Maui. Through agreements with Airbnb and Expedia, all advertisements without a correct TMK will be removed from the platform. Those average around 66 ads for Expedia and 339 for Airbnb whether they are legally allowed to operate or not.

# Ads	# RFS	# NOW	# NOV	Fines Assessed	Fines Collected	RFS Pending	RFS Closed
*NA	24	7	0	0	\$31,000	0	24

Vacation Rental Enforcement Quarterly Report

Date of report: January 31, 2023

The Department of Planning issues quarterly reports on transient vacation rental (TVR) enforcement. This report is for the period from October 1 to December 31, 2022, and provides data for advertisements, COM Connect (SCF) complaints received, notices of warning (NOW) and violation (NOV), and fines assessed and collected for illegal vacation rental activity in Maui County. Through agreements with Airbnb and Expedia, all advertisements without a correct TMK are also removed from those platforms. An average of approximately 120 each month are being removed from both hosting platforms for incorrect TMK entry, whether advertisers were legally allowed to operate or not.

# Ads	# SCF	# NOW	# NOV	Fines Assessed	Fines Collected	# SCF Closed	# PZ-E Pending
*NA	25	3	0	0	0	12	6

The Planning Department posts Quarterly reports on their enforcement of illegal vacation rentals. Violators initial fines start at \$20,000, with daily fines at \$10,000 per day. The Planning Department has a third party contractor to find violators as well as the Zoning and Enforcement Division. You can find their quarterly reports at <https://www.mauicounty.gov/121/Planning-Department>

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NUMBER OF RECORDS BY LAND USE CLASS FOR TAX YEAR 2022 - 2023					
LAND USE CLASS	HONOLULU C&C	MAUI COUNTY	HAWAII COUNTY	KAUAI COUNTY	STATEWIDE
Residential	256,924	0	37,748	7,712	302,384
Residential A	20,763	0	0	0	20,763
Non Owner-Occupied	0	17,989	0	0	17,989
Apartment	0	152	8,978	0	9,130
Commercial	6,806	2,228	2,182	1,030	12,246
Industrial	4,313	819	1,333	451	6,916
Agricultural/Native Forest	3,044	5,597	46,517	2,307	57,465
Vacant Agricultural	96	0	0	0	96
Conservation/Preservator	963	1,092	953	220	3,228
Hotel/Resort	8,720	513	108	3,333	12,674
Bed/Breakfast Home	0	0	0	0	0
Homeowner	0	0	41,516	0	41,516
Owner-Occupied	0	27,874	0	0	27,874
Homestead	0	0	0	12,006	12,006
Public Service	463	0	0	0	463
Time Share	0	2,481	0	0	2,481
Affordable Rental	0	0	1,570	0	1,570
Commercialized Residenti	0	160	0	0	160
Vacation Rental	0	0	0	3,999	3,999
Residential Investor	0	0	0	1,239	1,239
Short-Term Rental	0	13,744	0	0	13,744
Long-Term Rental	0	2,369	0	0	2,369
Commercialized Home Us	0	0	0	1,977	1,977
TOTAL	302,092	75,018	140,905	34,274	552,289

Note: Valuations do not include nontaxable parcels. Source: Technical Branch, Real Property Assessment Division, Department of Budget and Fiscal Services, City and County of Honolulu. August 2022

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State Report Showing largest source of real property tax on Maui is from Vacation Rental Properties

COUNTY of MAUI REAL PROPERTY TAX VALUATION for TAX YEAR 2022 - 2023 (In Thousands of Dollars)								
Land Use Class	Gross Valuation As of 4/28/22	Total Exemptions	Net Valuation	50% Of Appeal Value	Number Of Appeals	Valuation For Tax Rate	Tax Rate Per \$1,000 Value	Amounts Raised By Taxation
Res. Non Owner-Occupied	\$ 16,471,164	\$ 910,965	\$ 15,560,199	\$ 23,265	54	\$ 15,536,933		\$ 109,772
Tier 1						\$ 10,072,731	\$5.85	\$ 58,925
Tier 2						\$ 3,879,135	\$8.00	\$ 31,033
Tier 3						\$ 1,585,068	\$12.50	\$ 19,813
Apartment	\$ 694,686	\$ 316,865	\$ 377,822	\$ -	0	\$ 377,822	\$3.50	\$ 1,322
Commercial	\$ 2,960,440	\$ 259,199	\$ 2,701,241	\$ 32,120	13	\$ 2,669,121	\$6.05	\$ 16,148
Industrial	\$ 2,235,149	\$ 148,479	\$ 2,086,670	\$ 11,998	4	\$ 2,074,671	\$7.05	\$ 14,626
Agricultural	\$ 1,410,082	\$ 89,332	\$ 1,320,750	\$ 10,559	118	\$ 1,310,192	\$5.74	\$ 7,520
Conservation	\$ 349,188	\$ 11,723	\$ 337,465	\$ 24,819	6	\$ 312,646	\$6.43	\$ 2,010
Hotel/Resort	\$ 4,214,601	\$ 5,556	\$ 4,209,044	\$ 504,323	73	\$ 3,704,722	\$11.75	\$ 43,530
Res. Owner-Occupied	\$ 20,897,182	\$ 5,792,786	\$ 15,104,395	\$ 1,476	9	\$ 15,102,919		\$ 30,607
Tier 1						\$ 13,419,846	\$2.00	\$ 26,840
Tier 2						\$ 1,302,105	\$2.10	\$ 2,734
Tier 3						\$ 380,968	\$2.71	\$ 1,032
Time Share	\$ 2,846,030	\$ -	\$ 2,846,030	\$ 33,048	954	\$ 2,812,982	\$14.60	\$ 41,070
Commercialized Residential	\$ 237,734	\$ 5,995	\$ 231,739	\$ 303	1	\$ 231,435	\$4.40	\$ 1,018
Short-Term Rental	\$ 13,473,256	\$ 860	\$ 13,472,396	\$ 16,510	93	\$ 13,455,886	\$11.85	\$ 159,452
Long-Term Rental	\$ 1,577,804	\$ 466,704	\$ 1,111,100	\$ 577	9	\$ 1,110,523		\$ 3,672
Tier 1						\$ 985,844	\$3.00	\$ 2,958
Tier 2						\$ 94,382	\$5.00	\$ 472
Tier 3						\$ 30,297	\$8.00	\$ 242
TOTAL	\$ 67,367,314	\$ 8,008,464	\$ 59,358,850	\$ 658,999	1,334	\$ 58,699,851		\$ 430,749

Note: Valuations do not include nontaxable parcels. Source: Technical Branch, Real Property Assessment Division, Department of Budget and Fiscal Services, City and County of Honolulu. August 2022

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Visitor Accommodations legally operating in Maui County
 Source: County of Maui Real Property Assessment Division Report 10/2022

<p style="font-size: 24px; margin: 0;">How many vacation rentals are there?</p> <p style="font-size: 12px; margin-top: 10px;">Data source: County of Maui Real Property Assessment Division 2021 Maui Visitor Lodging Inventory</p>	Real Property Visitor Lodging Type	2021 Count	
	Hotel operations (41 hotels)	8,336	Rooms
	Residential condominiums used for transient lodging	13,029	Parcels
	Single family bed & breakfast	165	Parcels
	Permitted/grandfathered single family transient lodging	420	Parcels
	Timeshare dwelling condominium units	2,475	Parcels
	Hotel zoned condominiums not used for transient lodging	134	Parcels
Total visitor lodging units	24,425		



Additional Testimony from a legal permitted Maui Operator:

Aloha Representative Kyle Yamashita and the Finance Committee,

My husband is a Hawaiian, raised by a Hawaiian mother and adopted by a Japanese father. It is hard for locals to live the Maui dream due to rich investors moving on the island and increasing land pricing. The proposed tax increase will hurt our economy. Maui's main revenue is tourism, which helps our island economy and all locals' income.

Are we increasing the pricing so the middle class tourists can't afford to visit the islands? I feel the tax increase mainly affects the locals in a negative way. Many of the locals closed their doors when Covid-19 happened. Increasing taxes will continue this slow down and negatively impact tourism.

An increase in taxes will seriously hurt small businesses. We need our local small businesses to be accessible and affordable for all people including locals and middle class tourism. I strongly oppose the large increase of taxes currently being proposed.

Mahalo,

Tasey Miyahira, 110 Apau Place, Makawao, HI 96768 Cell 702-289-1745, Permit #STMP 2013-0001

HB-820-HD-1

Submitted on: 2/24/2023 11:57:59 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Denise Voytilla	VRBO	Oppose	Written Testimony Only

Comments:

I have a small vacation rental that I rent out using the Website/company VRBO and Air bnb. I pay 10.25 % in TAT taxes monthly and then pay 4.5 exise taxes bi yearly. Between the 2 we pay an exorbitant amount for taxes making it difficult to keep it up and running, especially if I have to pass on the taxes to the travelers or make up for it in taxes by raising the nightly rental amount for their stays. My husband and I are on SS and needed to do this in order to make ends meet for our mortgage and other expenses accrued monthly. Please dont raise these taxes. It doesn't benefit us or the travelers coming to the islands or income to our island, seems how TAT taxes are sent to Oahu.

Sincerely, Denise Voytilla

HB-820-HD-1

Submitted on: 2/22/2023 5:45:28 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Neal Edward Halstead	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita and Members of the House Finance Committee

I am writing to strenuously **OPPOSE** HB820_HD1.

Ten or twelve years ago, when I first bought a vacation rental on Maui, the hotels and the hotel lobby group (aka the Hawaiian Tourism Authority) decried the existence of vacation rentals and demanded that they be put on a level playing field with the hotels.

Now it seems that a level playing field is not enough for the hotels and the HTA, and they now feel the need to financially penalize tourists who choose not stay at their properties. And not just the tourists. On Maui, the property tax rate for hotels is \$11.75 per thousand whereas vacation rental tax rates are \$11.85, thereby already penalizing vacation rental owners.

Obviously a 25% transient accommodations tax is absurd and ridiculous and highly cynical.

All I am asking is that hotels be required to play on a level playing field as vacation rentals.

Of note:

Short term rentals play a significant role in outer island economies, bringing in 37% of real property tax in Maui County, and more than 15% of the entire Maui County operating budget.

Short-term rentals also benefit the state of Hawaii by generating tax revenue from taxes such as the general excise tax and transient accommodation tax, incidentally, the highest transient accommodation tax rate in the United States.

If you are going to pass this bill, at least have the decency to make it apply to all vacation rentals, including hotels.

Mahalo for your time

Neal Halstead

Kihei, Maui

HB-820-HD-1

Submitted on: 2/22/2023 8:03:54 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Levi Brooker	Individual	Oppose	Written Testimony Only

Comments:

Please just stop with all this already. The nominal amount of remaining legal TVUs on Oahu are not worsening the housing crisis. The inability to build new multifamily housing is. At this point, the anti-TVU rhetoric is just a tired and EXTREMELY thinly veiled attempt by the hotel industry to continue gouging guests while not passing through the additional earnings to employees. Enough already.

HB-820-HD-1

Submitted on: 2/22/2023 8:11:22 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Chin Heng	Individual	Oppose	Written Testimony Only

Comments:

Aloha, thanks for the opportunity to submit a testimony.

I strongly oppose HB820. Why is our legislator trying to single out legal vacation rental owner but exempt the hotels from paying this 25% tax? The existing TAT tax treats the hotel industry and short term rental operators the same - both have to pay TAT tax. HB820 will single out and punish short term rental operator - all small business owners.

There are other ways to regulate the short term rental industry - and we want fair treatment for hotel industry too.

Thanks

HB-820-HD-1

Submitted on: 2/22/2023 8:11:50 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richie Zeng	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I strongly oppose Hawaii Bill 820 for the following reasons.

- 1) This and many other anti-vacation-rental legislations are being drafted without bringing representatives of the **legal** Vacation Rental industry to the table. We want our legislators to include us when discussing these issues and drafting these bills.
- 2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25%** tax on their **gross rental income** on top of the 4% GE tax.
- 3) This legislation intends to punish **legal** vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (both hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu. Hotels should have the same taxes and fees as legal vacation rental owners.
- 4) This movement would put many vacation rentals out of business and significantly hurt the local economy. The vacation rental industry drives many local small business including cleaners, contractors, maintenance, property managers, interior designers, furniture businesses, and more. All of these businesses would be significantly hurt as a result of this bill.

I strongly encourage the writers of the bill to reach out to representatives from the vacation rental and hotel industry to discuss the goals of this bill more deeply.

Thank you for your consideration. Best regards,

Richie Zeng

HB-820-HD-1

Submitted on: 2/22/2023 8:15:33 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Vladimir Gurovich	Individual	Oppose	Remotely Via Zoom

Comments:

I STRONGLY OPPOSE this bill for the following reasons:

1) It ignores the fact that any rentals of less than 180 days (including hotels and transient vacation units) on Oahu are already subject to 10.25% state Transient Accomodaton Tax and 3% city Transient Accomodation Tax. This will bring total tax amount on Transient Vacation Units to **38.25%**

2) This punitive tax of extra 25% **only punishes legal vacation rentals** while completely **absolving hotels from same tax liability** which makes it unfair and unconstitutional. Existing Transient Accomodation Taxes apply to hotels and non-hotel rentals that engage in the same activity (renting for less than 180 days) EQUALLY. This proposed tax discriminates against legal vacation rentals while letting hotels slide.

HB-820-HD-1

Submitted on: 2/22/2023 8:21:36 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
George R. Norcross	Individual	Oppose	Written Testimony Only

Comments:

This is a very unfair tax. It would be a total of 38.5%! Why aren't hotel included? I think it is because you are trying to punish short term rentals, on behalf of the hotel industry. Do they have you in their poccket. If this passes it sure would look like that is the case Think about that. When you travel, don't you sometimes stay in a bed and breakfast home. I have and it is a unique experience. I also stay in hotels at times. Why can't this be the case on Oahu. Are we short sighted?

Where is the "Aloha" in this bill? Where is the fatness?!?!?

There is no way that I can see this tax as needed or justifiable. Let's turn the table and tell the hotels that you are going to tax them 35%! What would they say? PLEASE DO THE RIGHT THING, DO NOT PASS THIS BILL. MAHALO

Mahslo!

HB-820-HD-1

Submitted on: 2/22/2023 8:21:42 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joonhae Ahn	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I strongly oppose Hawaii Bill 820.

1) This and many other anti-vacation-rental legislations are being drafted without bringing representatives of the legal Vacation Rental industry to the table. We want our legislators to include us when discussing these issues and drafting these bills.

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their gross rental income on top of the 4% GE tax.

3) This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (both hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu. Hotels should have the same taxes and fees as legal vacation rental owners.

4) This movement would put many vacation rentals out of business and significantly hurt the local economy. The vacation rental industry drives many local small business including cleaners, contractors, maintenance, property managers, interior designers, furniture businesses, and more. All of these businesses would be significantly hurt as a result of this bill.

I strongly encourage the writers of the bill to reach out to representatives from the vacation rental and hotel industry to align on the goals and implications of this bill.

Thank you for your consideration. Best regards,

Joonhae Ahn

HB-820-HD-1

Submitted on: 2/22/2023 8:54:26 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kate Bliss	Individual	Oppose	In Person

Comments:

This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

HB-820-HD-1

Submitted on: 2/22/2023 9:19:09 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Michelle Yao	Individual	Oppose	Remotely Via Zoom

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. How can some legislators call the legal vacation rentals a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordinance in that regard. The problem is enforcement of the ordinance. Until the counties can have the resources to effectively enforce their respective ordinance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/22/2023 9:36:31 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Martin	Individual	Oppose	Written Testimony Only

Comments:

Short Term rental as defined by HI state legislature is 180 days or less introducing another definition is confusing and uncalled for. Current status quo is that State Transient Tax of 10.25% plus applicable city taxes of 3% are to be collected for all rentals. Adding a 25% vacation rental tax and exempting hotels is simply unfair and un-american. We should work as a community and find fair and equitable ways to evenly distribute tax burdens. Hotels already have an advantage by being allowed to rent for shorter period.

In summary this bill 820 is simply untenable as written.

HB-820-HD-1

Submitted on: 2/22/2023 9:39:38 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Virginia Dudden	Individual	Oppose	Written Testimony Only

Comments:

Thank you for allowing me to submit testimony opposing HB820. This bill is vindictive and illegal. I ask you to vote against imposing a 25% TAT on STRs.

If you feel the need to pass this burdensome tax, levy the tax on ALL short-term accommodations including hotels and motels. Treat all places tourist lay their heads at night equally. Better yet, opposed this ridiculous piece of legislation and address the real problems facing Hawaii.

Vote NO on HB820

Respectful,

- Virginia Dudden
- Kailua Hi

HB-820-HD-1

Submitted on: 2/22/2023 9:42:25 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ye Zhang	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/22/2023 9:42:39 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mingcheng Chen	Individual	Oppose	Written Testimony Only

Comments:

I am in opposition to this proposed bill, as it unfairly penalizes legal vacation rental operators and favors hotels, effectively granting them a monopoly. Legal transient vacation rentals on Oahu operate in the same resort zones as hotels, offering similar transient accommodations. Yet, while hotels are taxed at 10.25% TAT, we are subjected to a 25% tax. This discriminatory treatment of one particular class of transient accommodation provider is unconstitutional, as all people and businesses should be treated fairly and equally in terms of taxation.

The committee report accompanying this proposal makes an incorrect assertion that transient vacation rentals are problematic. This statement is not only false but also a direct insult and slander to all law-abiding vacation rental operators, most of whom are small business owners. On Oahu, vacation rentals in resort zones pay the same state GET and TAT taxes as hotels, as well as the highest hotel and resort zone property taxes. Furthermore, vacation rental operators are required to pay annual fees and adhere to other requirements that hotels are exempt from. The resort zones on Oahu were established primarily to serve the visitor industry, so it is perplexing that some legislators refer to legal vacation rentals operating in these designated areas as problematic.

The real problem lies with illegal vacation rentals in residential areas, which disrupt local communities. Oahu recently passed the strictest ordinance against such rentals, but enforcement remains a challenge. Until counties have adequate resources to enforce their respective ordinances effectively, illegal vacation rentals in residential areas will continue to be a source of disruption.

HB-820-HD-1

Submitted on: 2/22/2023 9:43:01 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Orly Maor	Individual	Oppose	Written Testimony Only

Comments:

This bill: HB 820 will really hurt all short town vacation rental properties. We will not be able to pay such a high percentage, and Hawaii will lose all the tourists that cannot afford to pay the hotel room rate. It will hurt the community very bad, we will not be able to continue hiring cleaners, plumbers & gandyman. Our guests will not be doing the shopping in the community, go to restaurants and shop at the souvenir stores as well. Please don't let this bill pass, it will be a disaster for the community.

mahalo, Orly Maor

HB-820-HD-1

Submitted on: 2/22/2023 9:53:36 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Maggie Huang	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/22/2023 9:55:50 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Qian	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.
Kristine

HB-820-HD-1

Submitted on: 2/22/2023 10:03:47 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Erik Pegg	Individual	Oppose	Written Testimony Only

Comments:

The state of Hawaii needs to stop taxing and restricting vacation rentals. Vacation rentals provide secondary income to Hawaii families that need to deal with rising inflation and rising property taxes. Limiting out-of-state individuals or foreigners from operating vacation rentals is acceptable, but Hawaii residents should be able to rent out their homes without restrictions or penalties.

HB-820-HD-1

Submitted on: 2/22/2023 10:08:28 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Larry liz	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/22/2023 10:10:00 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Adam Rose	Individual	Oppose	Written Testimony Only

Comments:

Dear Hawaii Legislature,

I am writing to express my opposition to House Bill 820, which proposes a 25% tax on vacation rentals in Hawaii. While I understand the concerns around the vacation rental industry, I believe that this legislation is poorly drafted and will have negative consequences for vacation rental owners in the state.

One of my main concerns with HB 820 is that it was drafted without input from representatives of the vacation rental industry. It is important to bring all stakeholders to the table and work together to find a fair and balanced solution. By excluding the vacation rental industry from the drafting process, the legislation risks being overly punitive and unfair to legal vacation rental owners.

Additionally, this bill proposes a 25% tax on vacation rentals that are already taxed by the state and local government. As it stands, vacation rental owners are already paying the Transient Accommodation Tax at a rate of 10.25% and a City and County of Honolulu tax at a rate of 3%. If HB 820 passes, vacation rental owners on Oahu will be subject to a 38.25% tax rate, which is an unfairly high burden.

Furthermore, this legislation appears to unfairly target legal vacation rental owners while exempting hotels from the same treatment. The current Transient Accommodation Taxes treat any rental of less than 180 days equally, including hotels and vacation rentals. HB 820 singles out and punishes owners of transient vacation units, particularly on Oahu.

In conclusion, I urge you to reconsider House Bill 820 and work with representatives of the vacation rental industry to come up with a fair and balanced solution that does not unfairly burden vacation rental owners. Thank you for your attention to this matter.

Sincerely,

HB-820-HD-1

Submitted on: 2/22/2023 10:22:39 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Ochsenbein	Individual	Oppose	Written Testimony Only

Comments:

Please vote NO on HB820 HD1.

This bill is flawed in so many ways. It was written poorly and would end up being a disaster for our state. This doesn't just affect tourists, but traveling nurses, private contractors, those that can't afford to sign a year-long lease, etc. It is more than likely unconstitutional and would be challenged in court.

Mahalo for your time.

HB-820-HD-1

Submitted on: 2/22/2023 10:41:00 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
karin omahony	Individual	Oppose	Remotely Via Zoom

Comments:

Oppose HB820

This bill benefits the hotels (money leaves Hawaii)

This bill penalizes home owners and business owners in Hawaii

I am a voter, resident and homeowner in Hawaii. Do not pass another bill that penalizes citizens to the benefit of hotels.

HB-820-HD-1

Submitted on: 2/22/2023 10:56:09 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Brant	Individual	Oppose	Written Testimony Only

Comments:

Surely one of the worst proposals to come before the Legislature.

It is simply false that vacation rentals are responsible for the overcrowding and rising property values we see all over the State.

There seems to be no limit to the number of 40-story hotels/timeshares/condominiums that get approved. Look at the Hilton Hawaiian Village in Waikiki which seeks to put highrises on every inch of its property! And the new highrises along Kuhio Avenue which are turning Waikiki into canyons! At prices very few local people can afford. You think all these new residents aren't contributing to the crowding at the same spots and roads tourists use? Have you driven in afternoon traffic lately?

Meanwhile, Mom and Pop are taking the blame for the one or two rooms they rent out??? This is lunacy!

And this is illegal. As you know, the courts recently ruled on the 30/90 day STR definition that governments cannot suddenly end previously legal activities and make residents' investments worthless!

This measure will meet the same fate, if it unfortunately progresses that far.

All the Counties have been adopting measures to regulate vacation rentals, after careful study to be fair to all interests involved. And now the State is going to come in with a sledgehammer and, as Representative Holt flatly stated, seek to put the vacation rental operators out of business???

No! No! No! No!

Vacation rentals are in important part of the visitor economy that is essential to the State, and to *your* tax revenues! While some people may choose to stay in hotels, many others prefer the independence of vacation rentals, and if Hawai'i is one of the very few places that do not offer them, they will simply go elsewhere!

As a long-time, ethical vacation rental host, I call upon you to see that this awful bill goes no farther.

Mahlo!

Michael Brant - Waikiki

HB-820-HD-1

Submitted on: 2/22/2023 11:49:42 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Luke	Individual	Oppose	Written Testimony Only

Comments:

No matter how you frame it, this bill is double taxation. The State cannot tax twice on the same income. To impose a **25% tax ONLY** on "transient vacation units" is systemic injustice in favor of the hotel industry.

HB-820-HD-1

Submitted on: 2/22/2023 11:57:10 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Jackson	Individual	Oppose	Written Testimony Only

Comments:

My immediate thought was this bill is so ridiculous that it is laughable, but I immediately realized the supporters are very serious.

They readily admit to wanting to close all vacation rentals. It doesn't matter that it will put small business owners out of business, resulting in lost jobs, a big reduction in tax revenue for the city/county/state, and take away accommodations that visitors find highly desirable. This kind of legislation and taxation sends a very bad message to returning visitors, and potentially new ones. How could there be any fairness in imposing a new, huge increase that doesn't even apply to hotels. A very strong case can be made that vacation rentals should be taxed at a lower rate than hotels.

Those who are attacking and threatening vacation rental owners for the sake of creating affordable housing continue to ignore the preponderance of evidence that this just isn't true.

HB-820-HD-1

Submitted on: 2/23/2023 1:14:04 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Elen Stoops	Individual	Oppose	Written Testimony Only

Comments:

Oppose this bill written to disadvantage small businesses and to create legislatively engineered advantages for Hotels.

HB-820-HD-1

Submitted on: 2/23/2023 1:39:27 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dunfa Xi	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 3:03:49 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kris Anne Gustavson	Individual	Oppose	Written Testimony Only

Comments:

Many anti-vacation-rental laws are in Hawaii already. The Vacation Rental industry has not had an opportunity to be involved in this decision making. With this legislation, it will be the same. Hawaii should act as a democracy with everyone's voice heard. This is a poorly drafted legislation that seems to add a 25% tax on vacation rentals making the total tax 38.25%. Highway robbery. Yet the hotels will be exempt from this tax. Maybe there is a concern of lack of housing for locals. Then it is time that the building department actually issue building permits in a timely way. Everyone needs to chip in to help the local economy and local population. Punishing owners of vacation rental is not the way.

HB-820-HD-1

Submitted on: 2/23/2023 3:17:11 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John An	Individual	Oppose	Remotely Via Zoom

Comments:

I testify in strong opposition to HB820-HD. Transient accommodation is transient accommodation, whether operated by a hotel or an individual. Yet this bill somehow creates a privileged class for hotels, and excludes hotels. It is clear that this bill was created with input from a singular stakeholder.

I urge you to please vote no on this bill. And moving forward, please involve short term rental stakeholders in informing the legislative process on transient accommodation. As it is clear from the inability of some of the counties in establishing a balanced and fair legislation, this is a complex issue that cannot be resolved simply by getting input only from the hotel industry. Establishing fair and balanced rules that benefit the state, the counties, and the residents requires multi-stakeholder involvement.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 4:56:34 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sonya Seng	Individual	Oppose	Written Testimony Only

Comments:

To the Hawaii House Finance Committee, I am submitting my strong opposition to this bill. It singles out law abiding, kamaaina families like mine, taxing us while exempting hotel interests. It duplicates existing local taxes (TAT and C&C) so that TVU owners would pay over 38% tax. This is unconscionable. And this measure is being rushed through without representation from the vacation rental industry. We are LOCAL FAMILIES who run respectful, legal businesses that build up our neighborhoods using the one asset we have left as we age: our home. If you pass this bill, you are against us. And we will suffer and remember. Do the right thing and vote against this rushed, poorly written and anti-local family bill. Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 5:10:51 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bijun Sun	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you

HB-820-HD-1

Submitted on: 2/23/2023 5:14:45 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cari Keizer	Individual	Oppose	Written Testimony Only

Comments:

I own a condo in Kuilima and I cannot afford for you to vote in this bill. We employ people to run our STR not to mention the repair people we hire now and again. This extra tax on the little guy is unfair and a burden to us. Why are hotels not treated the same way?

Please vote against this increase in tax.

Thank you,

Cari Keizer

HB-820-HD-1

Submitted on: 2/23/2023 5:42:24 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ken Johnson	Individual	Oppose	Written Testimony Only

Comments:

Passing HB 820 which blatantly violates the Constitution is just a waste of everyone's time.

As shown by Oahu Bill 89 (Ordinance 19-18) and Bill 42 (Ordinance 22-7), provisions that violate the US and/or Hawaiian Constitution are easily and quickly defeated in Federal Court.

Why go through with this charade? Politicians look really foolish, incompetent and special-interest-compromised when they vote for bills after being warned about the violation of the Constitution. Is that how you would like to be seen by the voters?

If you want to curtail short-term rentals, make a deal with AirBnB and VRBO. They are more than willing to be a partner. Mayor Cadwell did this in 2019. That deal would have eliminated all illegally operating vacation rentals in a matter of months. But Mayor Blangiardi messed all that up by terminating that deal and go for his ill-advised Bill 42.

HB-820-HD-1

Submitted on: 2/23/2023 5:46:09 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Judy Cole	Individual	Oppose	Written Testimony Only

Comments:

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals- almost tripling just the TAT taxes that are paid. And that is on top of the huge increase in property taxes for this year.

This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills. Please vote no on HB820.**

HB-820-HD-1

Submitted on: 2/23/2023 5:58:44 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Farrah Larson	Individual	Oppose	Written Testimony Only

Comments:

As a valid NUC holder, we have been operating legally for many years. We employ multiple people on the island and we provide housing for travelers and short term workers. We make the North Shore equitable as the only other place to stay is the hotel with rates at \$1000 a night. With the increase in property taxes and inflation, it has become difficult to provide equitable, affordable housing. We do not have the additional revenue streams like hotels to cover all these additional expenses. With a tax of 25% tat, get, and otat, we'd be at over 30% in lodging taxes, the highest in the world. The coastal commission in CA's goal is to make access to the beach equitable and attract a diverse group to enjoy the beach. You are making it inequitable and only for the rich. Diversity, equity and inclusion should be considered when you vote for this bill. This new tax is not inclusive, it is only affordable for rich travelers.

HB-820-HD-1

Submitted on: 2/23/2023 6:13:56 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Danielle Haberfield	Individual	Oppose	Written Testimony Only

Comments:

Legislators & The Hawaii House Finance Committee,

I am respectfully writing in strong opposition of the proposed Hawaii House Bill 820. As an owner of a legal STR, I am concerned over the high taxes that will be levied on many properties and owners. We have respectfully followed the rules in registering our properties so that we are in compliance with the city, and we want what's best for the community and our people.

Currently, those of us that use our units as STRs for income, are already being taxed by the state via 10.25% TAT, and by the City & County of Honolulu at the rate of 3%. As writtten, HB 820 will result in a 25% tax increase for us with LEGAL rentals. That means owners will pay 38.25% in taxes on our rentals.

First off, this appears to be punishing those of us that are compliant with registering our units. Shouldn't there be more initiative to go after the illegal units and placing high fines on those, rather than placing impossibly high taxes on the compliant owners? I fear with this high taxation, many will take there units off of rental "sites", rent on their own without reporting income, resulting in an even bigger issue.. loss of those tax dollars for the state and greater illegal units on the island.

Second, it is unfair for us ma & pop owners to pay an exorbitant amount in taxes, while hotels and resorts aren't affected. Why are they not getting this treatment? They would have the ability to pay these type of taxes out of their restaurants and activities, alcohol sales and mini boutiques. It appears that this bill singles out and punishes LEGAL owners of TVUs.

In conclusion, please don't punish us legal STR owners. We are just trying to provide income for our families, while bringing in tourist revenue to support the local small businesses. Let's keep the island a place for all to succeed and flourish.

Respectfully,

Danielle Haberfield

HB-820-HD-1

Submitted on: 2/23/2023 6:20:48 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Yin Lei	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.
Yin Lei

HB-820-HD-1

Submitted on: 2/23/2023 6:28:16 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
jing xue	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

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It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 6:54:44 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica wang	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

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It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 6:57:21 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lynne wood	Individual	Oppose	Written Testimony Only

Comments:

Why you want to destroy locals?? hotels wont have to pay this ?! Thanks government and mufi Hannemann. Greedy is an understatement. Im sure this will pass if only 3 of you support it and thousands oppose like before.

HB-820-HD-1

Submitted on: 2/23/2023 6:59:28 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Benjamin Bennett	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Members of the Hawaii State Finance Committee,

I am a resident of Hawaii living at 57-068 Eleku Kuilima Place #152 Kahuku, Hawaii 96731. My children attend Sunset Beach Elementry School. My wife teaches part time at a local university. I work remotely from our home.

As residents, we already pay incredibly high taxes to live in the place we love that is Hawaii. House Bill 820 hurts residents like me who use the supplemental income from a legal short term rental by increasing the transient accomidations tax (TAT) by nearly 3 times from what it is today! This tax would essentially make it prohibitively expensive for me to rent my unit. This tax essentially creates a state wide ban on short term rentals. It would not only hurt my family but also hurt others who operate small businesses in Hawaii that I employ to clean and/or replair my unit from time to time.

Oahu has already placed severe restrictions on short term rentals. We have and will continue to comply with those.

Not only is this bill bad for residents, but, tripling the tax assesed to short term rentals while excluding Hotels from this tax increase is blantant discrimination against individuals and small businesses in favor of the powerful hotel industry. Not only is this bill wrong for Hawaill residents, but, moving forward with this bill could set the basis for legal challenges under the takings clause of the US Constitution as well as other aspects of the Hawaii State Constitution. Individual counties such as Oahu have already taken dramatic action to limit, restrict and regulate Short Term Rentals.

Additional taxation and regulation as envisioned by HB820 is unnecessary, is damaging and only serves the interst of the powerful hotel industry and lobby.

I respectfully urge you and your colleagues to vote NO on this bill. I thank you for your service on behalf of Hawaii and its residents.

Aloha and Mahalo,

Ben Bennett

HB-820-HD-1

Submitted on: 2/23/2023 7:07:23 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Chong	Individual	Oppose	Written Testimony Only

Comments:

23 February 2023

To the Hawai‘i House of Representatives, Representative Kyle T. Yamashita, Chair,

My name is Richard Chong, and I am a homeowner of a vacation rental in Kailua. I am writing in strong opposition to yet another bill attacking individual homeowners of their rights.

First, there was bill 89, the ONLY bill which was negotiated between the government and representatives of homeowners & neighborhoods back in June 2019. It provided a framework for beginning to regulate and control the problems caused by unfettered vacation rental growth. With the pandemic beginning in early 2020, the state was unable to effectively implement bill 89 as everyone’s focus was on dealing with the much larger issue of public health and Hawai‘i’s response to it. Without even waiting until the state had an ability to try to implement the procedures under bill 89, Hawai‘i then chose to pass bill 41 which was passed without any input from representatives of homeowners. It was so egregious & poorly thought out that it violated the State constitution, and a preliminary injunction was successfully filed against the government in implementing this bill.

Now, the state has come up with two more bills, bill 84 and bill 820, both of which have been developed without any input from any group representing individual homeowners, to continue to assault the rights of homeowners in favor of hotel groups. This relentless assault has resulted in neighbors blaming each other and causing more disruption in neighborhoods instead of trying to find a way for everyone to work together for the benefit of Hawai‘i. Vacation rentals, effectively regulated, can provide multiple benefits for the Hawaiian community, neighbors, vendors, local businesses, and even the state government.

I live in this rental about a quarter of the year, and my family uses it for much of the remainder of the year. I can only afford the significant maintenance cost of an oceanfront property by renting it out to one tenant each thirty days for about two-thirds of the year. I screen my renters to make sure that they are aware of any concerns of my neighbors – noise, use of public parking spaces, and prohibiting large parties. In fact, all three of my direct neighbors to the north, south and west of my house have encouraged me to continue to rent it out to vacation renters because it enables me to maintain the house in wonderful shape. My neighbors often help me out by moving out the garage, recycle & garden clippings bins to the sidewalk as they are aware that vacation renters are sometimes unaware of the schedules.

This small vacation rental employs cleaners (twice a month), pool cleaners (once weekly), window washers (once weekly), gardening crews (once weekly), pest control (once quarterly), painters (annually), plumbers & electricians. I file my GET and TAT taxes monthly and pay at every filing. I am well aware of the concerns of my neighbors and have gotten to know them well over the years. Being respectful of neighborly concerns is an important issue since the city enforcement of noise & parking violations is quite lax. My neighbors continue to be quite supportive of having short term vacation renters as it does bring them a lot of benefits.

Instead of relentlessly assaulting the rights of individual homeowners, the Hawai'i House of Representatives should have discussions with all affected parties before presenting new legislation and try to get neighbors to work together rather than just continue to divide neighbors with proposals that solely benefit the hotel industry.

Sincerely,

Richard M. Chong

584 Kaimalino Street, Kailua, HI 96734

HB-820-HD-1

Submitted on: 2/23/2023 7:08:00 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alexei Semenikhine	Individual	Oppose	Written Testimony Only

Comments:

I would like to submit my vehement opposition to the HB820.

It is clearly unconstitutional.

It violates the US Constitution as well as the Hawaii State Constitution.

It disenfranchises a certain category of tax payer (TVUs) from those that are similarly situated (Hotels).

What is the State's justification for discriminatory treatment of one group of providers of transient accommodation?

There is no basis in fact for such discrimination, it is entirely unfair.

Our elected representatives' first and foremost duty supposed to be upholding our Constitution.

This Bill will clearly undermine equal treatment under the law and will be challenged in courts if passed.

What a waste of taxpayer's time and money!

Sincerely,

Alexei Semenikhine

HB-820-HD-1

Submitted on: 2/23/2023 7:09:04 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kent Whelihan	Individual	Oppose	Written Testimony Only

Comments:

This Bill seems to hike up the tax on Short Term Rentals way too high. My wife and I own one rental in the Waikiki Hotel Resort Zone. We do everything that is required and pay all of the taxes and fees, which are already high. This bill seems to unfairly add an additional 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the high rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals. This tax level is way too high! Please kill this Bill. Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 7:14:35 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Y	Individual	Oppose	Written Testimony Only

Comments:

I would like to oppose this bill.

HB-820-HD-1

Submitted on: 2/23/2023 7:16:56 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carl Schneider	Individual	Oppose	Remotely Via Zoom

Comments:

My name is Carl Schneider and I strongly oppose bill HB 820. This bill is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation unit owners on Oahu having to pay 38.25% tax on their rentals.

This bill (and many other anti-vacation-rental legislations) was drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. Our legislators should include our group when considering these issues and drafting these bills.

This legislation was designed to punish legal vacation rental owners while exempting hotels from the same tax. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equally, this bill singles out and punishes owners of transient vacation units, especially on Oahu.

This is apparently another bill drafted by the hotel industry lobby as a way of eliminating their competition. If the goal of the legislators is to raise revenue, it must be done equally without favoring one group over any other. It also must be done without violating the protections included in the U.S. Constitution.

I respectfully request that you vote against Bill HB 820 and consider a fair and balanced solution.

HB-820-HD-1

Submitted on: 2/23/2023 7:18:01 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
George Fulton	Individual	Oppose	Written Testimony Only

Comments:

To discriminate between a hotel TAT and a STR TAT, which this bill will do, is probably unconstitutional (I'm a retired lawyer).

The obvious goal of this bill is to eliminate STRs in their entirety. As Chief Justice Marshall wrote over 200 years ago " the power to tax is the power to destroy ".

HB-820-HD-1

Submitted on: 2/23/2023 7:21:22 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen M Gookin	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill. The taxes are already high enough. Adding to them for short-term rentals only favors the hotels.

HB-820-HD-1

Submitted on: 2/23/2023 7:25:00 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul j Keizer	Individual	Oppose	Written Testimony Only

Comments:

I am the owner of a condo in Kuilima West and I oppose this measure as would impose additional hardship to my family. We have paid transient taxes for over 20 years and this additional tax would be a burden.

Paul Keizer

HB-820-HD-1

Submitted on: 2/23/2023 7:31:53 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Weiping Dou	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 7:38:53 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Yishuang Xu	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 7:45:10 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Helena Von Sydow	Individual	Oppose	Written Testimony Only

Comments:

Honorable members of the finance committee

I oppose HB820

Short term rentals are legal on Oahu in the 3 Resort areas of Ko’olina, Waikiki and Turtle Bay/Kuilima and are again under attack. After the recent passage of City ordinance 22-007 individual property assessments have doubled and actual property tax charges quadrupled from 3.5 to 13.9 to cause an eight-fold increase in property taxes.

Now State HB 820 proposes to increase the State Transient Accommodations Tax from the current 10.25% to 25% only for short term rentals and not hotels.

Please amend bill to carve out the LEGAL short term rentals in the desiganted Resort areas

Please stop driving resort rentals out of business. Legal resort short term rentals are mostly locally owned, contribute to our local economy, do not raise the price of local housing in residential neighborhoods and deserve your kokua, not abusive tax punishment.

Thank you

Helena von Sydow

HB-820-HD-1

Submitted on: 2/23/2023 7:59:01 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendy Barnfield	Individual	Oppose	Written Testimony Only

Comments:

Dear Sir or Madame

I am apposed to Bill HB 820.

I am being targeted as part of a selective group of people/owners of legal rental property. I am being put under an unfair burden to bare a tax increase that already was increased in 2022. This is clearly a method some of the law makers are trying to use to stop STR. There are unions behind this as well which have contributed heavily to the law makers to support the unions agenda. Please stop targeting a small selective group of citizens to meet the financial burden of operating this state. I am apposed to this Bill HB820.

Regards

Wendy Barnfield

HB-820-HD-1

Submitted on: 2/23/2023 8:02:05 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Meylysa Duldulao	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

TVUs also pay an annual registration fee to the DPP of \$1,000 for the first year, and \$500 every year after.

This proposed bill punishes legal vacation rental operators, and benefits hotels - which seems to me reading it so that hotels can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners.

I operate a legal TVU in Waikiki at 1911 Kalākaua Apt 608. I want whoever wrote this bill to tell me in person that my legal TVU - that pays my mother a cleaning fee - is wrong. Tell my mother that her livelihood is wrong. Do you realize your words hurt hard working tax paying families? What would my 9 year old say when you tell me and my mother that our legal TVU is wrong?

On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordinance in that regard. The problem is enforcement of the ordinance. Until the counties can have the resources to effectively enforce their respective ordinance, the illegal vacation rentals in the residential areas will continue to be disruptive.

I recently reported an illegal Airbnb in our residential building in Waikiki where we live. They recently changed their ad, so hopefully they are really going to stop. I helped the inspector enter our building so that she could post the violation on their door.

Help enforce the current law like I am. Resist the temptation to create laws that only harm local hardworking families.

Thank you.

Meylysa Duldulao

HB-820-HD-1

Submitted on: 2/23/2023 8:04:46 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul Nachtigall	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the House of Representatives

Short term rentals are only legal on Oahu in the Resort areas of Ko’olina, Waikiki and Turtle Bay and are again under attack. After the recent passage of City ordinance 22-007 individual property assessments have doubled and actual property tax charges quadrupled from 3.5 to 13.9 to cause an eight-fold increase in property taxes. Now State HB 820 proposes to increase the State Transient Accommodations Tax from the current 10.25% to 25% only for short term rentals and not hotels. Please stop driving resort rentals out of business. Legal resort short term rentals are mostly locally owned, contribute to our local economy, do not raise the price of local housing in residential neighborhoods and deserve your kokua, not abusive tax punishment. Please amend your bill to exclude the tax increase for legal Resort Short Term Rentals.

HB-820-HD-1

Submitted on: 2/23/2023 8:08:23 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ray Blasing	Individual	Oppose	Written Testimony Only

Comments:

Testimony against HB820:

Respectfully, we've owned our condo at the Ilikai Marina for more than a decade, and have offered it as an STR for the entire duration. Our unit has provided many visitors an exceptional vacation experience over the years. As detailed in our visitor journal. One recent entry captured the experience of a couple who recently became engaged, and who will always relish the memories during their stay with a special uniqueness. Many others around the world make vacation plans to return to our unit year after year, as a form of tradition, having fallen in love with our welcoming ohana and spectacular views.

While we're committed to offering our unit for the enjoyment of others, Hawaii has made it nearly impossible to turn a compelling profit on our rental investment. When considering the existing county TAT, State TAT, GET, and exorbitant property tax, combined with the newly established STA registration fee and yearly renewal costs, and our other fixed costs that include liability, homeowners, and hurricane insurance, cleaning, property management, reservation fees, supplies, utilities, repair, and maintenance, it's nearly impossible to make ends meet, much less produce an incremental income for folks like us who are retired and on a fixed income.

It's frustrating and heartbreaking to be faced with yet another affront to our livelihood, on the heels of the prior opposition to STRs. It feels as though the Hawaiian legislatures, in cahoots with the big money hotels, have it out for us, the mom and pop owners. With each failed bid to rid us of our perceived competition, lawyers and legislators concoct ever more outlandish attacks. The proposed HB820 attacks STRs with even higher taxation while exempting hotels. It's therefore impossible to rationally explain or defend HB820 without contemplating the possibility of corrupt intent.

STRs should not be considered as something to 'stamp out' in Hawaii. When considering STRs and hotels, we must avoid thinking in terms of either-or. There's enough Hawaiian tourism to enable the existence of both, coexisting in harmony. Our guests deliberately choose our condo

for its unique offerings that are simply unavailable at hotels. But many others prefer hotels and everything that they offer themselves. That's the way things should operate, ideally.

STRs have given enough. We cannot afford any more. The hotels won their last battle. They're rich enough. Stop attacking the little guys. Let's agree to move on. Vote "NO" on HB820.

HB-820-HD-1

Submitted on: 2/23/2023 8:14:22 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gustaf Erickson	Individual	Oppose	Written Testimony Only

Comments:

This bill appears to establish, on top of the existing 10.25% state TAT and 3% City of Honolulu TAT, an additional 25% tax on short term rental proceeds. As a person generally in support of reasonable taxation to support government spending needs, I feel that a 25% tax on its own would be outrageous, especially when solely levied on transient vacation rentals and not on hotels. The fact that this 25% would be in addition to the existing taxes takes it beyond outrageous. The combined TAT rate would become 38.25%, which is a downright insane number and clearly punitive towards those few vacation rental unit owners complying with existing laws and owning registered units in properly zoned areas. This bill reeks of influence by hotel lobbyists and only punishes normal people trying to make some extra income. Do the right thing and shut this down.

HB-820-HD-1

Submitted on: 2/23/2023 8:20:38 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jerry Zang	Individual	Oppose	Written Testimony Only

Comments:

I personal do not support to increase the tax . It won't help local economic.

HB-820-HD-1

Submitted on: 2/23/2023 8:26:15 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
lillie mcafee	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE HB 820. THIS IS A GROSSLY UNFAIR TAX ON VACATION RENTALS, BUT NOT ON HOTELS. HAWAII HAS 1 ECONOMY--TOURISM! WHEN TOURSTS REFUSE TO COME TO HAWAII, WHAT IS THE PLAN?

HB-820-HD-1

Submitted on: 2/23/2023 8:26:49 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
X	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 8:28:52 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sharon Moss	Individual	Oppose	Written Testimony Only

Comments:

I oppose the 25% TAT.

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units.**

HB-820-HD-1

Submitted on: 2/23/2023 8:29:41 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Adam Zarro	Individual	Oppose	Remotely Via Zoom

Comments:

What you are doing to property owners is tyrannical and borderline treasonous. Our government's hatred for private property owners has reached a tipping point where you are now openly hostile towards private property owners that choose to rent out their 2nd home. Where do private property rights begin and end? We have a constitutional right to use our property as we see fit as long as we're not breaking the law. You guys just keep adding laws and taxes to make it so uncomfortable for us it is disgusting. You should be embarrassed. Every last supporter of this bill should resign at a minimum and be arrested for dereliction of duty at best.

HB-820-HD-1

Submitted on: 2/23/2023 8:35:40 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Janet Iliahi Curtis	Individual	Oppose	Written Testimony Only

Comments:

Aloha

We strongly OPPOSE BILL HB820 .This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**.Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**.

This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer.

Mahalo,

Tim and Iliahi Curtis

HB-820-HD-1

Submitted on: 2/23/2023 8:37:30 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ken Kribel	Individual	Oppose	Written Testimony Only

Comments:

I am adamantly against HB 820. It is completely government over reach. It is a difficult time and this will be added pressure because it will negatively affect my income. There is no way I can make that up. The government is suppose to be for people by the people. Not for the hotels by the hotels. They are getting privileged treatment. I urge you stop bill HB 820 now and stop being unfair.

HB-820-HD-1

Submitted on: 2/23/2023 8:43:59 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jill Paulin	Individual	Oppose	Written Testimony Only

Comments:

Please vote "no" on HB820 as it discriminates against legal short-term rental operators. The proposed rate is outrageous and would put short-term rental accommodations at a big disadvantage against the hotels. Perhaps this is the purpose, but enough is enough. This Bill and others like it target our industry with the goal of putting us out of business. What other industry that supports local residents is under constant attack? Please stand up for us and vote "no".

HB-820-HD-1

Submitted on: 2/23/2023 8:49:03 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
William Henderson	Individual	Oppose	Written Testimony Only

Comments:

Stop destroying our economy. This bill will be absolutely devastating to thousands of local families and the State as a whole.

I humbly request this bill be trashed.

Mahalo!

HB-820-HD-1

Submitted on: 2/23/2023 8:49:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
austin gapsis	Individual	Oppose	Written Testimony Only

Comments:

Clumsy bill. I will not support anything that doesn't have carve outs for residents. If someone that lives in Hawaii has a vacation rental and makes some money for their family great. Out of staters tax them hard. Hawaii's government has a habit of trying to shove all the crabs back in the bucket. Allow us to gain wealth. I don't want to work at hotels forever because the government has made everything else impossible.

you should craft bills that try to bring your constituents up rather than Hilton and marriot

HB-820-HD-1

Submitted on: 2/23/2023 8:51:33 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Penny Lee	Individual	Oppose	Written Testimony Only

Comments:

Oppose Bill HB820

Sure looks like Rep. Quinlan and Rep. Holt are looking for a career in/by the Hotel industry?

Throwing local small businesses under the bus.

This bill is dead on arrival. To even suggest such prejudicial and punitive taxation and will be challenged in court for sure.

Lets remember who introduced this ridiculous bill:

QUINLAN, AMATO, GATES, HASHIMOTO, HOLT, LAMOSAO, MARTEN, NAKASHIMA

HB-820-HD-1

Submitted on: 2/23/2023 8:53:55 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Delania Branham	Individual	Oppose	Written Testimony Only

Comments:

I am not in favor of increasing the TAT tax amount. I would prefer other ways of increasing revenue without impacting tourism.

HB-820-HD-1

Submitted on: 2/23/2023 8:56:16 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kristin Moreland	Individual	Oppose	Written Testimony Only

Comments:

This proposal will not be good for Hawaii. I do not support it.

Mahalo.

HB-820-HD-1

Submitted on: 2/23/2023 8:56:53 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Christina Countryman	Individual	Oppose	Written Testimony Only

Comments:

I oppose Bill HB820! Raising the tax rate to 25% is just ridiculous. It is hard enough to provide food and shelter for my family with the rising cost of living in Hawaii. It is just so frustrating. I feel like we are constantly on a hamster wheel, every other month there is a new bill to raise taxes on transient rentals. I strongly oppose Bill HB820.

HB-820-HD-1

Submitted on: 2/23/2023 9:00:39 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Derinda L Thatcher	Individual	Oppose	Written Testimony Only

Comments:

We keep hitting the tourists/visitors with added tax. Already I hear people saying Hawaii is so much more expensive than many other destinations that offer similar warm weather year round. Since our visitor industry is our number #1, income generator for the state and trickles down to so many businesses, I believe we are shooting our selves in the foot by passing this bill. Respectfully submitted, Please do not pass this bill!

HB-820-HD-1

Submitted on: 2/23/2023 9:03:39 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Fernandez	Individual	Oppose	Written Testimony Only

Comments:

There is a very very little rental market that legally caters to rentals that are less than 30 days. These are not all tourist but also probably housing essential workers. These folks legally invested in this market decades or even almost half a century ago and are not impacting the rental market at all. We need to have a diverse rental market to sustain our economy.

Many folks realize that the politicians in an grand show are trying their best to become "popular" by demonizing folks with short term rentals. But all this will back fire on you because this scotch earth policy will adversely affect a entire rental market and thus the general economy for local folks. Just look at the problems with bringing in essential workers, relocating families, patients requiring treatment from other islands - all who typically stay in short term rentals and will never stay in hotels without kitchens, \$40/nithgly fee for parking and all stuck cattled together at Waikiki (aka Alcatraz). Youre basically undoing what the executive branch of the State is trying to prevent by passing an Emergency Proclamation in Sept of 2022 for out of state nurses to supplement the lack of medical help here. The State legislature and the executive branches seem to not be insync.

Instead of making life miserable for the BB and TVU owners why dont you just truthfull and ban them altogether? You know all know that what you are all doing is unsustainable and counter productive. Lessons learned - whenever politicians for political reasons tweak a market it never ends well especially for the people they boast they are tryng to help.

Mahalo, Richard

HB-820-HD-1

Submitted on: 2/23/2023 9:05:12 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
April Nelson	Individual	Oppose	Written Testimony Only

Comments:

Please support the residents of Hawaii and do not pass this bill.

HB-820-HD-1

Submitted on: 2/23/2023 9:11:15 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Julie Ziemelis	Individual	Oppose	Written Testimony Only

Comments:

This is onerous to our visitors who choose to stay in condos, who support local homeowners.

HB-820-HD-1

Submitted on: 2/23/2023 9:13:00 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cara Birkholz	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposed to the increase in Transient accommodations tax. The TAT is currently 10.25% and the State allowed the individual Counties to collect an additional 3%, making an effective rate of 13.25% (in addition to the GET).

This past year the State of Hawaii had a budget surplus and actually mailed us (all tax payers) a check distributing some of the surplus. Increasing the TAT to 25% is strictly a punitive measure to vacation rental owners and their guests.

How about the State and individual Counties start more strictly enforcing existing laws to shut down illegal vacation rentals instead of punishing everyone.

Additionally, if the intent is to tax visitors, then visitors staying in hotels should be subject to this tax also.

Cara Birkholz

Kihei

HB-820-HD-1

Submitted on: 2/23/2023 9:14:02 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ron Richardson	Individual	Oppose	Written Testimony Only

Comments:

In short a 25% tax is outrageously high. Are hotel rooms charged a 25% tax rate? Or course not. This proposal is nothing short an attack on small business owners to benefit the large corporations. I'm sure every large, corporate, out of state owned, corporate hotel chain would love to see small operators taxed at this disproportionate rate. Don't carry water for the corporations. Small, family, operators are already paying GET and TET. If that is not geneating enough reveunue change those rates for *all* providers in the market. Don't just favore the large corporations at the expence of the small, local, family providers.

HB-820-HD-1

Submitted on: 2/23/2023 9:28:44 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronda Hoxsie	Individual	Oppose	Written Testimony Only

Comments:

I am an Hawaii Island full time resident. I own two STVR condos in the designated resort zone. This is our income.

In short a 25% tax is outrageously high. Hotel rooms are NOT charged a 25% tax rate!! Or course notm they have a lobby!

This bill is nothing short an attack on small business owners to benefit large corporations. I'm sure every large, corporate, out of state owned, corporate hotel chain would love to see small operators taxed at this disproportionate rate. Why are you for the corporations over small, family, operators are already paying GET and TAT. If that is not geneating enough reveunue change those rates for *all* providers in the market.

Don't just favor the large corporations at the expense of the small, local, family providers!!!

HB-820-HD-1

Submitted on: 2/23/2023 9:32:12 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Derek Bown	Individual	Oppose	In Person

Comments:

Travel nurses and visiting/working doctors, and their families, often utilize short-term rentals, including vacation rentals, especially in public health emergencies, such as the COVID pandemic. If you make them pay 38% tax on their housing, they may not be able to afford housing, and it will probably also drive those rentals out of the market. Therefore there may be less available housing for them and what remains will be much more expensive. Those expenses will then be passed on to the people they take care of, ie. our families.

This seems ungrateful, unwise, and unfair to target an egregious tax increase at housing used by emergency healthcare workers. It seems unlikely that Governor (Doctor) Josh Green will sign this bill. If he does it will send the message that he, and the legislator no longer supports healthcare workers.

I'm sure the hotels would happy to try to pick the slack or buy those housing units that will be forced out of business, but they will definitely raise prices, because they can, since they will then have a virtual monopoly on short term housing. This bill will shoot our local families in the foot because short term rentals, including vacation rentals, provide a vital community service by keeping the housing market flexible and competing with the hotels.

HB-820-HD-1

Submitted on: 2/23/2023 9:39:50 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kendric Wong	Individual	Oppose	Written Testimony Only

Comments:

I am adamantly opposed to HB820. The taxes are excessive and the purpose is to benefit only large hotels. It will add another burden to the local population, and benefit large international and mainland owned hotel operations. Hawaii already has the most undersupplied hotel market in the nation. Not only will this reduce the number of visitors to Hawaii, but it will have the ripple effect of harming businesses that cater to the needs of visitors like restaurants, ancillary tourist services, food suppliers, construction workers, retail, and a plethora of business types. The supply of hotel rooms is extremely difficult to increase due to the layers of bureaucracy and the slow entitlement process which add to high construction costs. This will hurt our visitor economy, and put the tourism industry solely into the hands of extremely large corporations. This bill punishes individually owned short term rentals, and only furthers the transfer of locally owned properties to wealthy owners who can afford to leave properties empty.

HB-820-HD-1

Submitted on: 2/23/2023 9:46:51 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tim Chiang	Individual	Oppose	Written Testimony Only

Comments:

In legal matters, it is imperative that all relevant stakeholders be afforded the opportunity to provide input to lawmakers, especially where the formulation of legislative proposals affect them. In the instant case, it is incumbent upon legislators to engage with the vacation rental industry representatives to ascertain the complexities surrounding their operations, and work collaboratively to develop solutions that are fair and balanced.

Moreover, it is a violation of the Equal Protection Clause of the Fourteenth Amendment for legislative proposals to create classifications that are arbitrary or invidious. Consequently, any legislation that singles out a specific type of accommodation and discriminates against it unfairly is unconstitutional. In this regard, the proposed legislation, HB820, which seeks to penalize owners of transient vacation units without equal treatment accorded to hotels, creates a distinction that is not rationally related to any legitimate state interest. It is therefore arbitrary and discriminatory, and may have the effect of disproportionately affecting certain groups such as low-income travelers or families with young children who may depend heavily on short-term rentals. Furthermore, small businesses and entrepreneurs who depend on short-term rentals as a source of income may be adversely affected. Consequently, the proposed legislation is unconstitutional and should not be passed into law.

HB-820-HD-1

Submitted on: 2/23/2023 9:47:10 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John Lisoway	Individual	Oppose	Remotely Via Zoom

Comments:

If they intent of Bill 820 is to preserve residential housing, why are SVR in the resorts zones NOT also exempt from this bill like hotels and timeshares?

There is no residential housing in the resort zones!!! So why are SVR in the resort zones being penalized?

The only other reason for Bill 820 would be to further give the large off-shore hotel owners an unfair and unconstitutional financial advantage over its competition in the resort zones.

HB-820-HD-1

Submitted on: 2/23/2023 9:54:26 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Megginn Yuen	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 9:56:58 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda Siegel	Individual	Oppose	Written Testimony Only

Comments:

Respectfully,

My husband and I plan on retiring in Hawaii. We purchased our condominium (condo) at Makaha Valley Towers (MVT), in Waianae, on February 8th, 2021. Marc still works full-time on the mainland, so we are unable to retire yet. We still own a home in San Jose, CA. We ONLY own two properties; Our condo in Waianae and our home in San Jose. We are not investing in multiple properties just to make a profit.

We have been short-term rental hosts, renting out rooms in our home in San Jose, since 2005. We started doing so because I became disabled and we needed to replace the income from my job loss. We have never had any complaints from our neighbors, or from the city of San Jose. Our rental taxes are paid every month automatically.

We refinanced our home in CA to purchase the condo, adding \$1000 per month to our mortgage. Our monthly property owner association fee for the condo is \$1052.08 per month. Our condo costs us \$2,052.08 per month. We have maintenance expenses, such as plumbing, electrical and we pay local housekeepers. We pay our property taxes. We follow the association rules. We've never had any complaints from our condo neighbors or the association.

We can only afford to keep our retirement condo by renting it out when we are in CA. We do not rent it out to a permanent tenant because, if we did that, our family would never get to enjoy the condo at all. A permanent tenant would not pay \$2,052 a month to rent out our condo!

We registered and obtained both a Transient Accommodation License and a General Excise Tax License BEFORE we ever listed the condo on any website or rented it out. We began accepting guests in June of 2021 and have been renting out the condo for one year and eight months. Makaha Valley Towers has 24/7 security. We only allow up to four people, with only one vehicle, to rent with us. We have never allowed any paying guest to stay there for less than 30 days. We vet our guests carefully. We have never had any complaints about our guests. We pay our transient and general excise taxes religiously.

We are not buying up property just to make a profit from short-term rentals. We are not causing any traffic problems. We are not inconveniencing our neighbors, not causing problems at the Makaha Valley Towers or in Waianae. MVT has 24/7 security, and no one goes into the complex without having to stop at the security gate!

House Bill 820 will force us to sell our condo. Dictating what we do with our own property, what we have been doing for a year and eight months, will take away the income we need to retain our property. Most do not have the luxury of vacationing for 90 days. We employ local housekeepers, plumbers, electricians, and handymen. We spend a lot of money at local stores. Our guests spend money at local restaurants and grocery stores. We maintain homeowners' insurance and extra liability insurance on our condo, to protect our neighbors' property and ours.

We have every intention of retiring in that condo, at which time we will NO LONGER rent it out. Please understand that not all short-term rentals in the county are IN Honolulu and NOT all are causing the problems that Honolulu experiences. Not all short-term rental hosts are ignoring the rules! We follow the law, the rules and we pay our taxes!

This bill, and any other bill like it, will cause a deep dive in property values, causing some property owners to lose their retirement home and the income required to retain that home. The real estate market recently dropped by 32% on Oahu! If we have to sell our condo, we will have to sell it at a loss. This bill will put local folks out of work and will cause significant economic hardship on everyone! Please stop House Bill 820!

Respectfully, Linda Siegel

HB-820-HD-1

Submitted on: 2/23/2023 9:57:19 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Robert R. Ellison	Individual	Oppose	Written Testimony Only

Comments:

HB 820 has nothing to do with raising more revenue for the State of Hawaii government to squander. It is a punitive taxation bill, the intent of which is to destroy legitimate small businesses at the behest of the hotel industry and unions that fund political campaigns and run the State. It is a great example of the corruption that defines the State of Hawaii Legislature.

HB-820-HD-1

Submitted on: 2/23/2023 9:59:06 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Linsha Chen	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 9:59:22 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Xide Lin	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

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HB-820-HD-1

Submitted on: 2/23/2023 10:01:59 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted W Biggs	Individual	Oppose	Written Testimony Only

Comments:

I am responding to the proposed bill to raise TAT on Short Term Rentals (STR) to 25%. Here are my thoughts:

1. Last year we effectively raised the TAT by 3% as the state discontinued the revenue sharing with the counties, then the state allowed each county to recoup the lose by charging a 3% county TAT. This was an effective 30% increase in total TAT during 2022.
2. Now the new bill would more than double the TAT tax. What makes this even worse is the tax is targeted at STR's only, exempting the Hotels. This appears to be discriminatory treatment and a deliberate attempt to eliminate STR's from the islands. This could also be argued as restraint of trade, given the targeting of STR's in general.

The question is why raise the tax? Is it to raise revenues or to punish STR's.

If you are attempting to raise revenues, then the increased tax should be on both STR's and Hotels. This would increase revenues faster and could be less than double.

If you are attempting to control STR's then each county should be using zoning rules and other tools. Here in Oahu, the county has passed restrictions, why not give them assistance in enforcing these rules.

I personally own a property in Turtle Bay, this is one of the approved zones for STR's. I have complied with all the regulations, paid all the taxes and fees. Yet I still personally hear of people who are renting places outside of the authorized zone. Let's enforce the law! If the goal is to control STR's.

It is hard to put much faith in new laws, when the laws already on the books are not being enforced.

This is an uneven law, excluding hotels, and will only be followed by law abiding citizens, while others will continue to ignore it.

HB-820-HD-1

Submitted on: 2/23/2023 10:02:10 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mingfei Cai	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

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HB-820-HD-1

Submitted on: 2/23/2023 10:02:29 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Victoria Terrones	Individual	Support	Written Testimony Only

Comments:

I think that providing guest accommodation for less than 30 consecutive days is good enough to have the fluency of different people and satisfy the needs of a public that is really in the urgency of having this option for short stays, therefore, i totally support STR rentals for people who are willing to use this lodging option.

HB-820-HD-1

Submitted on: 2/23/2023 10:03:05 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Eric Liang	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 10:04:05 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Hector Euredjian	Individual	Oppose	Remotely Via Zoom

Comments:

My opposition to this bill can not be stronger.

There are more than enough laws and ordinances to control the proliferation of illegal vacation rentals that are affecting the housing stocks.

The purpose of this bill is then supposed to be aimed at legally permitted transient accommodations in the State.

If the objective of this bill is to limit the number of visitors to the islands please explain the following:

A- Why are not Hotels included in this bill? After all hotels are responsible for housing 9 out of 10 visitors to Hawaii.

B- Why isn't the State controlling the number of NEW hotels that are being built, each one of them adding THOUSANDS of rooms.

The general public is being gaslighted to believe that this measure would help control the "runaway" number of visitors to Hawaii and the illegal use of un-permitted lodging as short term rentals when in fact is the Hotel industry that is behind this effort to eliminate once and for all the competition of thousands of LEGAL vacation rental operators.

The Hotel industry is for Hawaii today what the sugar industry was the last century, and we all know the negative impacts that it brought to our islands.

If you do not see this then we as a State are in more trouble than we ever thought.

HB-820-HD-1

Submitted on: 2/23/2023 10:07:06 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Aiden Lin	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 10:07:45 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Siyu He	Individual	Support	Written Testimony Only

Comments:

I support short term rental

HB-820-HD-1

Submitted on: 2/23/2023 10:08:41 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Leo Cai	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 10:14:30 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Raquel Dicenso	Individual	Oppose	Written Testimony Only

Comments:

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to develop a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by the City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation unit owners on Oahu paying **38.25% tax** on their rentals.

3) This legislation punishes legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes, which treat rentals of less than 180 days (like hotels and vacation rentals) equally, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 10:20:25 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shun Wan	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.
Shun Wan

HB-820-HD-1

Submitted on: 2/23/2023 10:37:30 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Liezl Bag-id	Individual	Support	Written Testimony Only

Comments:

Agree

HB-820-HD-1

Submitted on: 2/23/2023 10:38:55 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Liz Lees	Individual	Oppose	Written Testimony Only

Comments:

I oppose this poorly written bill. This legislation intends to punish LEGAL vacation rental owners while exempting hotels. I purchased my LEGALLY offered Vacation rental approved condo in a resort type property. Why should my guests be subject to a higher tax than a hotel?

Please say no to HB 820.

HB-820-HD-1

Submitted on: 2/23/2023 10:41:56 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alexander Todorov	Individual	Oppose	Written Testimony Only

Comments:

Strongly opposing HB820

HB-820-HD-1

Submitted on: 2/23/2023 10:43:17 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cindi Anderson	Individual	Oppose	Written Testimony Only

Comments:

I am completely opposed to this bill.

1. It creates an un-even playing field where hotels are taxed at a lower rate than vacation rentals. How can this possibly be fair?
2. This is a terrible time to pursue such a bill. Vacation Rental bookings for this coming year are way down, and cancellations continue as the recession deepens. People with adjustable mortgage rates are soon going to be suffering and at risk of losing their homes without the additional rental income their VR's bring in. Business just went through the worst time in history, trying to survive during Covid restrictions. Now in addition to already reduced tourism from the recession, you want to reduce it even lower. You are going to cause even more restaurants and small businesses to shut down.
3. People who want to stay at a vacation rental do not consider a hotel a viable alternative. It is a completely different experience. They are simply going to vacation elsewhere. I know some of you want tourism to significantly slow down, but be careful what you wish for.

HB-820-HD-1

Submitted on: 2/23/2023 10:44:47 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Norm Nichols	Individual	Oppose	Written Testimony Only

Comments:

The Hawaii state legislature and the hearing committee are violating the principles on which our state and federal governments were founded. Our rights per our local and federal constitutions are based are being violated based on "no taxes can be imposed with out representation" this bill clearly goes against this and this bill is being pushed to try and circumvent, the legal process for actions already taken which have been stayed by our judical system awaiting rulings in process. This attempt to undermine or ignore the data available does not include alternate interested people and organizations who are against this proposed bill. This bill has been constructed by legislators working for small special interests which goes against constitutional rights of the general public and has been shown to be contrary to data available supporting the argument against this bill and the hearing committee for personal purposes by the generating people who have submitted it. Let the legal system conclude its course.

HB-820-HD-1

Submitted on: 2/23/2023 10:46:42 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David White	Individual	Oppose	Written Testimony Only

Comments:

Esteemed legislators,

I would like to voice my adamant opposition to this bill, proposing a significant increase to the Transient Accomodation Tax. My wife and I recently purchased a condo in Kuilima Estates, which is a designated resort area. Our intent is to retire there, and to start spending an increasing amount of time there until we do. Unfortunately, we are only able to achieve our dream of retiring to the North Shore if we are able to rent out our unit at competitive rates over the next several years. This significant increase in the TAT will in the end have only 1 result. While it may generate some additional revenue in the short term, ultimately it will result in a significant drop in tourists coming to the North Shore and Oahu, resulting in the revenue that they generate for all of the surrounding communities will go to other islands, or out of Hawaii entirely. The North Shore does not have significant industry outside of hospitality catering to surfers and vacationers. There are people whose livelihood relies on tourists that come and stay on the North Shore for the beaches, the weather, the shrimp trucks, and the more relaxed atmosphere that this part of Oahu provides. During high season, it is already hard for families to be able to afford reasonable accommodations. By increasing this tax unfairly on the short term rental community, vacationers will have no choice but to go elsewhere and it is the local communities that will pay the price for it. I urge you to please deny this bill and allow the North Shore to continue to provide reasonable accommodations so that families can enjoy the area that my family fell in love with, and the local communities can continue to benefit from the revenue that this provides.

Thank you

HB-820-HD-1

Submitted on: 2/23/2023 10:47:11 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
vicky Poland	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Respected Members of the House.

My husband Grant and I are owners and operators of Rainbow Inn Aiea, a licensed bed and breakfast that has been in operation for over 30 years. We cater to grandparents visiting their grandchildren and children visiting their parents and grandparents in the area. We also cater to parents visiting their Military children deployed here and Military families in transition between duty stations. We sometimes also have neighbor island folks coming for doctor appointments or procedures as well as sports events. We also have families and mainland families wanting a safe and secluded place to stay while visiting Oahu and local families wanting a staycation. With the Covid pandemic still in people's minds many want a stay away from the crowds. To expect our guests to over twice what the hotels charge in TAT tax is outrageous! You say over and over your are for small business but are willing to sellout our small businesses to benefit the big corporations that run the hotels. You say over and over that you want to eliminate illegal vacation rentals and I agree with you , but this legislation is doing the opposite. It is driving out legal, law abiding, tax paying entities while the illegal operators are laughing all the way to the bank. All I can say in conclusion is with the surplus of money coming into the state last year this bill really seems like it is fueled by corruption. Shame on you.!

Respectfully

Vicky Poland

HB-820-HD-1

Submitted on: 2/23/2023 10:47:44 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
deirdre lozica	Individual	Oppose	Written Testimony Only

Comments:

My STR guests already pay over 17% in GE, TAT, and Maui County Transient Taxes combined. To raise the TAT an additional 25% will put an undu burden on guests to our island. The 17% we charge already is already one of the highest tax rates charged in the US.

I strongly oppose this proposal.

Sincerely,

Deirdre Lozica, owner at the Maui Vista in Maui

HB-820-HD-1

Submitted on: 2/23/2023 10:48:42 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Toepfer	Individual	Oppose	Written Testimony Only

Comments:

Taxation will cause all owners of units to then reduce the base price to an extent possible where maintenance and improvements will suffer. It can become a ball of issues which then do not make it attractive to visit the state so well known for hospitality and beauty. Do not allow the state to plummet to a second or third rated destination location with ripple effects to EVERY industry that relies on tourism

HB-820-HD-1

Submitted on: 2/23/2023 10:51:38 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Donna Brandt	Individual	Oppose	Written Testimony Only

Comments:

This is an outrageous bill! There is nothing legal or ethical about increasing the tax rate at this rate! The local hotels are trying to make it impossible for individuals to rent their vacation homes. Tourism is the main income for the state of Hawaii and a law as this will make it impossible to rent our vacation homes. I have owned my home for 15 years and made it a point to make sure when I purchased this 2nd home (that would eventually be my retirement home for myself and my disabled daughter), that I followed all the laws regarding purchase and rental property. This law would allow myself and most income property owners to have to sell. The price would drop by a lot!
my income property would not survive any change as this! Do NOT pass this bill!!

HB-820-HD-1

Submitted on: 2/23/2023 10:51:39 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Rubin	Individual	Oppose	Written Testimony Only

Comments:

I am against further increase of the TAT. We just incurred a 3% increase for the County of Maui. We own 3 West Side Maui Condos in designated Resort-approved developments. Our short term vacation renters already pay exhorbitant GET/TAT Taxes at 17.72% for rental charges, cleaning and other associated services. I shudder when I pass these taxes along to my guests. To further burden our guests with more taxes is not beneficial to welcoming these guests to our Islands. They are already contributing a hefty amount to our local economy. I suggest that our legislators tighten their "spending belts" as an better option of gaining more revenue for our community.

HB-820-HD-1

Submitted on: 2/23/2023 10:56:41 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Christine Devillers	Individual	Support	Written Testimony Only

Comments:

Agree with having STR available in Hawaii

HB-820-HD-1

Submitted on: 2/23/2023 10:56:48 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Adam Clark	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I started coming to Hawaii in 1986, then started coming yearly in 1990, eventually buying a condo in 2006 with long term plans to move to Kona permanently one day, until visting a few times each year and renting my condo out as a STR until then. I think everyone would agree tourism is a necessity for the islands, finding ways to make tourism more difficult makes NO sense. We want to encourage tourism. I was just thinking this last month ,January, how much more expensive visiting the islands has become for tourists. One thing that helps make Hawaii still affordable for many people and families especially is the ablity to rent condos and homes. Adding more costs and restrictions to STR will undoubtly do a few things. 1 price many out of the ablity to visit Hawaii , 2 reducing the numbers of tourists, 3 harm the tourist industry, and 4 harm the economy.

Do not pass this bill! Support tourism do not discourage it! Support the economy do not pass a bill that is sure to harm it! Welcome visitors do not pass this bill which says the exact opposite of welcome, passing this bill tells people do not come to Hawaii!

Seems the Hotel lobby has a lot to gain from such a bill but the people of Hawaii have a lot to loose.

Do not pass this Bill!

HB-820-HD-1

Submitted on: 2/23/2023 10:57:37 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Balazs David Gyulai	Individual	Oppose	Written Testimony Only

Comments:

Infrastructure on Maui is crumbling, as clearly evidenced by the recent storms. Power went out five times in a matter of 6 weeks for 30+ hours. Roads are being washed away by the rainwater, yet there isn't a clear long term solution. Where is the work on that?

There is already a significant surplus in the State coffers - thus, an increase is not required for anything. There was already a recent 3% increase due to the MC TAT tax implementation. That was enough. ENOUGH IS ENOUGH.

How much more are we trying to "penalize" travelers who inject much needed travel dollars into the economy? Taxing them to the heavens isn't the solution to less travel. The solution is limiting incoming flights. Simple as that.

HB-820-HD-1

Submitted on: 2/23/2023 10:59:04 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Brandt	Individual	Oppose	Written Testimony Only

Comments:

Thank you for considering my opinion. I own a condo at the Mauna Lani Resort on the Big Island of Hawaii. Guests from the US and abroad enjoy our property and bring needed money to the Big Island economy. Many eventually move to the Islands and further support Hawaii. I am strongly opposed to raising taxes on the already high TOT and Excise Taxes collected. Restricting access to rentals by either reducing the number of rentals or raising taxes will only hurt the people of Hawaii. Please consider voting down this unwise proposal

Ryan Brandt

HB-820-HD-1

Submitted on: 2/23/2023 10:59:30 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sandra Mendoza	Individual	Support	Written Testimony Only

Comments:

Agree with having STR available in Hawaii

HB-820-HD-1

Submitted on: 2/23/2023 11:02:19 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelly Nash Montone	Individual	Oppose	Written Testimony Only

Comments:

I live here on O'ahu and strongly oppose HB 820. I want to make my voice heard in opposition to this legislation. This is a huge amount I cannot presume to budget for. Not only does this ignore the fact that there is a state-level transient accommodation tax on rentals of less than 180 days as well as additional City & County of Honolulu-level transient accommodation tax, but it also **unfairly singles out transient vacation rentals while letting hotels off the hook**. Thank you for your time.

HB-820-HD-1

Submitted on: 2/23/2023 11:02:38 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Howarth	Individual	Oppose	Written Testimony Only

Comments:

I am astounded that Hawaii would propose such a bill. Transient accommodations are critical to your tourism industry. I never stay at hotels in Hawaii - I much prefer smaller Airbnb rentals or similar. I get to meet local people and support the local economy instead of a large corporation.

Clearly the hotel industry must be lobbying for this. It makes no sense otherwise. You have already restricted rentals to vacation zones. Why are you trying to kill them completely?

Richard Howarth

HB-820-HD-1

Submitted on: 2/23/2023 11:04:02 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
MARK BARBANELL	Individual	Oppose	Written Testimony Only

Comments:

Good Morning,

Killing the golden goose with excess taxes meant to put more pressure on us TVR owners is not the way to go. You have let the cat out of the bag years ago by not enforcing properly now you want to punish the people who are still standing? Try going after the Turo people for a change. They really do cause more use of infrastructure. My guests leave a far less invasive footprint than any local resident would. I have been doing this online for 26 years. The first online TVR in the state in 1995 and after all I have been through you people want to raise my taxes more?

Mark Barbanell

River Estate

HB-820-HD-1

Submitted on: 2/23/2023 11:05:59 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Roger Li	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern -

As Maui county resident, we recently received 3% increase as MCTAT tax starting last year, which makes the total transient tax to about 17.416% (TAT + GET + MCTAT).

This tax rate is already by far the highest across all states in America, more than doubled or tripled than most states. It has functioned as a balance between attracting tourism and gaining enough fund for local development, but to go above by another 25% is unheard of and short-sighted. This would ruin the State's reputation and poeple's faith in Hawaii, thinking that we are greedy local people who don't know how to appreciate the benefits we are already getting.

I am opposing to this HB820.

HB-820-HD-1

Submitted on: 2/23/2023 11:07:58 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Kellerman	Individual	Oppose	Written Testimony Only

Comments:

We are adamantly opposed to HB820. We are residence of Hawai'i County as well as owners of a vacation rental property at Waikoloa Beach Resort. The proposed new tax increase of 25% added to the 17.962% current taxes would impose a tax of 51.8% on our guests. An increase in the tax would take our vacation rental completely out of market. Not many families in the tourist world can afford \$430 per night. We have a mortgage that supports First Hawaiian Bank, we pay full property taxes to the county for services, we use a local family for cleaning services, we pay association fees that support landscaping and maintenance repair services, and our guests shop at the local stores in the Waikoloa area. All of these jobs would be in jeopardy if the new tax is imposed. In addition, the Hawai'i County elected officials are now proposing a \$500 a year fee for vacation rentals on top of the 3% TAT and STVR registration fees. Please do not increase the TAT taxes. We already barely break even. Continuing vacation rental would be impossible for us. This is probably what the hotel industry in Hawai'i is looking for with this new tax, eliminate the little guy. Mahalo Thomas and Gail Kellerman

HB-820-HD-1

Submitted on: 2/23/2023 11:11:02 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathleen Roberts	Individual	Support	Written Testimony Only

Comments:

I support the increase in TAT for Hawaii. I am a prior owner of a vacation rental unit on Maui and support the increase in tax rate for TAT.

HB-820-HD-1

Submitted on: 2/23/2023 11:11:32 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carl Sanchez	Individual	Oppose	Written Testimony Only

Comments:

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 11:12:14 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Marie Addario	Individual	Oppose	Written Testimony Only

Comments:

I pay an exorbitant amount of property taxes and have been for 24 years. I am zoned resort and rent my Home no more than 10 times a year to subsidize Expenses.

I have paid my rental taxes for over 20 years. Raising the TAT tax by 25% is ridiculous and so unfair to your residents like myself, whom there are many, who pay their high taxes on time. These tax increases must stop and you can stop them!

HB-820-HD-1

Submitted on: 2/23/2023 11:13:14 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carol Walters	Individual	Oppose	Written Testimony Only

Comments:

Please do not pass an increase in TAT

Carol Walters

HB-820-HD-1

Submitted on: 2/23/2023 11:14:45 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
jon	Individual	Oppose	Written Testimony Only

Comments:

Thank you for allowing an opportunity for input. Our state tourist taxes are already very high. Visiting guests are now making comments about going to Mexico instead of Hawaii. I don;t feel that it is wise to raise the TAT even higher, since we will lose tourists to other destinations. There must be a better way to raise tax dollars. Please do not raise the TAT. If you raise anything consider the GET at 1% across way more dollars and evenly distributed across all transactions and individuals.

Thank you,

Jon Schutz

HB-820-HD-1

Submitted on: 2/23/2023 11:16:13 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charlie Page	Individual	Oppose	Written Testimony Only

Comments:

Honorable members of the house,

HB820 should be rejected for the simple reason that it is not fair. To enact a tax that specifically discriminates against local small business operators, has the effect of aiding large, multinational / out-of-state corporate operators.

As a common man who pays tax, not a lawyer, lobbyist or hotel stooge, I object to this proposal as it is intended to be a coup d'grâce to challengers of the established hotel industry. The United States of America was founded in a fierce reaction against dominance and exploitation of the many by a few powerful establishments.

The smoke and mirrors word play by the committee on tourism about the lack of housing for Hawaiian residents should be recognized as misleading. Existing regulation already restricts STR's to specific zones, almost all are in resort zones along with hotels. Similarly, the implication that transient vacation rental operators are not paying their share already should be recognized as emotive language rather than quantitatively correct.

HB820 is a step towards monopolistic dominance by a few non-Hawaiian businesses to the detriment of the many small Hawaiian Mom and Pop businesses.

I will support this bill if representatives Quinlan et al., increase the scope of the bill to equally tax the hotel industry rooms as they are the largest supplier of transient vacation rental rooms and disproportionately drive the most negative effects of tourism. The very fact they are excluded should raise concerns about the motivations of those who submit the bill, and their professed concern to be acting in the interest of all residents of Hawai'i.

HB-820-HD-1

Submitted on: 2/23/2023 11:17:20 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Clay Ide	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this increase in tax. Short Term Vacation rentals are a tremendous support to the local economy, especially in more rural areas like Puna, where there are no hotel options and very few short term rentals available for vacationers to use. Increasing this tax will have a dampening effect on these rentals. There are so many other issues to address in Hawaii currently, like the proliferation of unpermitted structures (jungalows) and abandoned cars all along the sides of roads and properties throughout Puna. Increasing taxes on transient accommodations is not the answer to help an already economically depressed area.

HB-820-HD-1

Submitted on: 2/23/2023 11:18:29 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Rae-Marie May	Individual	Oppose	Written Testimony Only

Comments:

My understanding of HB820 is that the State TAT would be increased to 25%. I find this infuriating due to the fact that the State, as of October 2021, is now keeping **ALL** of the 17.962% TAT and allowing the counties to charge an additional 3%. If this Bill should pass, a guest would be paying roughly 1/3 of their total payment in taxes ($25 + 3 + 4.712 = 32.712\%$). It is also my understanding that this would apply only to transient vacation rentals and not hotels. It's clear who is behind this Bill. It is unfair and unwarranted, and will cause many tourists to go other destinations, thereby hurting thousands of businesses in Hawaii. **PLEASE DO NOT SUPPORT HB 820.**

Re: TESTIMONY OPPOSING HOUSE BILL 820

Dear Hawaii House Finance Committee,

I strongly oppose the House Bill 820 for the following reasons:

1) Bill 820 and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

3) This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 11:19:28 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ed Todeschini	Individual	Oppose	Written Testimony Only

Comments:

Dear Representatives,

I do not support this legislation. I do support legislation to protect Hawaii and it's residents from negative effects of over-tourism, with the tourism industry bearing the costs associated with those efforts. This increase in TAT is wrong for Hawaii, which is quickly becoming a tourist destination labeled for it's super expensive everything...car rental, lodging, vacation rental and restaurants. Increased taxation is always passed on to those who pay, not absorbed by those who provide accommodation. Recently, Kauai levied a new 3% TAT on vacation rentals, apparently because the state of Hawaii kept the allocation which it was previously receiving. Too many tax increases too close together. Look for other ways for a while to raise funds.

Thank you for reading,

Ed

HB-820-HD-1

Submitted on: 2/23/2023 11:19:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ralph Hasegawa	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I oppose this bill and am a long time resident of ‘Aiea. I am not a transient vacation unit owner.

This bill seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals. This bill exempts hotels from the same treatment unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units.

Mahalo, Ralph

HB-820-HD-1

Submitted on: 2/23/2023 11:20:08 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Emily Leung	Individual	Oppose	Written Testimony Only

Comments:

WHY ARE HOTELS NOT REQUIRED TO PAY 25% TAX ON TRANSIENT VACATION RENTAL ? THERE IS ALREADY A STATE LEVEL TRANSIENT ACCOMMODATION TAX ON SUCH RENTALS AS WELL AS CITY AND COUNTY OF HONOLULU TRANSIENT ACCOMMODATION TAX. THIS IS EXTREMELY UNFAIR TO KEEP ON IMPOSING MORE AND MORE TAX ON PRIVATE OWNERS WHO PAY TAXES ON GOOD FAITH, ARE YOU IN THE HOTELS' POCKETS?

HB-820-HD-1

Submitted on: 2/23/2023 11:20:52 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kathie Schmid	Individual	Oppose	Written Testimony Only

Comments:

The following statements outline why I opposes HB 820:

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **I want our legislators to include Vacation Rental Representation when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

Kathie Schmid

HB-820-HD-1

Submitted on: 2/23/2023 11:21:22 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
martin haas	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE Hb 820I oppose HB820

HB-820-HD-1

Submitted on: 2/23/2023 11:21:40 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Berg	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I'm writing to oppose HB820.

When we purchased our property we did so with the knowledge that it was zoned for short-term rentals. It is our only income now that we are retired.

We have plenty of short term rentals (with vrbo/airbnb/hotels) to accomodate visitors and its clear they enjoy this type of rental. Our occupancy rate exceeds that of the hotels this year and the trend continues. Instead of compromising our investment/financial security, it seems we need to stop building more hotels and build affordable housing.

Our short term rental generates tax revenutes from GET/TAT and property super high property taxes that benefit the State, Counties and our residents.

To make us all out to be super wealthy off island investors is unfair. We are resdients, neighbors and contributors to our community.

We hire housekeepers, construction workers, property managers, and buy products and services to keep our place looking great and contributing to the economy.

To impose 25% on STR and NOT hotels, time shares and B&B's is totally unfair and makes it so we are not competitive with those who have the political power. Why would you want to put 100s of small business owners in such a position.

I hope you will consider the discriminatory practice that is being proposed.

Respectully,

Lisa

HB-820-HD-1

Submitted on: 2/23/2023 11:22:39 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tom Fuller	Individual	Oppose	Written Testimony Only

Comments:

I am the owner of a vacation rental on Kauai. We have seen our taxes increase greatly in the last couple of years - and now you are contemplating raising them just for short-term rentals? This is going to make it very hard for our guests and for us to continue our business.

I strongly oppose this measure.

Tom Fuller

HB-820-HD-1

Submitted on: 2/23/2023 11:25:49 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Grafe	Individual	Oppose	Written Testimony Only

Comments:

I am writing in opposition of this proposed leap in taxation which is aimed at one group only. This will be very detrimental to our County's workforce, to seniors who are often the ones hosting transient vacation rentals and to the County and State who will undoubtedly lose tax income because the business has been killed. It will be good for attorneys as there will undoubtedly be lawsuits over this unconstitutional use of taxation. The proposers of the bill apparently wish to kill tourism or benefit big corporations over small businesses that allow tourists of lesser means to enjoy the beauty and culture of Hawaii. By taking away competition, the property values of individuals, many of whom are seniors, big corporations will charge more and try to buy more land. Wouldn't it be better to work toward managing tourism rather than killing it and killing individual property values? Please vote against this very bad bill.

Thank you for your consideration.

Regards,

Karen Grafe

2619 S Kihei Rd. Unit A-202

Kihei, HI 96753

HB-820-HD-1

Submitted on: 2/23/2023 11:27:08 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nancy Jaqua Dein	Individual	Oppose	Written Testimony Only

Comments:

Hawaii already has one of the highest transient accommodation tax rates in the country. Adding to the TA tax, GE tax, and Maui County Tax puts an unfair burden on both visitors to Hawaii and those who have legal transient accomodation rentals. A drop in reservations due to the high cost of transient taxes would have the opposite of the desired effect of producing more income for the state. The state's continual pursuit of higher taxes for our visitors is biting the hand that feeds it and, I believe, counter productive to a healthy economy for Hawaii.

February 23, 2023

Aloha Members of the House Finance Committee,

My name is Laura Bollinger. I am 72, retired, and a responsible conforming short-term vacation owner who has gone through the lengthy, strenuous and very stressful STVR processes each year of getting permitted as ordered by the County of Hawaii.

I've lived in Kona since falling in love with a Honaunau mac nut farmer in 1976. Divorced when my kids were 5 and 2, I raised them alone, *as a single Mom in Kona with no child support or welfare assistance*, by doing face-painting and animal balloons for parties. I struggled hard and by God's grace, at 50 I was able to purchase my home in Puukala...now my only income as a Senior Citizen with no retirement fund. I have relied on that rental income for 13 years.

With God's kokua, I managed to not go on welfare (though I came close a few times when I didn't know how I'd feed my kids) because I didn't want to be a burden to our beautiful State of Hawaii. Without short term rental I'd have no way to pay my mortgage or continue supporting myself in my last years of life. Short term rental has allowed me to rely on my own income instead of having to rely on the State for financial assistance. As mentioned, I struggled my whole adult life to take care of myself and my family *on my own. Please DO NOT pass this tax increase.*

I write this with appreciation for your kokua in this matter...as a Senior Citizen of Hawaii County in good standing for over 40 years, I ask that you *Do Not Increase our already very high TAT....please.*

Mahalo for your consideration and all you do in our State Legislature,

Laura Bollinger

HB-820-HD-1

Submitted on: 2/23/2023 11:28:42 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara JH Machado	Individual	Oppose	Written Testimony Only

Comments:

SMALL BUSINESSES ARE THE LIFE BLOOD OF OUR ECONOMY.

BY RAISING THIS TAX SO DRAMATICALLY SHOWS THAT YOU OPPOSE SMALL BUSINESS.

HB-820-HD-1

Submitted on: 2/23/2023 11:29:27 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Heidi Lowe	Individual	Oppose	Written Testimony Only

Comments:

This last year most hawaii counties have imposed an additional tax to rentals (3% in Maui county). I fear an additional accomodation tax will inversly affect everyone-- renters will longer opt to go to Hawaii where they are being priced out of a vacation, to much more affordable locations such as Mexico. Many are already doing this as all the other expenses in Hawaii have sky rocketed as well.

Hawaii is already an expensive place to vacattion. An additional tax will be the "straw that broke the camels back" and vacationers will look elsewhere to vacation. Please do not increast this tax. Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 11:30:06 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan A Bryson	Individual	Oppose	Written Testimony Only

Comments:

Dear Members of the Hawaii House Finance Committee,

I am writing to express my strong opposition to Bill HB 820. This Bill seeks to restrict the use of short-term rentals in Hawaii, which will have a detrimental impact on the state's tourism industry. The Bill unfairly targets homeowners and those who prefer to stay in short-term rentals, while exempting hotels from the same regulations.

It is clear that this Bill has been influenced by the hotel industry, as it does not apply to them. This is a clear violation of the principle of fairness and equality under the law. This Bill is unconstitutional and will make Hawaii look like an undesirable place to visit.

As you are aware, the tourism industry is the lifeblood of Hawaii's economy. If this Bill is passed, it will discourage families, groups, and other tourists from visiting our beautiful islands. It will have a devastating effect on the livelihoods of many Hawaii residents who rely on tourism for their income.

I urge you to vote NO on Bill HB 820. This Bill is not in the best interest of Hawaii's residents or visitors, and will have long-term negative effects on our state's economy. Thank you for your attention to this matter.

Sincerely,

Susan Bryson

HB-820-HD-1

Submitted on: 2/23/2023 11:34:02 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
sheryl kincaid	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern,

I am strongly opposed to HB 820 and urge you to please not pass this bill. This bill is completely unfair to all transient housing owners, who already pay city and state TAT, by adding on another 25% tax while hotels are exempt from this extra tax.

Sincerely,

Sheryl Kincaid

HB-820-HD-1

Submitted on: 2/23/2023 11:35:14 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Barry	Individual	Oppose	Written Testimony Only

Comments:

I oppose this measure. It allows for double taxation on owners.

Re: TESTIMONY OPPOSING HOUSE BILL 820

Dear Hawaii House Finance Committee,

I strongly oppose the House Bill 820 for the following reasons:

1) Bill 820 and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

3) This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 11:36:29 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David Shaw	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose the increased taxes proposed in HB820 for transient vacation units, including short term rentals by 25%. For fast growing areas, such as Puna District, there are very few available hotels or short term rentals available, especially after the recent lava flow of 2018 eliminated more than 700 housing units in Kapoho, many of which were short term vacation rental units. Also, transient and short term rentals are very important to the local economy, supporting local people who manage, clean and caretake for these rentals and providing options for places where visitors can stay, which is an important resource for the local and tourist community, since many families do not have space for their visiting friends and relatives to stay with them.

HB-820-HD-1

Submitted on: 2/23/2023 11:37:06 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Heather Loughridge- Buono	Individual	Oppose	Written Testimony Only

Comments:

I can't think of a worse idea.

HB-820-HD-1

Submitted on: 2/23/2023 11:37:42 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lori Anne S Goto	Individual	Oppose	Written Testimony Only

Comments:

Oppose HB820

There is so many bills hurting

Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution.

I WOULD LIKE NOTICE and want our legislators to include owners who have NUC license when discussing these issues and drafting these bills.

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

Hawaii survives on tourism. So many employees would get hurt if we eliminate all the tax paying rentals or charge so much only the consumer gets hit and have to pay a lot more!

HB-820-HD-1

Submitted on: 2/23/2023 11:37:54 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Julie Brockman	Individual	Oppose	Written Testimony Only

Comments:

Aloha as a Hawaii resident residing in the County Of Maui I am against the increase of the TAT by 25% already. Maui County has had to implement their own TAT tax because none of this money was coming back to our county. This also puts a great burden upon vacation rental owners, because the taxes will become so high that people will choose to stay elsewhere, but maybe that is what Hawaii wants to accomplish. The tourism industry has spent much time and monetary investment building, a reputation of a safe and pleasurable place to visit. Many residents rely upon the income that they earn, either directly or indirectly to these transient rental units are, and most of these dollars are going back only to the big hotels. In the words of my tutu be careful what you wish for.

HB-820-HD-1

Submitted on: 2/23/2023 11:39:04 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Freeman	Individual	Oppose	Written Testimony Only

Comments:

I completely OPPOSE HB 820 proposed bill as this bill appears to be only in favor of hotels and does not take into consideration of individual homeowners and their property rights. Other communities across the country who have tried this, who thought that banning and hurting vacation rentals owners, would bring more tax revenue. They were entirely wrong. What it did was shut down small businesses and only benefit larger corporations and government administration. I believe it encourages people to operate illegally and not pay taxes at all. The reasons you want to do this are not sound. Do the research by an independent auditor and you will see the deadly results to communities when vacation rental taxes are raised. We do not want to see this happen to locals and this is exactly what HB820 does. It hurts Hawaii.

There has been no proven research that this bill would offer more long term rentals to individuals. If this is to benefit hotels, they would have to reduce their rates considerably in order to provide options for visiting guests. This would then lower the amount of taxes the State or county would collect and certainly would not benefit hotels.

This Bill proposes to assess an additional 25% based upon WHO is providing the transient accommodation. This extra 25% is applicable to only one category of taxpayer. This cannot be justified in any way. Current State law provides that transient accommodation tax (TAT) is levied against all those who provide transient accommodations. This includes hotels, timeshares, rooming house providers, condo hotels, and short term rentals of less than 180 days. Why suddenly are individual homeowners being singled out?

This proposed Bill would violate the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of tax payer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same. The Constitution's 14th Amendment prohibits discrimination. This has been reaffirmed many times by the Supreme court with findings such as:

- the Constitution "neither knows nor tolerates classes among citizens." ... those words now are understood to state a commitment to the law's neutrality where the rights of persons are at stake. The Equal Protection Clause enforces this principle."

- "...no impediment should be interposed to the pursuits of any one, except as applied to the same pursuits by others under like circumstances; that no greater burdens should be laid upon one than are laid upon others in the same calling and condition ..." (emphasis added)

-“The Fourteenth Amendment to the Constitution says: "Nor shall any State deprive or deny to any person within its jurisdiction the equal protection of the laws .. all persons within the jurisdiction of the United States shall have the full and equal benefit of all laws ... and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other." (emphasis added)

I travel to other countries where there is extensive tourism and their taxes on short term rentals vary from 1% to 6%. Many encourage STVR's as they bring many resources to local businesses. Majority of visitors come to Hawaii to experience the lifestyle that we that live here experience every day and for the most part are quite respectful of our island life.

I respectfully request that this Bill be held. The State is compelled to treat everyone within its jurisdiction with “equal protection” including taxes. Passing this Bill would violate the US and State constitutions.

HB-820-HD-1

Submitted on: 2/23/2023 11:39:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nora Mann	Individual	Oppose	Written Testimony Only

Comments:

Respectfully, increasing the TAT to 25% represents an almost doubling of the current rate(10.25% plus additional 3% added in 2021).The 10.25% rate was already one of the highest in the country. An increase of this magnitude would likely make vacationers less likely to rent short term vacation rentals. This would adversely impact tourism to Kauai. Please reconsider this measure.

Re: TESTIMONY OPPOSING HOUSE BILL 820

Dear Hawaii House Finance Committee,

I strongly oppose the House Bill 820 for the following reasons:

1) Bill 820 and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

3) This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 11:41:14 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Julie Caron	Individual	Oppose	Written Testimony Only

Comments:

I strongly appose HB820. Transient Accomodations provide a vital service for Hawaii's tourists to have viable options outside of hotels, which allow them a more personal experience of the island with cooking facilities and other amenities not provided by hotels. This is one of many pieces of legislation that feel like an attack on the livelihoods of so many Hawaii residents and Hawaii property owners. We already pay a significant amount of tax. Assigning a crippling tax to STVRs in Hawaii WILL NOT solve your housing issues. It also does not account for the fact that STVRs in Hawaii help many people to make a living wage through repairs, landscaping, cleaning and other required services, as well as contribute lots of tourism money to areas that don't have hotels. But if you impose a crippling tax for less than 30 day rentals, we will have to leave. And YOU NEED US! You should treat us like you actually value us instead of proposing legislation that feels hostile to Hawaii property owners and so many others who rely on STVRs for their livelihoods.

HB-820-HD-1

Submitted on: 2/23/2023 11:44:18 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Simon	Individual	Oppose	Written Testimony Only

Comments:

Dear Legislature Representatives,

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

Please do not pass this unfair bill. It will place a terrible burden on those of us who depend on vacation rental income on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 11:45:36 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alexis Benoit	Individual	Oppose	Written Testimony Only

Comments:

Taxes are already high enough to barely pay bills and with rising costs and dues it would be impossible to have taxes go up that much, too.

HB-820-HD-1

Submitted on: 2/23/2023 11:47:10 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Yang Li	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

This proposed bill punishes legal vacation rental operators, and benefits hotels so that hotel can have the monopoly. On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we are subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

The committee report of this proposal states that “transient vacation rentals are a problem”. This statement is completely wrong and in fact it is a blatant insult and slander on all of the law-abiding legal vacation rental operators who are mostly small business owners. On Oahu, TVUs are in the same resort zone as hotels, doing the same business, paying the same state GET and TAT, and paying the same hotel and resort zone property taxes which is the highest rate of all categories. In addition, TVUS are also subject to annual fees and other requirements that hotels are exempt from. Resort zone on Oahu was created to primarily serve the visitor industry. How can some legislators call the these legal vacation rentals who operate in the appropriate resort zone, a problem?

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordnance in that regard. The problem is enforcement of the ordnance. Until the counties can have the resources to effectively enforce their respective ordnance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 11:50:07 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Debra Piro	Individual	Oppose	Written Testimony Only

Comments:

I am highly opposed to this legislation. So many of us are trying to make a living with legal vacation rentals. A 25% increae is astronomical and will put everyone out Of business, which is obviously the intention!!!

Visitors will go to other destinations that are more affordable and welcome them. Hawai'i has lost it hospitality.

HB-820-HD-1

Submitted on: 2/23/2023 11:50:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara Jensen-Haight	Individual	Oppose	Written Testimony Only

Comments:

HB 820 is one more nail in the coffin for TA options for the many different types of travelers to our state. This is the obvious intention - to end it or limit it to only high-end, bigger-money operations. As usual, our state diminishes the opportunities for any local trying to survive and support themselves to not lose their home. Also, the TA options allow single travelers from all over the world who cannot afford luxury hotels - or even average hotel rates. TA accommodations do not take away from the rental market but add more support to surrounding small businesses. If all the units under TA were actually full time renters, the traffic and impacts to neighborhoods would be much increased. In addition, there are already substantial taxes tacked onto TA operators.

Please do NOT pass this oppressive bill.

HB-820-HD-1

Submitted on: 2/23/2023 11:53:24 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
SUSAN LEE	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and Finance Committee Members,

I am writing to you to **strongly oppose HB820 HD1** regarding an additional tax on transient vacation units. The following reasons set forth my opposition to the bill.

1) **NO STAKEHOLDER INPUT.** This and many other anti-vacation-rental bills are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills. Due process requires the full scope of stakeholders to be included when considering these bills.**

2) **EXORBITANT AND UNFAIR TAX.** HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals. **This bill will effectively wipe out any transient vacation rentals to the detriment of small property owners, while allowing hotel behemoths to benefit.**

3) **DISCRIMINATORY AND UNEQUAL TREATMENT.** This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu. **The inequity in this legislation is apparent, and property owners will have no choice but to legally challenge this legislation should it pass.**

I implore you to **vote NO on this bill** and send the bill back for a comprehensive stakeholder review and feedback process --- the only fair path forward.

Regards, Susan Lee

HB-820-HD-1

Submitted on: 2/23/2023 11:56:40 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael John Roberts	Individual	Oppose	Written Testimony Only

Comments:

My wife and I own a short-term rental property on the north shore of Oahu and would like to express opposition to HB820_HD1. We are concerned this bill would negatively impact the availability of affordable rentals for locals, attendees of events such as surf competitions, and tourists in general. In particular, these rentals provide an affordable means for families wanting to travel to the islands who may not be able to pay the higher costs associated with the resorts. In addition, this potentially burdensome tax may preclude us from operating our rental thus diminishing the employment of our local property managers, housekeeper, and handyman. Thank you for your time. Mike Roberts and Shannon Heath

HB-820-HD-1

Submitted on: 2/23/2023 11:57:11 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Samuel Levitz	Individual	Oppose	Written Testimony Only

Comments:

This bill HB 820 would be counter productive.

#1 it would prevent guests from coming to our island at all....and it certainly would not drive them to stay in hotels, since a certain %'age of the population prefers vacation homes, as the consil knows by now.

#2 By creating such an egregious tax, I'm concerned that would drive home owners to NOT pay the tax at all...

Once again, Hawaii finds a way to continue to screw over local families trying to make a living.....Some locals never voted for your silly rail project to begin with. Enough is enough...

Aole HB 820

HB-820-HD-1

Submitted on: 2/23/2023 11:59:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Melanie Schadewald	Individual	Oppose	Written Testimony Only

Comments:

I am 100% NOT in favor of the passing of HB820 passing. Many owners of vacation rentals are reliant on renters in order to sustain their properties. A hike of up to 25% more for transient state taxes would certainly have a dire effect on the renter's ability to afford coming to Hawaii. In an already downward spiraling economy due in large to the pandemic, this is just one more thing that would be a horrible decision that would impact the people of Hawaii.

HB-820-HD-1

Submitted on: 2/23/2023 12:00:15 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
andrew huey	Individual	Oppose	Written Testimony Only

Comments:

I am the owner of a bed and breakfast on Maui in the Kihei area since 2010. Over the past 13 years I have run near full occupancy. The average advanced booking lead time is 6-9 months. This year, my occupancy for the 1st quarter is solid, but falls off a cliff after that. The tides are absolutely turning! With inflation high, and interest rates at a resistance level for the 1st time in 14 years, the pressure on the national economy is about to kick in. My business is absolutely the first metric of the upcoming economic hardship the tourism industry is about to see. It would be a huge mistake to raise the TAT tax in this environment. You know not what you do, and I beg you to see past this shortsightedness. Consider this a 6-9 month advance notice!

In fact, the legislature should consider lowering the TAT in light of the additional 3% that the legislature raised the TAT last year by allowing counties to surcharge. 17.42% in tax is more than enough. I hope you consider this testimony of a real time business metric of the upcoming revenues tourism is going to bring the state.

Hawaii needs to be competitive in the destination arena, and I and millions of others simply would never go to a place if my lodging were taxed at the rate proposed. My guests already complain about the high cost in Hawaii and the high tax rate. Many have said they will not return, and I have seen return guests dwindle as the years go on. This is a change from the past as a result of cost. Again, you know not what you do. Shelve this proposal or lower the TAT rate.

Mahalo for your consideration. Andrew Huey Kihei, Maui

HB-820-HD-1

Submitted on: 2/23/2023 12:00:34 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas Merrick	Individual	Oppose	Written Testimony Only

Comments:

This is an ill-conceived piece of legislation supposedly originated to reduce the number of short term rentals (per newspaper article of the drafter)

1. It was less than 6 months ago that Honolulu passed Bill 41, ordinance 22-07 whose sole purpose was to also reduce short term rentals. Give the City time to staff up, find and close down the rentals breaking the law
2. I bought my STR's in the legal RESORT ZONE and am already being penalized by Bill 41. This bill is even worse. Our units are in a condo-hotel next to a hotel yet with this bill we would be required to pay 25% more in taxes even though we are both in the resort zone. Whatever you do to the STR's in the resort zone you need to do to the hotels.
3. You have not asked for any input from the Vacation Rental Industry and work together with us to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

I STRONGLY OPPOSE this bill.

HB-820-HD-1

Submitted on: 2/23/2023 12:00:41 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Craig Stevens	Individual	Oppose	Written Testimony Only

Comments:

HOUSE FINANCE COMMITTEE

BILL HB 820 HD1

Chair, Vice Chair and Representatives

HEARING DATE: Friday, February 24, 2023

TIME: 1.30 PM

LOCATION: Room 308

I write to express my opposition to this Bill (HB 820 HD1).

It seeks to impose a 25% tax on transient vacation units. It ignores the fact that there is a state-level transient accommodation tax on rentals of less than 180 days as well as additional City & County of Honolulu-level transient accommodation tax, and inexplicably excludes hotels from such an increase.

As written, this Bill will result in transient vacation units on Oahu having to pay 38.25% tax on rentals.

Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) in an equal manner, this one singles out and punishes transient vacation units, especially on Oahu.

We request Representatives give appropriate time and careful consideration to this matter in order to be aware of the broader negative economic impacts of this legislation before making their decisions. All we ask, and seek, is a fair, non-punative and reasonable taxation regime.

Mahalo for your consideration of this testimony.

Craig Stevens

HB-820-HD-1

Submitted on: 2/23/2023 12:02:51 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Thuy Huynh	Individual	Oppose	Written Testimony Only

Comments:

I am opposed to HB 820 because:

- 1) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.
- 2) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.
- 3) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution.

HB-820-HD-1

Submitted on: 2/23/2023 12:03:58 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sean Brady	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Members,

I oppose this bill. I am a small business owner, who purchased a legal vacation rental in an approved resort zone. I have never rented my unit illegally, never had a complaint, never had less than a 5-star review from guests and I pay all of my State and City and County Taxes and fees. I put my family's life savings into this legal vacation rental and after paying the current State TAT of 10.25%, the State GET of 4.5%, the Oahu TAT of 3% and all of the new fees Oahu just enacted I make a very modest profit at the end of the year. This proposed increase to the TAT tax would put myself and many other LEGAL OWNERS like me out of business. If I were to go out of business the young mother and daughter team of cleaners I use each week would lose their income from my unit, as well as the trades people who I often hire for maintenance in my unit.

On Oahu, legal transient vacation rentals are operating in the same resort zone as hotels, providing the same transient accommodation. But now we would be subject to 25% of TAT, while hotels are only taxed at 10.25% TAT? How is it legal to discriminate against one specific class of transient accommodation provider? Fair and equal treatment of all people and businesses in terms of taxation is rooted in our constitution.

It is those illegal vacation rentals in the residential areas that are the problem. Oahu has recently passed the strictest ordinance in that regard. The problem is enforcement of the ordinance. Until the counties can have the resources to effectively enforce their respective ordinance, the illegal vacation rentals in the residential areas will continue to be disruptive.

Please smart and pono choice and do not allow HB820 to move forward.

Thank you for your consideration.

Aloha,

Sean

HB-820-HD-1

Submitted on: 2/23/2023 12:03:59 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Teresa Araujo	Individual	Support	Written Testimony Only

Comments:

Agree with having STR legal in Hawaii

HB-820-HD-1

Submitted on: 2/23/2023 12:04:40 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Reny Mathew	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose Hawaii House Bill 820, which is a poorly drafted piece of legislation that unfairly targets transient vacation units. This bill attempts to impose a 25% tax on vacation rentals that are already subject to state-level transient accommodation tax and additional City & County of Honolulu-level transient accommodation tax. This means that transient vacation unit owners on Oahu will be subjected to a tax rate of 38.25% on their rentals, which is an unreasonable and unfair amount.

Furthermore, it is unacceptable that the bill singles out and punishes owners of transient vacation units while exempting hotels from the same treatment. This approach is unjust and does not reflect the fact that hotels and vacation rentals are similar in nature and should be treated equally under the law. It is particularly concerning that the bill ignores the state-level transient accommodation tax, which already applies to all rentals of less than 180 days.

Another issue with this bill is that it is drafted without input from representatives of the Vacation Rental industry. This approach ignores the complexities within which vacation rental owners operate and does not allow for a fair and balanced solution to be developed. As a result, we are calling on legislators to include us in discussions about vacation rental regulations and to work with us to develop legislation that is fair to all parties.

In conclusion, I strongly oppose Hawaii House Bill 820, which is a poorly drafted piece of legislation that unfairly targets transient vacation units. It is unjust and unreasonable to impose a 25% tax on these units when they are already subject to state and local taxes. Furthermore, the bill singles out and punishes vacation rental owners while exempting hotels from the same treatment. I urge legislators to work with representatives of the Vacation Rental industry to develop fair and balanced solutions that benefit all parties involved.

HB-820-HD-1

Submitted on: 2/23/2023 12:05:01 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Haythem Abid	Individual	Oppose	Written Testimony Only

Comments:

Dear Comittee,

The current taxes in Kauai are 17.962% which is already one of the highest in the nation.

If this bill passes the total taxes will be **32.712%** (25% TAT + 3% KTAT + 4.712%GET = 32.712%).

Who in his right mind will pay 32.712% in taxes to stay at a Transient vacation rental!

This is a bill intended to **DESTROY** the business andl ife of every vacation rental owner.

Before you passe this bill you should ask yourself the follwing questions:

- 1) Who is behind this bill?
- 2) Are hotels behind this bill?
- 3) How will this impact local businesses?
- 4) How will this impact many locals who also own vacatin rentals?
- 5) How will this impact Kauai and Hawaii tourism?
- 6) Is this **FAIR**?

This bill will make the taxes on vacation rentals the highest in the nation if not the world.

Please oppose this bill.

Sincerely,

Haythem Abid

HB-820-HD-1

Submitted on: 2/23/2023 12:05:37 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Christina Warner	Individual	Support	Written Testimony Only

Comments:

I support this bill.

HB-820-HD-1

Submitted on: 2/23/2023 12:05:42 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carol Carolan	Individual	Oppose	Written Testimony Only

Comments:

A 25% increase placed on an already high transient accommodations tax will place a severe burden on the entire hospitality enterprise. Visitors are already paying very high taxes.

I oppose HB 820.

Carol Carolan, Ph.D.

My name is Ira Ono. I am the President of Experience Volcano and have lived here for over 40 years. Experience Volcano is a non-profit (www.experiencevolcano.com) that promotes Volcano as a gateway community to Hawaii Volcanos National Park.

Hawaii House Bill 820 (HB820) to increase the state transient accommodations tax (TAT) on transient vacation units, including short-term rentals, deliberately discriminates against entire industries, without even looking at the impacts, both positive and negative, that those industries actually have on local communities. Legislators should at least gather data about what they could be destroying before they authorize destruction of local vacation rental owner's livelihoods and the livelihoods of a whole chain of industries, such as local art galleries and restaurants, and service industries, that depend on them.

Legislators should consider the impacts of this policy on tourism as a whole. How many people stay in such establishments annually in Hawaii? Would those visitors even come to Hawaii, if their only option was to stay in commercial resorts?

Such legislation almost never examines whether or not short-term rentals really are a bad thing. In fact, in many small communities such as Volcano, such rentals are not just a good thing, but a vital basis for much of the local economy. In Volcano, many other businesses such as restaurants and art galleries depend on the people who spend the night in such rentals. Hundreds of jobs are at stake.

Our experience here in Volcano is that people who stay in local short-term rentals leave much more in the cash registers of local businesses than do tourists shuttled in by busses from distant resorts.

Short term rentals directly benefit local rural Volcano residents, providing better than living wages for local families, restaurants, stores and art galleries. Jobs from multi-national hotels often do not. And every job that's created in this local economy is one less wage earner who has to take part in the "five o'clock derby" from affordable homes in the "lava zone" of Puna to often low-wage jobs in West Hawaii. **This Bill could take away Hawaii County constituent's ability to make a living wage.**

The vast majority of short-term rentals in Volcano, including properties with Non-conforming Use Certificates, **operate legally.**

Please reject Hawaii House Bill 820 as the State should maintain some authority on taxes and zoning to establish some overarching guardrails within which the counties can operate. Our residents and local economy depend on the checks and balances that currently exist between the State and Counties. Please let Hawaii County figure out its own parameters as our Island has many rural areas such as Volcano which need to accommodate overnight guests visiting Hawaii Volcanoes National Park and other natural, artistic and historic attractions. Our second home cottages, local restaurants, stores and galleries depend on visitors' ability to stay a night or two or three in place without traveling back to Kona or Hilo.

Mahalo nui loa for your consideration,

I r a O n o

HB-820-HD-1

Submitted on: 2/23/2023 12:08:01 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John B Davoren	Individual	Oppose	Written Testimony Only

Comments:

To the Hawaii House Finance Committee:

I am writing as a concerned owner of a property subject to Hawaii State Transient Accommodations Tax (TAT), Excise Tax, and Maui County Transient Accommodations taxes, which now total 17.25%. Even before Maui County initiated their own 3% tax a little over a year ago, according to Travel & Leisure Magazine, Hawaii had the highest short-term accommodations taxes IN THE WORLD.

HB820 proposes an enormous increase to the TAT with only a cursory rationale. According to the Committee on Tourism Chair, the intent of this massive increase "...will ensure that transient vacation rentals that host visitors for less than thirty days pay their share to address the impacts of the tourism industry on the State."

There is no supporting justification for such a huge increase. Indeed, the historical precedent in TAT increases show that it has taken more than 25 years for the TAT to double (from 5% to 10%), so this increase (more than doubling the current rate) is simply not in keeping with Hawaii's spirit of aloha, which drew most of us who own resort-based transient rental properties to purchase them and pay significant property taxes and support the local economies of the islands. 25% appears to have been drawn out of a hat.

Ultimately, this appears to be a case of discriminatory taxation without representation. Hotels are apparently excluded from this tax and, as large corporations, have more sway than the thousands of individual resort unit owners whose livelihoods may depend substantially on the income that is generated, and will be negatively affected by this proposed change.

This does not help Hawaii residents. A cumulative tax of 25% TAT, 4% Excise, and 3% County TAT means that those who wish to enjoy Maui will think twice about paying the 32% total tax on their trip. Property owners will have to decrease their own incomes to support a vaguely-worded concept of addressing "the impacts of the tourism industry on the State", but other parts of the tourism industry impact the state too. Where is the assessment of their portion? You can do better than this.

John Davoren

HB-820-HD-1

Submitted on: 2/23/2023 12:10:57 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
jan davis	Individual	Oppose	Written Testimony Only

Comments:

I oppose Bill 820. What is fair? Who does the legislature work for? The Public or Unions and Corporations? What will become of small business? What will this world look like when all the Corporations and Unions own everything?

Do the Right Thing.

HB-820-HD-1

Submitted on: 2/23/2023 12:12:32 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Spencer Lee	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Finance Committee-

I respectfully submit comments in **strong opposition to HB 820**. This legislative process has been mired with conflict, without the due process of full stakeholder engagement, and has devastating and unfair consequences to small property owners in Hawaii.

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax on their rentals, which is excessive.**

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu. **This bill is inequitable and unjust and clearly gives preferential treatment to the hotel industry at the expense of community members.**

I strongly oppose HB 820 and request that the Committee vote NO on this bill.

- Spencer Lee

HB-820-HD-1

Submitted on: 2/23/2023 12:13:52 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
cynthia williams	Individual	Oppose	Written Testimony Only

Comments:

This is ridiculous especially since big buisness hotel owners are not subjected to this tax increase. VERY UNFAIR

HB-820-HD-1

Submitted on: 2/23/2023 12:17:35 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sigrid Marmann	Individual	Oppose	Written Testimony Only

Comments:

TO WHOM IT MAY CONCERN

February 23, 2023

My name is Sigrid Marmann, owner of unit C-230 at Molokai Shores, Molokai HI . My comments are below:

I'm opposing the TAT tax increase as follows;

The current TAT tax has been periodically increased from 7% to 10.25%

That increase has been agreed upon and accepted until December 31, 2030.

Molokai as you know is just a very small community, short-term rent rates are at the lowest when combined with all other islands. Another tax increase would hurt my business bigtime since my guests are looking for relaxation only, do not seek any entertainments since there are known on island and are usually retired couples seeking the true Hawaiian spirit in hiking, swimming, exploring and just watching awesome sunsets.

For the above reasons, my guests should not be penalized by yet another rate increase which is not warranted.

I beg you to consider my reasons to exempt Molokai short-term rentals from any TAT tax increases.

Mahalo,

Sigrid Marmann

C-230 Molokai Shores,

Molokai HI

HB-820-HD-1

Submitted on: 2/23/2023 12:18:25 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Valentina M Steele	Individual	Oppose	Written Testimony Only

Comments:

This tax increase is way too much! Taxes are already too high. This will harm your travel industry, which is the majority of your business in the state. Please don't raise the taxes. I also wanted to say tax increases should have a longer effective date.

Respectfully,

Valentina Steele

TnT Enterprises Kona, LLC

HB-820-HD-1

Submitted on: 2/23/2023 12:22:51 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joel Van Zee	Individual	Oppose	Written Testimony Only

Comments:

Dear Sir or Madam,

I have vacation rental properties in an approved zone for such properties on Kauai. I pay the extra property tax assessment, as required, to the county of Kauai. Why would the state of Hawaii implement this unfair tax to owners of a development that was built over 30 years ago with the intent to house short term vacation renters?

This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same.

Please do NOT approve this Bill.

Thank you,

Joel Van Zee

HB-820-HD-1

Submitted on: 2/23/2023 12:23:06 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bill & Janet Anderson	Individual	Oppose	Written Testimony Only

Comments:

My wife and myself have owned our condominium since 2002. We have always had the dream to move there for retirement, so we did long-term rentals until the 2008 real estate and job market collapsed. To be able to make ends meet we tried short-term rentals and have been doing so since that time with great success. The hotel lobby, I believe, is behind this measure because guests are allowed a more comfortable option at a much more affordable cost.. We have been licensed and charging/paying over 17% in taxes for years. Not sure where this amount of income goes, but these huge resorts/hotels apparently do not contribute to the infrastructure problem on Maui. Constant traffic jams, adding huge amounts of automobiles to existing roadways, etc. Corporations have the money and clout to change these problems, not small individual owners as ourselves. Response?.

HB-820-HD-1

Submitted on: 2/23/2023 12:23:11 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Snider	Individual	Oppose	Written Testimony Only

Comments:

I have a legally issued NUC certificate on my unit that I already pay GAT/TAT taxes on every rental. This new bill only includes vacation rentals and yet once again exempts the hotels which are all less than 30-day rentals. Why are you only targeting us and not including the hotels? This is unacceptable when we are doing everything legally all the while the DPP does not even enforce illegal rentals.

Charles Snider

HB-820-HD-1

Submitted on: 2/23/2023 12:24:56 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ashley Moffat	Individual	Oppose	Written Testimony Only

Comments:

Aloha

My name is Ashley and I manage a home that is used as a vacation rental when the owner is not on island. It is a permitted, legal vacation rental. I feel like raising the transient accommodations tax will harm those of us who legally work for vacation rentals. The tax is already high, it need not be higher.

mahalo

Ashley

HB-820-HD-1

Submitted on: 2/23/2023 12:26:42 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Pat fox	Individual	Oppose	Written Testimony Only

Comments:

This bill is unfairly punishing mom and pop local landlords who, like me, bought an investment rental beach property 30 pr more years ago. I rented it out long term woth disastrous results to guys from Schofield, a surf shop owner, a retired advisor to the Tongan government, etc. since the rents were long term I was not able to check on my property often. They basically wrecked everything I had so hopefully provided.

Three complete expensive reconstruction and remodels later, when i rented short term, one week to three months, Only tarely did i need to keep part of the security deposit. My property was never trashed as with long- termers.

Many visitors greatly prefer the vrbo experience of monitored independence to the unavoidable servant-master relationship of resort hotels. Why do only the hotels receive preferential treatment as to guests' length of stay? Our aloha government is unwittingly punishing the visitor too when they punitively limit choices. Our support staff comes from the community we are in, providing so many jobs.our guests enrich the community around them daily.

Locked into 'resort areas', they fail to get the full Hawaii Pono feeling! I mourn for their disappointed questing hearts. Shame on you! Scuttle this bill !

I am in opposition to HB820. The current TAT and GET taxes are already extremely high and unbearable. So many prospective renters either ask the property owner to share the TAT and GET taxes, or simply do not rent. They can travel to Florida, Tahiti, Cancun or other vacation places. Hawaii is not the only place that a vacationer can go. We will lose businesses and the State will lose tax revenue instead of gaining revenue if an increase to TAT as proposed at HB820 is enacted.

Hilbert Chu

A short term rental property owner in Kona

HB-820-HD-1

Submitted on: 2/23/2023 12:32:24 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
BIN LIU	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation **intends to punish legal vacation rental owners** while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups.

Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 12:33:44 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
C. Willson	Individual	Oppose	Written Testimony Only

Comments:

Re: OPPOSING Hawaii House Bill 84

I don't own a Vacation Rental property, but I know several affected families (most of them older, and living in resort-zoned areas).

I think YOU ARE TRYING TO SOLVE THE WRONG PROBLEM.

The problem is NOT local people renting out a room when the kid(s) have left for college, or to try and keep their home in retirement, but outsiders (mainland and foreign INVESTORS) coming in to buy up Hawaii real estate to create mini hotel businesses, driving up the cost of real estate and contributing to the ridiculously high cost of housing (and rentals).

I know older residents trying to keep their homes in retirement, trying to help their kids pay for college, and trying to keep up with their bills and taxes should NOT be treated as the problem.

The problem is people who buy local houses, NOT TO LIVE IN, BUT TO EXPLOIT HAWAII, and especially those who own several homes for primary use as short-term rentals.

We need to stop outsiders from taking property off the market to try to exploit Hawaii to make a quick buck. These people contribute NOTHING, they are TAKERS, and they are SPOILING our neighborhoods.

Outsiders / non-residents should NOT be able to own more than one home for primary use as a vacation rental, or to convert homes to mini-hotels outside of a resort-zoned area.

Please do not sell out to the hotel interests just because they contribute to your campaign.

We need to keep housing as affordable as possible for Hawaii RESIDENTS.

Local people want to keep their homes in retirement, and to have a room available for their children (and relatives) when they come back from college or come to visit for Christmas or return for summers, etc.

Please support Hawaii RESIDENTS and RETIREES who are being driven out by high taxes, increasing inflation, and off-shore investors. Please do not throw them under the bus for a quick buck. Keep this little bit of rental income in the state, supporting us residents, and NOT going off-shore.

We will remember your Aloha, or your betrayal at the polls. Please stand on the side of the residents, the people, not the hotel interests, and the mainland and foreign investors.

HB-820-HD-1

Submitted on: 2/23/2023 12:36:13 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Megan Gray	Individual	Oppose	Written Testimony Only

Comments:

Hi - I oppose the bill to increase the Transient Tax to 25% this is a 15% increase which is incredibly steep. In recent years we have seen an increase of the GET (0.5%) and the addition of HCTAT (3%) bringing taxes on short term rentals to an incredibly high rate as compared to many vacationing spots such as Los Angeles (12%) and Palm Springs (11.5%). While I understand the need for vacation rentals to cover their fair share of costs they are already bringing in significant tax revenues and are supporting Hawaii's largest industry which is tourism. With increasing tax rates it could negatively impact Hawaii's tourism industry which will in turn not just hurt vacationers but also local Hawaiians.

HB-820-HD-1

Submitted on: 2/23/2023 12:42:05 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jay Xudan	Individual	Oppose	Written Testimony Only

Comments:

As a property owner in Maui County I am against this bill. Maui county is one of the largest contributors to the TAT with little to no money ever coming back to our county. Now you are wanting us to charge travelers an additional 25% increase which will have a huge impact on the economy and all businesses related to it, stores, restaurants, cleaners, handyman, property, managers, etc. when people stop coming to Hawaii, because of the exorbitant taxes.

HB-820-HD-1

Submitted on: 2/23/2023 12:43:13 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
jack stevenson	Individual	Oppose	Written Testimony Only

Comments:

The Four-Way Test of the things we think, say or do is a test used by Rotarians world-wide as a moral code for personal and business relationships. Test number 2 is “Is it fair to all concerned?”

I ask you does this Bill (HB820) stand up to that test? The last 4 years of operating my Vacation Rental, I have made 19% so your increase of 25% tax would not be much fun. Of course one of the four years was negative profit due to Covid.

Let's not do this.

HB-820-HD-1

Submitted on: 2/23/2023 12:43:14 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alan Wilson	Individual	Oppose	Written Testimony Only

Comments:

I am writing to voice my concerns regarding proposed increase in TAT. I strongly oppose this bill. We have a residence in Maui that we supplement with short term rental accommodation. This income allows us to maintain our residence and visit the island frequently. The unreasonable raising of the TAT would have a great negative impact on our rental and will most likely force us to sell our property.

This increased tax will affect everyone in similar situations as ours. It would cause hardship on many individuals that now submit a large percent of transient tax already.

I would ask that you reconsider this bill.

Mahalo,

Alan Wilson

HB-820-HD-1

Submitted on: 2/23/2023 12:45:06 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Nathan Moore	Individual	Oppose	Written Testimony Only

Comments:

Aloha

As a resident for over 20 years on Maui. I have seen the pineapple industry shut down, the sugar cane industry shut down and the main source of income for residents is hospitality. I kindly suggest the State Legislature reconsider Bill HB 820. As it is my opinion that it will eventually shut down the hospitality industry and decrease the revenue that is generated by taxes from vacation rentals in the state. Tourists will find other island locations worldwide to travel to that are less expensive, leaving the state of Hawaii with large expenses on projects that are started and unable to fund them. These vacation rentals (that are small businesses) help to sustain jobs for residents and help to fund the state in numerous ways. By approving this bill you are taking money away from these small business owners, resident workforce, and the funding that can help improve our state. It is my opinion that condemning the vacation rental industry is NOT the way for the state to generate more revenue for the state. I have been told that considering an slight increase in General Excise tax and/or property tax on non residents could generate the same amount of revenue? This could possibly gain the state more funding and eliminate the possible degradation of the Hospitality industry and these small businesses. Again, I do ask the state legislature to reconsider bill HB820.

Mahalo for your consideration.

HB-820-HD-1

Submitted on: 2/23/2023 12:46:07 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Rachel Panteleeff	Individual	Oppose	Written Testimony Only

Comments:

Aloha To Whom It May Concern,

Please vote against HB820. I am greatly opposed to further restrictions on short term vacation rentals and/or the TAT being increased. I am a single woman in my 50's and I rent out part of my property, which is also my primary residence, to bring in much needed income to meet the rising property taxes and cost of living over the past several years. Mahalo for your consideration.

Sincerely,

Rachel P.

HB-820-HD-1

Submitted on: 2/23/2023 12:47:16 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Debbie Connolly	Individual	Oppose	Remotely Via Zoom

Comments:

We are opposed to HB820 for personal and fairness issues. We have owned the Walker house at 876 mokulua drive for 9 years, and bought with the understanding that the only reason we could afford to do so was because of the TUV license. With this new proposed ruling, and new tax it significantly impacts our ability to own and operate the property. My family has been coming for 40 years, and my sister lives here. Our dream was to buy a property in the area for the last 15 years ago. We purchased a property 15 years ago understanding we could rent the property. We had the misfortune of an electrical fire and it burned, We rebuilt with the understanding that we could do short term rentals. We were then informed of the enforcement of one rental per month which forced us to sell. This created us to take a huge financial loss. The only way we would ever buy was with a TUV license. Now this significantly impacts us to utilize. We feel this legislation is excessive, and is an attempt to force visitors to hotel accommodations. For Hawaii visitors, this means the ONLY place to stay is WAIKIKI, Turtle bay and Ko olina. there is already 18 percent tax, and raising to 25 percent seems unfair to single. very few rentals that provide an option for those wanting to stay out of the resort area. We appreciate your careful consideration. Debbie and Tim Connolly

HB-820-HD-1

Submitted on: 2/23/2023 12:49:20 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Johan Holmquist	Individual	Oppose	Remotely Via Zoom

Comments:

My wife and I own a condo in Kihei, Maui, that we currently rent out as Transient Accommodations. Our plan since purchasing the condo is to spend more and more time on Maui as we are now retired. However, we still have a dog on the mainland and since our condo doesn't allow dogs we cannot move to Maui just yet. We spent a month at our condo in January/February 2023 as we haven't been able to get there much lately due to Covid-19 restrictions on planes and in Maui. We strenuously oppose this measure as the current tax burden on transient accommodations is already high and was just increased by 3% when Hawaii decided to keep all of the TAT and allow each county to charge their own 3%. Moving it to 25% would be punitive and excessive and could hurt the local economy that supports the Hawaii residents you are trying to help. A recent survey found that most Hawaiians have a more favorable view on tourism than in previous years. This should be taken into consideration.

Dear Honorable Hawaii State Representatives:

The proposed 25% increase in Hawaii TAT tax will increase the current transient accommodation tax rate ONLY from 13.255% of nearly 300% increase to 38.5%. We already pay 17.255% taxes in state and county transient and general excise taxes. Below is the current breakdown:

- State of Hawaii TAT rate: 10.25%
- State of Hawaii GE rate: 4%
- Oahu County Surcharge rate: 0.5%
- Oahu County TAT rate: 3%
- **Total Current Transient Accommodation Rate is 17.255%**

The figure above does not include the real estate taxes. **By adding a 25% in TAT taxes, the actual tax rate is a whopping 42.255%. Nearly half of our monthly revenues will go to taxes. Including mortgages, fees and other operating costs, short-term rentals are unaffordable to run.** Clearly, the state legislature does not want short term rentals of any kind in the state of Hawaii as it is trying and will succeed in putting short-term rentals out of business because this extra tax will make it unaffordable for homeowners.

We will not be able to rent out our rooms, our units, our homes to visitors, families, professionals on short-term assignments, etc. You are punishing the homeowner trying to cover their mortgage and the small businesspeople trying to make a living. This extra tax rate of 25% will just put the little guy out of business and will ONLY benefit hotels and large corporations that take their money out of state and out of the country.

What about all of the local jobs that we provide to residents by having a short-term rentals? You will be eliminating these jobs, hurting locals and taking away from the economy of Hawaii. Lots of tourists, including many families and short-term professionals, and locals appreciate a home away from home with a kitchen to economically cook their own meals which you cannot do at hotels. This will kill the spirit of Hawaiian Ohana. This proposed action by the Hawaiian State Legislature is making Hawaii more unaffordable for its residents. This is a mis-guided and ill-advised overreach of the legislative taxing authority.

Sincerely,
Jane Moy and family

HB-820-HD-1

Submitted on: 2/23/2023 12:50:49 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jasper Monesit	Individual	Support	Written Testimony Only

Comments:

Agree with STR legal in Hawaii

HB-820-HD-1

Submitted on: 2/23/2023 12:51:41 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Kozuki	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I'm a local girl, born and raised in Hawaii. Trying to make ends meet so I can stay in Hawaii and not move to somewhere more affordable like Oregon or Nevada, which is where I was going until airbnb came into the scene to help us locals stay local - and **keep money IN HAWAII.**

I don't agree with with this legislation where, the hotels are not included, and in effect this is an attempt to shut down STRs. This is not an even playing field for indepenent short-term rental owners.

Mahalo for your consideration in opposing this bill.

HB-820-HD-1

Submitted on: 2/23/2023 12:53:04 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Axel Kratel	Individual	Oppose	Remotely Via Zoom

Comments:

This is yet another proposed bill that favors the hotel industry over everyone else. The govt doesn't have the right to favor one business over another, it's not constitutional. What's worse is that the legislature's witch hunt against vacation rentals sweeps up many local families who will be victimized by this bill. There are many farmers and residents on the outer islands who rely on hosted rental income who will be unfairly put at a disadvantage over the hotel industry. This isn't right. Please do not export this Oahu borne hate of vacation rentals to the outer islands. Oahu has other income opportunities that the outer islands do not have. The outer islands are far more dependant on tourism than Oahu and this bill will hurt us.

HB-820-HD-1

Submitted on: 2/23/2023 12:57:16 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dick Roberts	Individual	Oppose	Written Testimony Only

Comments:

I realize that tourism is the primary industry in Hawaii but feel strongly that the state and counties combined already charge a ridiculously high Transient Accommodation Tax. When combined with the excise tax that also must be paid by visitors it is truly punitive and a discouragement to potential tourists. The state needs to be protective of it's most important industry and not constantly looking at it as a cash cow that is politically easy to plunder. Have any studies been done to assess the potential impact on tourism by the proposed tax increase? If not, we may find that by increasing the rate we discourage tourism to the effect that the reduced tourism offsets the hoped for revenue increase by charging a higher rate to fewer tourists.

We just recently had an increase in the TAT where the counties imposed their own county TAT after the state stopped giving thie counties a share of the revenues collected by the state. Enough is enough, please don't "kill the golden goose" with such a predatory tax increase.

Thank you,

Dick Roberts

Re: TESTIMONY OPPOSING HOUSE BILL 820

Dear Hawaii House Finance Committee,

I strongly oppose the House Bill 820 for the following reasons:

1) Bill 820 and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

3) This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 12:59:55 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Linda C. Mitchell	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB820. Our taxes on short term rentals are already among the highest in the nation. As you know, we now have an extra County tax to collect. I wonder why so much more money is needed from a business that has already had recent tax increases.

If this bill were to pass, where would the money go? What benefits do we see from what is already collected.

It feels like this increase is just another way to get rid of tourists without regard to the benefits well managed tourism produces.

Thank you for not raising the amount of taxes.

Linda Mitchell

HB-820-HD-1

Submitted on: 2/23/2023 1:00:08 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jason Sutton	Individual	Oppose	Written Testimony Only

Comments:

I oppose the increase in TAT. An increase in TAT would raise our overall tax rate to the highest in the nation and I do not agree with it.

Thank you,

Jason Sutton

HB-820-HD-1

Submitted on: 2/23/2023 1:01:59 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ryan Liddell	Individual	Oppose	Written Testimony Only

Comments:

First, let me say thank you for the opportunity to contribute to this issue. Hawaii's economy is heavily dependent on tourism, and a drastic increase in the TAT would make it more expensive for visitors to stay in Hawaii, leading to a decrease in tourist arrivals. While some might welcome a decrease in crowds, it is important to keep in mind that tourism and tourism adjacent industries currently make up the majority of Hawaii's economy. This decrease in tourists would mean a significant loss of revenue for businesses that rely on tourism, such as restaurants, souvenir shops, and tour operators. This would ultimately result in job losses and lower incomes for the local community.

Secondly, a 25 percent increase in TAT would have a direct impact on local residents who rely on the tourism industry. Many locals work in hotels, restaurants, and other tourism-related industries, and an increase in the TAT would mean fewer tourists and less income for these workers. Tourism dollars will be squeezed tighter and vacation rental owners will be forced to further cut expenses leading to more layoffs of local workers. Maui County alone just had a 3% increase which is quite dramatic in a single year. A 25% increase would be completely untenable especially if done in a short time rather than over several decades. It would be like the Fed raising interest rates by 25% instead of .75% at a time - disastrous!

Thirdly, a 25 percent increase in TAT would also discourage repeat visitors who already know the cost of traveling to Hawaii. These repeat visitors are a vital source of income for local businesses and contribute significantly to the local economy. Discouraging repeat visitors would result in a significant loss of revenue and job losses in the long term.

Finally, we may very well be on the brink of a recession in the next year. If this happens, people will cut back significantly on discretionary spending leading to a significant decrease in tourism. During a recession, travelers will be more price-sensitive and may choose to visit destinations that are more affordable than Hawaii, leading to increased competition from other destinations. Raising the TAT on top of that could create a snowball effect that would take years to recover from if ever.

In conclusion, raising the transient accommodation taxes in Hawaii would further harm the local community and devastate the local economy by reducing tourist arrivals, disproportionately affecting small businesses and vacation rental owners, negatively impacting locals who work in tourism-related industries, and discouraging repeat visitors. A 25 percent increase in TAT would be exorbitant, dangerous, and unreasonable, and would result in significant negative

consequences for the local economy and community at a time when the US economy might be verging on recession. Rather than increasing this tax even further, it is crucial that Hawaii find ways to diversify the economy and develop other industries that can contribute revenue and create a more sustainable and resilient economy.

Mahalo for your time and consideration,

Ryan Liddell

HB-820-HD-1

Submitted on: 2/23/2023 1:03:19 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Steven Stecher	Individual	Oppose	Written Testimony Only

Comments:

I vehemently oppose this increase in the Transient Accommodations Tax! As the owner of a vacation rental property on Kauai I have no doubt that the passage of this TAT increase will have a dramatic negative effect on my business operation and the value of my property. Visitors using vacation rentals already pay an exorbitant tax (TAT and GET) and this increase is not justified in any way. It can only be assumed that the authors of this bill are the hotel industry, and its legislative supporters are in their pockets, bought and paid for! Shame on you!

HB-820-HD-1

Submitted on: 2/23/2023 1:04:34 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Young	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rentals legislations are drafted without bringing representatives of the Vacation Rental Industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 1:04:44 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sean Breeze	Individual	Oppose	Written Testimony Only

Comments:

Why is the legislature continuing to make life difficult for legal short term rentals and not spending the time and energy to go after illegal STRs. This legislation will make it financially impossible to operate a short term rental in an area zoned for short term rentals. I own a condo in Kuilima West in Turtle Bay and have done everything to be compliant with the current laws. I am happy to pay my share of taxes to support the community but raising our tax from 10 to 25% is too much!

Please spend your time and energy going after illegal STRs and let the legal STRs continue to operate and support the tourism industry

HB-820-HD-1

Submitted on: 2/23/2023 1:05:01 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Greg Siok	Individual	Oppose	Written Testimony Only

Comments:

I've lived in Hawaii since I was a child in 1977 and I've grown up to work in the real estate industry as a property manager. I oppose Bill 820 as this and other legislation introduced to curb the vacation rental industry has too often left out representatives of the vacation rental industry. This is a complex industry that provides local families needed income and often serves returning residents, travel nurses, emergency workers, family of critically ill patients, etc. It is best if all parties, both for and against short-term rentals, work together for a fair and balanced solution. All too often, those against short-term rentals out and out lie in their testimony - saying they are negatively affected by a neighboring house - when no vacation rental is anywhere near the person testifying. This results in poorly drafted legislation, like Bill 820, creating an undue punitive tax burden on rentals rented for less than 180 days, creating a whopping 38.25% tax on short-term rentals, while exempting hotels from the same treatment. Taxes are often added to the renters bill - so those needing a furnished rental to do business in Hawaii would pay a steep price to do so. This would just make the cost of doing business in Hawaii higher. During an emergency, those emergency workers that often fly in to deal with widespread flooding or hurricane damage would lose out on finding suitable housing within the affected areas - which may be critical if roads are down or closed. These short-sighted and punitive bills are unAmerican and our county needs to do the hard work of bringing all parties together to fashion a long-term, sustainable solution that supports our tourist-driven economy, our local families and our hotel industry.

HB-820-HD-1

Submitted on: 2/23/2023 1:05:14 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Steve Hwang	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern,

I'm writing this letter to oppose this bill. We are already paying a total of 17% in taxes which is hard enough for us to survive in our business but increasing it to 25% will kill our business. As a hawaiian, our revenue is depended on tourism and if the bill passes we will have to increase our fees to our customers which in return less and less tourist will visit because the fee will be too high. It's in our best interest to lower our taxes so that more tourists can visit each and fuel our economy. This bill will hurt every hawaiians and it's economy. Please do not pass this bill.

Sincerely,

Steve Hwang

HB-820-HD-1

Submitted on: 2/23/2023 1:09:09 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Portia Igarashi	Individual	Oppose	Written Testimony Only

Comments:

The Transient tax on vacation rentals was increased last year when the individual counties were given the approval to add another 3% when the State refused to pay the normal 3% of the transient tax to the counties. This brought the total tax to 17.96% on Kauai including the GET tax. This translates to a guest who rents my condo for 7 days @ \$404/night and who pays \$2828 in rent must also pay a whopping \$507 in Transient and GET taxes!!! I have had guests who did not follow through with reservations because this tax priced them out. Increasing this by 25% through HB 820 will eventually turn guests away in droves which will in turn lower the number of guests and therefore the amount of transient tax collected. Further, as an owner of 3 vacation rentals, I am already paying the top real property tax rate which enriches the coffers of the county. This attitude of let's just increase the transient tax must stop! An increase of 3%, just last year is enough!!!

As I now read HB 820, it states that the Transient tax will be increased to 25% nearly doubling the current 13.46%! This then translates to 25% + 4.5% (GET) = 29.5%. Using my example above, the tax on the 7 day rental of \$2828 will require a tax of \$834. And worse yet, with the Kauai + 3% TAT, this will equal 32.5% which equates to this guest paying \$919. This will crush the vacation rental business. This may be the intent of this bill to put the vacation rental owners out of business so that the hotel business can thrive without competition. This is outrageously unfair. My family and I depend on our vacation rental income to live on Kauai.

DO NOT PASS THIS BILL!!!!

HB-820-HD-1

Submitted on: 2/23/2023 1:10:58 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Vera	Individual	Oppose	Written Testimony Only

Comments:

I own a Vacation Rental property, and it allows me to live and work as a Substitute Teacher in Hawaii. I am also hoping that I can retire at some point, and the income I receive from my room is enough that this may be possible.

If you raise the taxes to 25%, it will unfairly impact me and anyone wanting to come to Hawaii to experience our beautiful islands.

The hotels will not be impacted by this change in the rules, and that is unfair.

I think YOU ARE TRYING TO SOLVE THE WRONG PROBLEM.

The problem is NOT local people renting out a room when the kid(s) have left for college, or to try and keep their home in retirement, but outsiders (mainland and foreign INVESTORS) coming in to buy up Hawaii real estate to create mini hotel businesses, driving up the cost of real estate and contributing to the ridiculously high cost of housing (and rentals).

I know older residents trying to keep their homes in retirement, trying to help their kids pay for college, and trying to keep up with their bills and taxes should NOT be treated as the problem.

The problem is people who buy local houses, NOT TO LIVE IN, BUT TO EXPLOIT HAWAII, and especially those who own several homes for primary use as short-term rentals.

We need to stop outsiders from taking property off the market to try to exploit Hawaii to make a quick buck. These people contribute NOTHING, they are TAKERS, and they are SPOILING our neighborhoods.

Outsiders / non-residents should NOT be able to own more than one home for primary use as a vacation rental, or to convert homes to mini-hotels outside of a resort-zoned area.

Please do not sell out to the hotel interests just because they contribute to your campaign.

We need to keep housing as affordable as possible for Hawaii RESIDENTS.

Local people want to keep their homes in retirement, and to have a room available for their children (and relatives) when they come back from college or come to visit for Christmas or return for summers, etc.

Please support Hawaii RESIDENTS and RETIREES who are being driven out by high taxes, increasing inflation, and off-shore investors. Please do not throw them under the bus for a quick buck. Keep this little bit of rental income in the state, supporting us residents, and NOT going off-shore.

We will remember your Aloha, or your betrayal at the polls. Please stand on the side of the residents, the people, not the hotel interests, and the mainland and foreign investors.

HB-820-HD-1

Submitted on: 2/23/2023 1:14:52 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John Chang	Individual	Oppose	Written Testimony Only

Comments:

We oppose HB820 for the following reasons:

Transient Accommodation Tax is assessed on the gross rental proceeds for the business transaction of providing transient accommodations. It is assessed on all who provide transient accommodations. This would include hotels, timeshares, condo hotels, Bed and Breakfast, short term rentals, etc. Each provider is assessed transient accommodation tax (TAT).

This Bill proposes to segregate out one type of provider - short term rentals and increase their assessed tax to 25%. Hotels, timeshares, Bed and Breakfast, hosted short term rentals, etc. are not part of this increase - it is solely directed at unhosted short term rentals.

This segregation by the type of tax payer and guest of an unhosted short term rental, but not the guest of a hotel, is likely to be found discriminatory. A governmental entity must also abide by Federal and State Constitutions. Should this Bill pass it is not likely to meet the test of non-discrimination.

This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same. This has been reaffirmed many times by the Supreme court with findings such as:

- the Constitution "neither knows nor tolerates classes among citizens." ... those words now are understood to state a commitment to the law's neutrality where the rights of persons are at stake. The Equal Protection Clause enforces this principle."

"...no impediment should be interposed to the pursuits of any one, except as applied to the same pursuits by others under like circumstances; that no greater burdens should be laid upon one than are laid upon others in the same calling and condition ..." (emphasis added)

-"The Fourteenth Amendment to the Constitution says: "Nor shall any State deprive or deny to any person within its jurisdiction the equal protection of the laws .. all persons within the jurisdiction of the United States shall have the full and equal benefit of all laws

... and shall be subject to like punishment, pains, penalties, taxes, licenses, and exactions of every kind, and to no other." (emphasis added)

There is no preamble to the Bill stating what the purpose is. No testimony was offered to support this Bill. However, based upon the Committee notes there is a perception that houses that are owned by people who conduct the legal business of unhosted short term rentals should be taxed as an incentive to solve housing problems.

According to the newly released January 2023 Department of Business, Economic Development & Tourism (DBEDT) Hawaii Vacation Rental Performance Report, supply of short term vacation rentals is down 13.6% since 2019. This statistic alone would indicate there is not a need for this Bill.

The HTA inventory of STR and their district locations clearly indicates the majority are in resort zones, the same as hotels and timeshares. It has been legal to operate short term rentals in resort zones since their inception in the 1960s. Each county has their own resort/tourist destination zones. Each county also has a smaller amount of legally permitted non-conforming use certificates.

If this Bill were to be moved forward, not only does it present the above referenced violations, it would also encroach on the "government taking" prohibitions without due compensation. If the government is effectively going to shut down what is legal it will also trigger government taking considerations.

We respectfully request that this Bill be held. The State is compelled to treat everyone within its jurisdiction with "equal protection" including taxes. Passing this Bill would violate the US and State constitutions.

Thank you for the opportunity to testify.

HB-820-HD-1

Submitted on: 2/23/2023 1:15:08 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Harald von Sydow	Individual	Oppose	Remotely Via Zoom

Comments:

Honorable members of the finance committee

I oppose HB820

Bill 41 determined 3 legal resort areas on Oahu; Waikiki, Kuilima-Turtle Bay and Koolina, in which STR are legal

The difference between a standard hotel and a STR is that Hotels are built vertically to be economically more efficient and are always managed by a corporation. STRs are built horizontally, are locally owned by individuals, and are in zones where they do not disturb the nature of residential neighborhoods

In Hawaii, unfortunately any individual entrepreneur that is in the same market as the hotels gets stacks by legislators.

STRs are good for the local economy spreading the tourist money in the local economy, in addition to offering options for those travelers who do not want stay in a building, but want a home in which they can feel at home

Please do not penalize the horizontal built properties that are LEGAL STR.

Please include an amendment to HB820 to carve out all the legal STR properties from this horrendous increase in TAT

Thank you

Harald von Sydow

HB-820-HD-1

Submitted on: 2/23/2023 1:15:20 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Hybiske	Individual	Oppose	Written Testimony Only

Comments:

I STRONGLY oppose this bill. It is discriminatory, probably unconstitutional, and poorly thoughtout. The State of Hawaii, by enacting these huge taxes, is sending a very NEGATIVE message to visitors and property owners.

The TAT tax has gone from 5% in the 90's to the 14.42 % it is currently. Raising it to 25% is beyond reasonable. And not including the hotel industry to the tax is just totally wrong. It is a "gift" to big business. The small independent property owner is bares the entire cost.

I follow the rules and pay my TAT, GET, and MCTAT taxes. My guests are overwhelmed by the high tax rate. We also fund much of the State Budget by our high property taxes. What becomes of the taxes we pay? The roads are not improved, beaches need more staffing, the homeless population is not addressed. We are blamed for lack of affordable housing. Restrictions on short term rental are not the answer. Our condo was build 50 years ago, it was not designed to be a residence. It lacks adequate space, storage, parking.

Short term vacation needs bring in a huge part of the budget. We employ local people / companies to clean, maintain, and furnish our rental. We do our part to add to the Hawaiian economy. Please don't use us as a scape-goat for the needs of the islands.

The island economy is based on tourism. Please don't send visitors a negative message. As a property owner for 50 years and someone who considers Maui to be part of their life, current legislation makes me feel very much an outsider. I don't think that is what old Hawaiians would want.

HB-820-HD-1

Submitted on: 2/23/2023 1:17:16 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David Hutsell	Individual	Oppose	Written Testimony Only

Comments:

As an owner at the Waikiki Shores for over 15 years, we respectfully ask that this bill be killed.

This bill was drafted without any consultation of any vacation rental industry personnel.

This bill is blatantly favoring the hotel industry while punishing those of use that are legal vacation rental owners.

We cannot expect a potential total tax of 38.25% to encourage or support any rentals.

Hawaii depends on tourism---this tax will hurt that industry.

This poorly drafted bill unfairly attacks owners of property that purchased a vacation rental years ago.

We are adamately opposed to this bill.

Sincerely,

David & Sheryl Hutsell

HB-820-HD-1

Submitted on: 2/23/2023 1:17:17 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ronald Kupke	Individual	Oppose	Written Testimony Only

Comments:

I absolutely do not support this bill.

HB-820-HD-1

Submitted on: 2/23/2023 1:17:22 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lois Koenig	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB820 because it will result in the loss of valuable tourist income for all in Hawaii. This tax will make it too expensive for tourists to stay here. Didn't we learn any lessons during Covid when the loss of tourist dollars resulted in a loss of jobs, closure of businesses and a huge loss to Maui County and Hawaii in income not received from the tourists who support many on our islands. 25% is like usuary fees, ie, hitting the tourists and owners unfairly. You need to look at the long term impact on business, both big and small, before doing something like this.

HB-820-HD-1

Submitted on: 2/23/2023 1:17:44 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gildas Cheung	Individual	Oppose	Written Testimony Only

Comments:

Aloha. This is one more amongst many other anti-vacation-rental legislations that are drafted without bringing representatives of the Vacation Rental industry to the table. Personally I am disappointed at the lack of spirit of collaboration to come up with a fair and balanced solution knowing this affects everyone in the island. All I am asking is fair representation as part of this process before a bill is drafted.

HB 820 looks to add a 25% tax on vacation rentals on top of a TAT of 10.25% AND OTAT at 3%. This will make overall tax to 38.25% which will have a severe impact and cause a ripple effect throughout Oahu.

Additionally, this legislation punishes legal vacation rental owners while exempting the hotels from the same treatment even though hotels cater to visitors less than 180 days. Why is there an unfair tax structure that seemingly give an unfair advantage to the hotel industry and leave small families taking the burden.

HB-820-HD-1

Submitted on: 2/23/2023 1:18:58 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
McMichael Simmy	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Please do not increase the state transient accomodation tax.

Infact, please give back the taxes to the outer island to

help on our island, not taking the majority of the funds to pay

for the Oahu Rail.

Perhaps, increase the tax only for Oahu to pay for Oahu rail.

Aloha,

Simmy McMichael

Hawai'i Big Island

HB-820-HD-1

Submitted on: 2/23/2023 1:23:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joe Schneckenburger	Individual	Oppose	Written Testimony Only

Comments:

HB820 is a terrible idea. Hawaii has a surplus and there is no need to raise taxes. The unintended consequences of this bill would cause more unemployment and homelessness throughout the state as it would significantly hurt revenue coming into the state as less tourists can afford to come and support the citizens of Hawaii. Also, many book a year in advance--any increase should take affect a year after it is passed into law. The Big Island would be particularly hard his as Ironman would be forced to move away from Hawaii.

HB-820-HD-1

Submitted on: 2/23/2023 1:26:56 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Karen Lastrup	Individual	Oppose	Written Testimony Only

Comments:

I am in strongly oppose this bill.

HB-820-HD-1

Submitted on: 2/23/2023 1:27:45 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tricia Fuqua	Individual	Oppose	Written Testimony Only

Comments:

I do not support this measure. It is unfair to STVR owners who work hard to provide a reasonable service to guests. We already pay 3 different taxes on accomodations, this increase is way too extreme for guests. The Hawaii County TAT was added just over a year ago and increased fees by another 3%. It will hurt tourism and in turn hurt local businesses that rely on tourism.

HB-820-HD-1

Submitted on: 2/23/2023 1:28:55 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Hetong Li	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 1:28:58 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alan Holly	Individual	Oppose	Written Testimony Only

Comments:

We are shocked that HB820 could be written, let alone considered.

A 25% TAT increase will shutter many short term rentals. Jobs will be lost. Additional tax revenue will disappear and Hawaii will be left as the home of only the rich, the famous and the powerful.

We have owned and made our Princeville, Kauai condominium available for short term vacation rentals, since 1988. The CC&Rs made short term rental of our property "lawful". In those past 35 years, our guests have contributed countless tax dollars.

We are constantly remodeling the property, whether because of events like Iniki or just trying to improve the guest experience. In the summer of 2020, when renting our property was prevented by Covid, we initiated a significant remodel. We contacted a Kauai construction worker we knew and told him what we wanted done. He was out of work, but was able to be employed by his previous licensed contractor, to complete the work. We didn't do the remodel for us. We did this for Hawaii, specifically, for Kauai. If our property was not a rental, we would be happy to live in it the way it was, but we thought it was a way to give back to Kauai and our future guests.

Our vacation rental is managed by a local real estate company who is able to employ a rental agent, because of the income they derive from our property and others. Our property also helps to support local maintenance and housekeeping crews.

We were attracted to Hawaii for its beauty. We felt the aloha spirit and the sense of ohana. When Covid struck, we bought Hawaii goods and contributed to Hawaii charities. We suggested our guests do the same. When guests could again travel to Kauai, one guest brought two (2) large duffle bags containing school supplies and flip flops for a Kauai school.

We are neither rich, famous or powerful. We just visited Kauai 35 years ago and fell in love with the Island. We wanted to be a part of it and we wanted to share it with others, who like ourselves could not have reasonably afford the high cost of hotels and resorts. This added tax will kill many short term rentals and further hurt residents.

We urge you to vote against this bill.

Mahalo nui loa for your consideration.

HB-820-HD-1

Submitted on: 2/23/2023 1:29:26 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gifford Benoit	Individual	Oppose	Written Testimony Only

Comments:

We pay so much in taxes already. This would be devastating to us.

HB-820-HD-1

Submitted on: 2/23/2023 1:30:07 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephanie Fitzpatrick	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha Committee,

I am testifying against this rather extreme increase suggested for the TAT tax on transient vacation rentals.

We have a family beach house on the North Shore of Oahu, purchased by my grandparents in 1934. We are fortunate to have it still remain in our family for nearly 90 years now. It was never used as a long-time home for our family, but simply as a beach house, and it also happened to be next to my grandparents home (no longer in the family). For all these years it has stood, a single wall home, it went thru the 1946 tsunami, most of the house was built at this point 100 years ago. It is a classic example of such local beach homes. And most of them have been torn down, I believe. If we ever had to sell it, I'm pretty sure that it would be torn down for the value of the land.

We are only able to have it and to keep it going by renting it short-term, legally, only one rental per month. I manage it, I have done so for 20 years, families like to come and stay, they are not allowed to have parties and I check them in and out, and do the twice a week yard care; we have security cameras, we have our own parking and are on good terms with our neighbors. We have been here, at this home, in this family, for a long time.

Please do not increase this rate.

Aloha,

Stephanie Fitzpatrick

HB-820-HD-1

Submitted on: 2/23/2023 1:30:57 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Loring Wou	Individual	Oppose	Written Testimony Only

Comments:

I am opposed to HB820.

HB-820-HD-1

Submitted on: 2/23/2023 1:34:00 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
EMED VALLEJO	Individual	Oppose	Written Testimony Only

Comments:

Hello,

My family and I oppose this bill. As it is, our unit collects 13.25% tax on gross income. My short-term rental has a 25% management fee that is taken off of gross income. The TAT tax should really be based on gross income minus expenses such as the management fee. The state is already benefitting from this taxing situation. To go from 9.25% to 35% is outrageous. Rent control in some states limit increases by 5% of current monthly rent. This tax want to increase TAT by 350% of what it is now. That's ludicrous and if passed, could damage vacationer traffic from visiting Hawaii. As it is, Hotels are charging \$500 and up for a night stay at their facility. Mom and Pop short-term rentals allow the islands to be visited by most people and not just the super wealthy. This bill was not thought out on all the negative impact it will have. I vehemently oppose it.

HB-820-HD-1

Submitted on: 2/23/2023 1:35:12 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bradley Warren	Individual	Oppose	Written Testimony Only

Comments:



HB-820-HD-1

Submitted on: 2/23/2023 1:37:02 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Sanchez	Individual	Oppose	Written Testimony Only

Comments:

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment.** Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 1:37:03 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Maria Bean	Individual	Oppose	Written Testimony Only

Comments:

In reference to Bill HB 820

I would like to express my strong opposition to Bill HB 820, by first asking some pertinent questions.

Why are you trying to punish the owners of Short Term Rentals by imposing a ridiculous increase of .25% on taxes? Why exclude the big corporation hotels, is it due to their lobbyist and political donations?

Why call them “Transient Vacation Units” instead of Short Term Rentals? Is it because the word **transient** has a negative connotation?

Why was this bill drafted without bringing to the table for discussion the STR owners, since they are the ones who will be severely and drastically impacted by it’s passing?

I have more questions but you have not even given us adequate notice that this bill was coming up for consideration.

HB-820-HD-1

Submitted on: 2/23/2023 1:40:10 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
May Wah Lee	Individual	Oppose	Written Testimony Only

Comments:

Hello Chair Yamashita, Vice Chair Kitagawa, and Members of the Finance Committee-

I respectfully submit comments to **oppose HB 820**. This legislative process has proceeded without the due process of full stakeholder engagement, has devastating and unfair consequences to small property owners in Hawaii, and is inequitable in its application.

1) This and many other anti-vacation-rental bills are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include our voices when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax on their rentals, which is excessively high.**

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu. **This bill is unfair and unjust and clearly gives preferential treatment to the hotel industry at the expense of community members.**

I vehemently oppose HB 820 and request that the Committee vote NO on this bill.

Thank you,

May Wah Lee

HB-820-HD-1

Submitted on: 2/23/2023 1:40:42 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Marvin Porter	Individual	Oppose	Written Testimony Only

Comments:

Aloha Legislators,

HB820 is a confusing and very strange bill. I have a vacation rental in part of my home. I do it because I lost most of my savings in the 2008 sub prime debacle and Munimae investment, not saved by the government. I also do the vacation rental because I have a beautiful unique place surrounded by Ohia trees and beautiful fruit and flowering bushes that guests love.

I have paid excise and TAT taxes from the beginning and am now paying the extra state and county surcharges.

HB820 says taxes will be added on going back to 1994I! Is that really what it means? - Is that legal?

Then it goes on to say a 25% tax monthly to be paid.

This is a very confusing and bad bill.

Please vote against it.

Mahalo,

Mary Marvin Porter

Kea'au Hawai'i, 96749

808-982-9100

HB-820-HD-1

Submitted on: 2/23/2023 1:45:07 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Garwin Kamakani Souza	Individual	Oppose	Written Testimony Only

Comments:

Aloha Representatives of the People of Hawaii,

I Strongly oppose raising the transisient tax.

According to HB820 as written, This Act to increase the Transient Accommodation tax to 25% shall take effect on June 30, 3000, but this should never be entered into law.

Please remove this from HB820, it promotes gross mis-management of future tax revenue.

Mahalo,

G. Kamakani Souza

SUBMISSION RE HB820 – TRANSIENT ACCOMMODATIONS TAX; TRANSIENT VACATION UNIT

We own a “dwelling unit”, as defined by the Act, in Kihei, Maui. We rent this unit from time to time and spend at least two weeks there each year. We have owned it since November, 2011.

We are writing to express our concerns with HB820. This would increase the Transient Accommodation Tax from 10.25% to 25%.

When we came to Maui for the first time in November 2011 and set foot on Charley Young Beach on our first morning, we realized that the people who called the place “paradise” were not over-selling it. We bought the unit a few days later, and determined that we would rent it at a rate that medium-income people – especially families – could afford, so that they, too, could experience the beauty and refreshing nature of the island. We’ve set prices that cover our expenses – mortgage, AOA fees, routine upkeep and special expenses like new appliances, etc. -- and pay for our own vacations there.

For the first several years, our guests would book one, two or sometimes three weeks. During the COVID pandemic, we had no one for practically all of 2020, and since the state of Hawai’i lifted its ban on travel, people have been coming primarily for three to five days: it’s as if they’ve said, “The restrictions are over! We need to get away!”, and a quick, affordable trip to Maui has been their choice.

When they’re here, people spend their money on more than the rent. Since our unit has a full kitchen – and the complex has some fine barbecue grills – they buy groceries, going to Foodland, Times and Safeway, as well as the farmers’ markets and the Swap Meet in Kahului; they also patronize local restaurants and bars and have a wide choice of excursions and other attractions. In other words, the money they save by having affordable accommodations is money they can spend at local businesses and help the local economy.

The system of renting at a reasonable price to people of moderate means has a positive “downstream” effect on the economy of Maui.

Over the years, we have seen taxes increase – as noted in HB820. We understand the benefits that taxes bring – we recently discovered the local swimming pool in Kihei and have become frequent riders on MauiBus, which must be subsidized because \$2 for a ride (\$1 for seniors) is an incredible bargain! Thus far, the increases have not affected the attractiveness of our property, but a jump from 10.25% to 25% is likely to have a “chilling” effect on prospective renters. It would mean a total tax charge of 32%.

Put another way, a one-week rental in March, when we charge \$179.00 per night, would jump from \$1,253 + 128.43 (TAT) + 50.12 (GE) + 37.49 (Maui County) = \$1,469.94 ... to \$1,253 + 313.25 (TAT) + 50.12 (GE) + 37.49 (Maui County) = \$1,653.86.

We submit that is not an insubstantial increase for a family or anyone of moderate means.

This leads to a couple of other points we find contentious. HB820 makes reference to a “family” renting, but what is the definition of “family”? We rent to families, to be sure, but our guests are also friends, couples – married or not, retired couples. This may have to be re-written.

Another point is the fact that it’s not clear from the wording of the amendment whether “Transient Vacation Unit” applies to hotels and resorts, or simply to owner-rented properties. If it’s the latter, this raises the question of why owner-rented properties are being targeted.

Nor is it clear what should happen to existing rental contracts. We already have bookings into 2024: would they be allowed to stand at the current TAT rate, or would we be expected to go back to the renters and charge them more?

To return to our main point, we are concerned that a 2.5-fold increase in the TAT will deter visitors of moderate means from coming to Maui and sharply reduce the property’s potential for resale, should we or our heirs decide to sell it.

Waihoia me ka mahalo,

Drew Snider & Amelia Shaw

Owners

D-111 2531 South Kihei Road,

Kihei

96753

HB-820-HD-1

Submitted on: 2/23/2023 1:46:52 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kimberly Baxter	Individual	Oppose	Written Testimony Only

Comments:

As the owner of a vacation rental on the big island of Hawaii I am extremely concerned not only with how a transient accommodations tax increase will effect our ability to cover our expenses, but also the effect it will have on potential visitors. A 25% increase is prohibitive and will almost certainly keep some people from visiting due to it not being affordable.

My husband and I own a condo in a complex that is primarily vacation rental units. Just in the past few months both our mortgage payment and HOA fees have increased. Unfortunately we have to pass these increases on to our guests in order to be able to afford to keep our property. Our nightly rates have risen and our occupancy has decreased. If we have to add on an additional 25% I'm afraid we will lose guests and won't be able to pay the bills.

Other than how this would effect me personally, there is a bigger picture to consider here as well. Does the state of Hawaii want to lose visitors by making the cost to visit too prohibitive? Reducing the amount of tourists could have a negative effect on so many other businesses that rely on those tourism dollars. Many people dream of and save for a Hawaiian vacation their whole lives, it would be a shame if that dream was no longer possible due to increased costs. I urge you to please not approve the the 25% transient accommodations tax increase. Thanks for you time and consideration.

Kim Baxter, owner at Sea Mountain, Pahala

HB-820-HD-1

Submitted on: 2/23/2023 1:48:02 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Beverly Herrington	Individual	Oppose	Written Testimony Only

Comments:

Our family currently owns condos in Maui as an income source during retirement. We were mandated to pay an additional 3% MCTAT starting in 2022 because Maui County said that the State of Hawaii was no longer providing 3% TAT back to Maui County. Now, if I understand this correctly, we will be charged another 25% increase. What happened to the 3% that Maui County no longer gets? Maui economy is based on tourism as seen during Covid. It is amazing that the government feels that property owners and guests have to carry the burden for mismanagement of government funds which translates to the peoples' money.

HB-820-HD-1

Submitted on: 2/23/2023 1:50:13 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John M Kevan	Individual	Oppose	Written Testimony Only

Comments:

This is another attempt to penalize tourism for no control in government budgets.

Hawaii is already one of the most expensive places to visit, continued penalizing tourist who feed our economy, our jobs, and lively hoods will only drive them away. Please focus on reducing government spending as 1-Hawaii is already one of the most expensive states to live in and visit and 2-Hawaii per capita spending has always been one of the worst in the county if not in the top two.

Hawaii cannot keep taxing it's way our of lack of financial discipline.

john

HB-820-HD-1

Submitted on: 2/23/2023 1:51:05 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Cohn	Individual	Oppose	Written Testimony Only

Comments:

The following statements outline why I oppose HB 820:

1) This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. **We want our legislators to include us when discussing these issues and drafting these bills.**

2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay **38.25% tax** on their rentals.

3) This legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 1:55:00 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lori Rough	Individual	Oppose	Written Testimony Only

Comments:

HB820 unfairly taxes transient accommodations, especially given hotels are exempt from this tax. Please do not let this pass.

HB-820-HD-1

Submitted on: 2/23/2023 1:55:32 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Raymond Khoo	Individual	Oppose	Remotely Via Zoom

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days(like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

HB-820-HD-1

Submitted on: 2/23/2023 1:57:34 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Khoo	Individual	Oppose	Written Testimony Only

Comments:

This and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.

This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

This distinction may also discriminate against certain individuals or groups who may rely more heavily on short-term rentals, such as low-income travelers or families with young children who may need the additional space and amenities provided by short-term rentals. This may also disproportionately impact small businesses and entrepreneurs who rely on short-term rentals as a means of generating income.

In summary, HB820 violates the Equal Protection Clause of the Fourteenth Amendment by creating a classification based on the type of accommodation and penalizing guests who choose to stay in short-term rentals. This arbitrary distinction is not rationally related to any legitimate state interest, and may also have a discriminatory impact on certain individuals and groups. Therefore, HB820 is unconstitutional and should not be enacted into law.

Re: TESTIMONY OPPOSING HOUSE BILL 820

Dear Hawaii House Finance Committee,

I strongly oppose the House Bill 820 for the following reasons:

- 1) Bill 820 and many other anti-vacation-rental legislations are drafted without bringing representatives of the Vacation Rental industry to the table and allowing them to explain the complexities within which they operate and work together to come up with a fair and balanced solution. We want our legislators to include us when discussing these issues and drafting these bills.
- 2) HB 820 is a poorly drafted legislation that seems to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accommodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation units owners on Oahu having to pay 38.25% tax on their rentals.
- 3) This legislation intends to punish legal vacation rental owners while exempting the hotels from the same treatment. Unlike the existing Transient Accommodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one singles out and punishes owners of transient vacation units, especially on Oahu.

HB-820-HD-1

Submitted on: 2/23/2023 2:06:15 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Clark Carlton	Individual	Oppose	Written Testimony Only

Comments:

A 25% percent tax is too high and will discourage tourists from coming to Hawaii and will have them considering cheaper destinations. Ultimately it will mean less tax dollars for the state. Hawaii needs to be competitive with other destinations and will earn the resentment of those who cannot afford to visit these islands.

HB-820-HD-1

Submitted on: 2/23/2023 2:06:33 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Cortinas	Individual	Oppose	Written Testimony Only

Comments:

Dear Chair and Committee Members:

I would like to offer my comments on HB 820 which would raise the transient accommodations tax (TAT) for transient vacation units including short term vacation rentals by 25% effective July 1, 2023.

To echo what the President of the Grassroot Institute of Hawaii, Dr. Keli'i Akina offered regarding previous HB 169, I too believe this bill is another example of a tendency on the part of the state government to treat tourist dollars as an infinite resource that can be tapped as needed. I am aware of the housing shortage for long term rentals but I believe the state should be looking for ways to continue to be attractive to tourists, not raising the cost of visiting Hawaii (and making other, less expensive destinations more attractive in comparison).

We can't ignore the long-term effect on business and the state's economy.

Especially considering the role of tourism to Hawaii's economic health, as Dr. Akina said, any proposal that could have far-reaching effects on the state's ability to attract new visitors and reach new markets must be considered carefully before action is taken. If we continue to raise the cost of tourism in our state, we will see an overall decline in revenues.

Additionally this bill increases the TA tax for short term vacation rentals almost 15% which is prohibitive for many travelers, but for local owners of these units as well. With the effective date July 1st, 2023, the current reservations would be effected. Owners would be responsible for trying to collect additional taxes for reservations already booked beyond that date, as well as managing the cancellations. A less disruptive option would be to at least move the effective date out at least a year so as not to effect existing reservations and give appropriate time to prepare.

Thank you for the opportunity to submit my comments.

Sincerely,

Justin Cortinas

HB-820-HD-1

Submitted on: 2/23/2023 2:07:21 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Charles Pisciotta	Individual	Oppose	Written Testimony Only

Comments:

Oppose

HB-820-HD-1

Submitted on: 2/23/2023 2:07:30 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
sharon french	Individual	Oppose	Written Testimony Only

Comments:

This increase in accommodation tax will kill tourism in Hawaii. People have fabulous alternatives in Mexico (from mainland U.S.) and they have opted to go there after covid for many reasons - primarily because the cost is better, in many cases it is closer to travel to and the Mexican people welcome and want tourism, unlike Hawaii. People have been anxious to travel and more than ever, flooded the islands, but, I have heard countless people say they won't go back because of price gouging and cold reception. If Hawaii continues to disrespect visitors and demand such high fees, the days in the sunshine will end. Credit card debt in this country is soaring, car loan repossessions growing, jobs are being cut and the economy cannot support another blow to tourism. Covid hurt Hawaii's tourism and this is just one more way to injure the islands. Please reconsider and also, please realize that without tourism, many of your jobs will leave also. We have had property in Hawaii 43 years but if we had to pay the exorbitant rental rates and accommodation taxes, I fear we would not return, no matter how much we love the islands. Thank you for your consideration.

HB-820-HD-1

Submitted on: 2/23/2023 2:08:31 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Stansfield	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose raising the TAT tax visitors and hosts are already having a hard time getting visitors to pay (TAT, GET, MCTAT) of 17.4166 % driving guests to ask to book direct to avoid paying taxes. Raising it to 32.166 percent will definitely cause alot of cancellations for reservations already booked.

What other sources of income is Hawaii looking into the future to earn or is tourism the only source income for the future of the Hawaiian islands?

No one is going to want to rent at our properties without a mortgage the AOA dues for 416 sq. ft. studio is 1475.56 a month plus property tax going up yearly at around 650.00 a month. It would be \$2200.00 a month for 416 sq ft studio without a mortgage.

If this passes its time to sell.

HB-820-HD-1

Submitted on: 2/23/2023 2:10:31 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Peggy Kunewa	Individual	Oppose	Written Testimony Only

Comments:

Opposing HB-820

I have resided on this island most of my life. I single handedly raised a child; I worked outside my fulltime job just to make ends meet. After retiring from the SOH in 2021, I receive a pension and SS benefits. Not enough to maintain a decent lifestyle in this high cost of living.

My 5 * STVR has been my saving grace. Tucked away in the Volcano Forest, I provide a service to my community by hosting visitors coming from all parts of the world that want to experience the beauty of the forest and the VNP. Leaving a very small footprint impacting our Aina, taking with them an experience of a lifetime. I employ a housekeeper, handyman and groundskeeper and manage my own listing. Always available 24/7 to answer any questions my guests may have. I have had to struggle through the 2018 lava flow and the pandemic when my business was shut down. I now have an SBA loan to payback from the help I received during this time.

Four years ago, I applied and received a NCR certificate after going through a very lengthy and complicated and expensive process. I am currently certified to operate a NCR-STRV. I survived the lava flow the pandemic the certification process and now you tell me that you want to shut me down!

The impact of this bill would be devastating to me, my future and my family to remain living here on the islands. I would either be forced to try and sell my home or take on another job. Causing a ripple effect, I would not be able to watch my granddaughter while my daughter works because she cannot afford to pay the high cost of childcare. This could lead to another native born to leave the island to relocate to another state.

I'm not getting rich off my STRV, I am simply trying to hold on to my home and sustain a comfortable lifestyle for myself and family. Another tax increase, especially of this magnitude is devastating to me and to the visitors that come to visit Hawaii.

I implore you to "rethink" this reprehensible bill.

HB-820-HD-1

Submitted on: 2/23/2023 2:11:13 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bret Boyle	Individual	Oppose	Written Testimony Only

Comments:

My wife and I oppose this increase in taxation as it will financially hurt our rental business.

I strongly oppose HB 820 HDL.

Short term monthly rentals make it possible for families to visit relatives, often grandparents visit their grandchildren. They can stay close to the family instead of in Waikiki or other resort area. Also the pricing for short term rentals is more reasonable for groups larger than 2 individuals who want to spend a longer time visiting Oahu, and those who are doing major home renovations and need temporary places to stay.

Please reject the bill in its entirety. Instead DPP should focus on enforcing the current law (Ordinance 19-18) which was created through a lengthy public process.

In the future DPP should engage all stakeholders, not just the corporate hotels, in developing fair and sensible regulations.

HB-820-HD-1

Submitted on: 2/23/2023 2:14:44 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dorothy Sundquist	Individual	Oppose	Written Testimony Only

Comments:

I AM AGAINST THIS HARSH Bill . After 22 years of paying taxes faithfully and making many clients happy , I know this tax is much too harsh. The renters taxes and thier sepent dollars support the economy : the shops , the resturants, and the ownersand thier condo and home cost to make it all possible. Limit new permist, but do not punish the customers and the faithful hard working owners. I was a teacher and a single mother with 2 small childern who struggled to purchase this unit and make it work. My vacations are spent working and refurbishing the unit and trying to make my customers happy. It is hard earned not a given lark. That huge increase will smother the economy and kill the influx of birds that lay the goolden eggs.

HB-820-HD-1

Submitted on: 2/23/2023 2:16:49 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tricia Chiariello	Individual	Oppose	Written Testimony Only

Comments:

Aloha I am seriously opposed to this huge increase as it will make renting my vacation condo very difficult. Hawaii is beautiful and should be somewhat affordable for ALL, not just the extremely wealthy. Please don't hurt regular citizens and families. Mahalo

HB-820-HD-1

Submitted on: 2/23/2023 2:17:28 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Heather Stevens	Individual	Oppose	Written Testimony Only

Comments:

Shame on Hawai'i for being greedy! The tourist economy will eventually go elsewhere if we continue to gouge vacationers, then what good will the increase do the state? As a short term rental property owner I keep increasing my fees to accomodate the HOA's, the increased cost of energy, the increased taxes. It has to stop. The current taxes are hefty enough as is.

HB-820-HD-1

Submitted on: 2/23/2023 2:18:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Pamela Small	Individual	Oppose	Written Testimony Only

Comments:

February 23, 2023

RE: Raising TAT to 25% for vacation rentals

Your bill is utterly illegal under the Constitution of the United States and will not withstand a legal challenge. ***The position of the Hawaii Tax Foundation is that “This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same.”***

The freedom to buy, sell, and utilize property, as protected in the 5th amendment, underlies all real estate transactions and markets. Any restrictions placed on a property owner from realizing the highest and best use of that property hinders economic growth and development and reduces freedoms inherent in our society. STVR restrictions are exactly why the 5th amendment was created. The proposed bill constitutes an illegal taking of private property from homeowners. [Armstrong v. United States](#) (1960), the Supreme Court wrote: “The Fifth Amendment’s [Takings Clause] . . . was designed to bar Government from forcing some people alone to bear public burdens which, in all fairness and justice, should be borne by the public as a whole.”

In addition to the 5th amendment, property owners are guaranteed a legal Bundle of Rights. Those are:

1. The Right of Possession
2. The Right of Control
3. The Right of Enjoyment
4. The Right of Disposition
5. The Right of Exclusion

Your proposed bill infringes upon the legal rights of property owners through the 5th amendment, the Constitution of both the United States and the Constitution of Hawaii, and the Bundle of Rights.

I look forward to our day in court to challenge this illegal proposal if it comes out of committee and becomes law.

Sincerely,

Pamela Small

Kawaihae, Big Island

HB-820-HD-1

Submitted on: 2/23/2023 2:18:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alejandro Goya	Individual	Oppose	Written Testimony Only

Comments:

The vacation rental industry in Hawaii is already burdened with the highest tax rate of any industry in the state, a staggering 17.42%. Many people find this rate to be exorbitant and had never imagined it could be raised even further. However, proposed legislation, such as HB820, aims to increase the tax rate even more, which is a cause for concern. It's hard to think of any other industry in Hawaii that is being taxed at such a high rate, and it's worth considering how other businesses would react if they were subjected to the same level of taxation. The current situation feels like an unjust penalty on the vacation rental industry, and it raises questions about fairness and equity in taxation policies.

HB-820-HD-1

Submitted on: 2/23/2023 2:19:38 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul Montgomery	Individual	Oppose	Remotely Via Zoom

Comments:

I write here today in OPPOSITION to HB820.

There appears there are errors in the wording of the bill or at least to which section of code is being amended.

It is confusing where this new tax would apply, be it transient accommodations or transient vacation.

Then an effective date of the year 3000? If its not going to go into effect for some 77 years from now. Withdraw it from consideration, get the concepts, the need or no need figured out, perfect the bill and revisit it in a future session.

Please Oppose HB820.

HB-820-HD-1

Submitted on: 2/23/2023 2:25:37 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Fred Batkin	Individual	Oppose	Written Testimony Only

Comments:

This increase in the TAT tax is unreasonable. The TAT tax rate is already very high. By increasing it further this will discourage visiting guests to come and stay on Oahu and in Hawaii. They will choose less expensive places to vacation. This will not only affect my rental income which I depend on but we also have an effect on revenue received from visiting guess for the state of Hawaii. I oppose this increase

HB-820-HD-1

Submitted on: 2/23/2023 2:32:05 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kyle Duncan	Individual	Oppose	Written Testimony Only

Comments:

Aloha. I oppose HB820 for a two key reasons:

1) the suggested tax of 25% will significantly hurt local small business owners who will end up directly bearing the cost of the tax through lower nightly rental revenue to offset the tax. The STR market is already starting to feel the effects of increased operating costs imposed by the state and county legislature, having another tax burden of 25% will require local owners to drop their prices and absorb the increase personally.

2) this tax is only being applied against STR's and not hotels, creating another unfair burden on local small business owners vs Corporations. While this tax looks like an easy way to boost revenue without it coming from Hawaii residents, it will unfortunately have the opposite effect. Small and local residents are the primary owners of STR's and placing this tax burden solely on them is misaligned priorities of our legislature. STR's are the only option for a lot of local families to own small business to supplement their income and, given the astronomical prices Hotels are charging, provide the only option where middle class families can still afford to vacation in Hawaii, but shouldn't be at the expense of local small businesses.

HB-820-HD-1

Submitted on: 2/23/2023 2:34:38 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark Petritz	Individual	Oppose	Written Testimony Only

Comments:

More legislation written by the hotel industry.

HB-820-HD-1

Submitted on: 2/23/2023 2:35:27 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Anne Newman	Individual	Oppose	Written Testimony Only

Comments:

Guests visiting Kauai are already paying over 17% total tax, one of the highest anywhere! There must be another way`

HB-820-HD-1

Submitted on: 2/23/2023 2:38:23 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tiana Kaestner	Individual	Oppose	Written Testimony Only

Comments:

Hawaiian Bill 820 proposes to add an additional 25% tax (combined as 33%) to short term vacation rentals, which will surely have a negative impact on the state's tourism industry. Many travelers opt for vacation rentals over hotels because they offer more space, privacy, and flexibility- this includes affordable hotel alternative for traveling nurses, misplaced local residence during times of need.

I agree with the position held by the Hawaii Tax Foundation that, "This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same." this in turn references the obligation toward homeowners vs big box hotels.

Reports released January 2023 show that there are only 187,435 unit Vacation rental NIGHTS available in 2022 (record loss of 27% from 2019) and only 61% occupancy. This equates to \$14.9 millions toward actual homeowners before the excessive taxing.
(<https://www.hawaiiourismauthority.org/media/10518/january-2023-hawaii-vacation-rental-performance-final.pdf>)

In extreme contrast- Oahu hotels in 2022 held an open supply of 941,800 units, 74.4% occupancy (up 8.7%), increased RevPAR \$208.76 (increase 5.5%) and generated **\$196.6 million** in revenue for 2022 (up 31.4% in 1 year!) all without the increased threats, taxes, and damage toward local owners and residence.
(<https://www.hawaiiourismauthority.org/media/10513/hta-january-2023-hawaii-hotels-performance-final.pdf>)

The fact that vacation rental profits go to homeowners and those employed by the vacation rental industry are local, small businesses - housekeeping, contracting, landscaping. Tourists will not stop visiting Hawaii. Point blank. What will rise are prices in hotels if there is a loss of alternatives, giving more money toward the big box brands rather than homeowners and local vendors/small businesses.

In conclusion, while Hawaiian Bill 820 may be seen as a way to generate additional revenue for the state, the negative impact it could have on the tourism industry, local families, and the economy should be carefully considered- especially when the tax is not applied to the hotels who are generating millions over the vacation rental industry on Oahu and leaving money on the table

that could be used to improve our state and give back to the community. The reduction of Vacation Rentals and the increase in taxing will only drive up profits for hotels when we could be flattening the curve. As much as I would like to believe this tax push is to help the people/housing crisis- I strongly suggest we dive deeper into the financials of hotels and the areas held for increased taxes.

All financials for both hotels and vacation rentals are publicly posted for review at <https://www.hawaiitourismauthority.org/research/infrastructure-research/>

Mahalo for allowing the opportunity to express opposition and I only wish the best for our state and residence.

Feb 23, 2023

The Honorable Kyle T. Yamashita Chair
House Finance Committee

Re: HB820 regarding proposed increase in TAT tax to 25%

Aloha, Chair Yamashita, Co-Chair Kitagawa and members of the Committee:

My name is Joy Dillon and I am testifying as a private citizen and 19 year resident of the Island of Hawaii. I am strongly opposed to HB820 which is proposing to increase the TAT tax to 25%. Tourists are already paying 18% tax for stays on the Big Island for GET and TAT. This amount of tax for visitors is already pushing the limits of what can be reasonably charged before these visitors will consider a different destination. The TAT tax also affects residents of Hawaii who may want to take a "staycation" on the other side of Hawaii Island or one of the other islands. The current GET, TAT, booking fees, cleaning fees and rental car fees are putting Hawaii vacations out of reach of most people, visitors and residents alike.

A 25% TAT together with the 4.7% GET adds up to almost 30%! Without even taking into consideration the other fees I have mentioned this would be punitive and again, a deterrent to visitors choosing Hawaii as their vacation destination.

I question the purpose of this proposed bill. Why do you feel it necessary to impose such a huge tax? Governor Green also wants to propose other visitor taxes for parking and entering parks. Once visitors come here and see the amounts that they will be charged just for visiting our state, they are not likely to come again and if they realize when booking a trip the actual cost of their trip they may decide to choose another destination.

Tourism is our life blood and we depend on it. Must our visitors pay for everything?

Please vote against this bill. We are already charging our valued visitors the maximum amount that can be considered reasonable.

Respectively Submitted,

Joy Dillon
Hilo, HI

HB-820-HD-1

Submitted on: 2/23/2023 2:43:49 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Emery	Individual	Oppose	Written Testimony Only

Comments:

Not reasonable. Unconstitutional.

HB-820-HD-1

Submitted on: 2/23/2023 2:55:42 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
John DeCarlo	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I would like to oppose this legislation and keep things as they are. If the tax percentage needs to be increased I would beg that it is not such a drastic sudden increase. But maybe gradual over a few year span.

Also, I believe the most immediate issue is that the effective date should be at least a year out so as to not affect existing reservations and give appropriate time to prepare for any upcoming tax hike.

Thanks,

John DeCarlo

HB-820-HD-1

Submitted on: 2/23/2023 2:59:56 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Stephanie Dea	The Volcano Trust	Oppose	Written Testimony Only

Comments:

To whom it may concern;

If the intention is to reduce the level of tourists significantly, then passing this legislation should be effective; if not, it would be unconscionable to raise the TAT to this level. Tourists of Hawaii are already taxed at a very high level. This would make many other options such as California, Florida and Mexico much more attractive to tourists. The loss of tax revenue for the state from the airlines, accommodation suppliers, rental cars, restaurants, other island businesses and the related loss of jobs would be significant. Tourism is the goose that lays the golden egg for the state. Hopefully common sense will prevail and this motion will fail.

Thank you for your consideration.

HB-820-HD-1

Submitted on: 2/23/2023 3:19:36 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Justin Cleveland	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

Tourism is a necessity for Hawaii. It injects money into the economy and creates local jobs. Wanting to raise taxes will turn travelers away that can not afford it anymore and limit local jobs and thus creating even more of a housing problem. Putting more people on the streets.

This is not the way to regulate transient accomodations and the housing situation in Hawaii. You might want to start with making it easier to get a building permit. Give credits for new homes to be built because Hawaii is one of the most expensive states to build a home in.

STVRs are not hurting the local economies in Hawaii. It is the Hotels that are bringing all the tourists to the island with free trips for taking a time share seminar. Stiff like that. STVRs are used for families that want to experience Aloha with their own house to stay together in.

Also there are a lot of local Hawaiians that can not afford to enter into long term leases of 6 months or more and they need less expensive housing on a month to month basis. If you put a 25% tax on top of the already high cost of living that will even create less money in their pockets creating famine and homelessness.

And I own a home on the Big Island and I rely on the transient rentals to make things meet. If it was not for the extra income there is no way I could afford the home. Which if I were to rent it long term there is no way any islander could afford it anyways because the cost to build it was so ourtageous.

Your bill will just create more homelessness and hunger, taking prescious money out of the pockets of the local people because you will essentially be eliminating lobs. Please think about the actions before you propose bills and measures like this. Hawaii is already one of the higher states in taxes. Dont make it the highest.

HB-820-HD-1

Submitted on: 2/23/2023 3:20:48 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Leslie Petry	Individual	Oppose	Written Testimony Only

Comments:

HB 820 extends beyond the bounds of government into private property and will negatively effect home owners who legally choose to provide their properties for transient accomodation. The state and county already receive 13.25% in taxes on every property that is rented for 30+ days. Adding 25% to this is unjustified and makes staying in a vacation rental much more than staying in a hotel. This punishes legal vacation rentals and unfairly benefits hotels who are not required to pay this tax to the county/state nor charge their guests. I am in strong opposition to this bill.

HB-820-HD-1

Submitted on: 2/23/2023 3:33:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tracey Soverein	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern:

The State of Hawaii is about to further harm it's citizens by increasing a tax on businesses to such an exorbinant amount that people will no longer be able to attract customers and therefore will be forced to end their businesses.

Taxes are a known deterrent for a vibrant business activity and this tax is soley targeted on the main economic driver of the state of Hawaii - tourism. This level of tax can only act as a deterrent and depress economic activity and therefore have a material negative impact on Hawaiian residents through the loss of jobs, resources and opportunities.

During the pandemic so many businesses were closed and so many people moved off of the island in order to find sustainable work. Those who stayed did so only because of the hand outs given by the government. There was very little personal responsibility of taking care of one another through hard work, innovation and education. The states with the strongest economies are those with the lowest taxes and most incentives for business development.

For years we heard complaints about tourists ruining our lands and waters but suddenly when tourists were no longer around and the problems of litter and descrecreation of our land and waters continued by our own Hawaiians. We cannot continue to say we are an "Aloha State" when our actions towards those businesses who support tourism are so harshly punished and not given the ability to survive.

During the pandemic Hawaii earned the reputation of being extremely difficult to visit, outrageously expensive and unfriendly to visitors. We all experienced the downfalls of businesses and family well being when there are not enough tourists to support the economy. To more than double the current Transient Accomodations Tax Hawaii will have terrible unintended consequences.

Currently it is almost impossible to find a qualified plumber, roofer, construction manager etc on the island of Kauai let alone accountants, lawyers and dentists. Your focus should be on figuring out ways to diversify the workplace opportunities, the education of our citizens and supporting small businesses. Higher taxes means fewer businesses which means fewer visitors which also means fewer ways to make a living and fewer financial resources and a lower quality of life for all Hawaiians.

Please do not take this extreme measure of more than doubling the Hawaii Transient Accomodation Tax.

HB-820-HD-1

Submitted on: 2/23/2023 3:33:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Micah Finnila	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposed HB 820 becoming law. This motion will hurt homeowners who legally operate vacation rentals to supplement their income with renting out rooms in their house. I live on Kauai and this will personally hurt me and my family. I also support The Hawaii Tax Foundation views as they stated:

1. "First, this extra 25% charge is being assessed against only vacation rentals and not hotels.
2. Hawaii's accommodation tax is, at this time, evenly levied across hotels, timeshares, condos, hotels, and vacation rentals.
3. Additionally, HB820 "only assesses the 25% additional tax on 'short term vacation rentals' where the operator is not present (unhosted) and specifically omits all other providers of transient accommodations including a short term vacation rental with a hosted operator (Bed and Breakfast).
4. The position of the Hawaii Tax Foundation is that "This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same."

This proposed bill is discriminatory, if the goal is thin out tourists/tourism on Kauai, you should tax any/all tourism – a slippery slope.

HB-820-HD-1

Submitted on: 2/23/2023 3:39:21 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Theresa Harden	Individual	Oppose	In Person

Comments:

I OPPOSE ANY TAX INCREASE. THE PURPOSE OF THIS INCREASE IS TO PENALIZE OWNERS OF LEGAL SHORT-TERM RENTALS. JUST 2 MONTHS AGO, CITY & COUNTY ADDED AN EXTRA TAX OF 3% TO THE LEGAL SHORT TERM PROPERTY OWNERS TO PAY FOR ENFORCEMENT OF ILLEGAL SHORT-TERM RENTALS WHICH IS WRONG AND UNLAWFUL. THIS IS USURY OF THE WORST KIND. STOP RAPING TOURISTS AND LEGAL SHORT-TERM PROPERTY OWNERS WHO ALREADY PAY UNREASONABLE PROPERTY TAXES! THIS GOVERNMENT IS INTENTIONALLY DESTROYING HAWAII'S ECONOMY DESPITE TOURISM BEING THE ONLY VIABLE INDUSTRY.

THIS GOVERNMENT IS OUT OF CONTROL WITH NO ACCOUNTABILITY OF THE CORRUPTION WITHIN AND YOU SHOULD NOT BE ALLOWED TO TAKE MORE UNTIL THE CORRUPTION IS BROUGHT TO AN END AND PEOPLE ARE HELD LIABLE! YOU ALL TOOK AN OATH TO UPHOLD THE CONSTITUTION AND PROTECT THE RIGHTS OF THE PEOPLE. YOU HAVE FAILED. WE THE PEOPLE DO NOT CONSENT TO YOUR UNLAWFUL ACTIONS.

BE FOREWARNED THAT NUREMBURG TRAILS ARE CURRENTLY ACTIVE. EVERYONE WHO IS COMPRIMIZED AND FOLLOWING ANGENDA 2030 WILL BE HELD TO ACCOUNT. TREASON AND OR HIGH TREASON IS PUNISHABLE BY DEATH IF FOUND GUILTY FOR WAR CRIMES AGAINST IT'S VERY OWN PEOPLE. WE THE PEOPLE KNOW AND WE SAY NO MORE!

HB-820-HD-1

Submitted on: 2/23/2023 3:44:37 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Lavoie	Individual	Oppose	Written Testimony Only

Comments:

This Bill is Criminal.. Going directly after local residents and not the Hotel Industry. This is unconstitutional and shows complete ingnorence to understanding the Vacation Rental Industry and how many good paying jobs it provides. Our Representatives were hired to legislate responsibly and serve the people not harm them with additional taxes.

I think this Representatives proposing something unconstitutional or illegal shou;d be fined for each Bill found unconstitutional \$10,000. It causes so much drama, stress, set a bad tone for us hard working residents and our economy as a whole.

Please stop the attack on the Real Estate and Vacation Rental Industries with these high taxes, all it does is add a financial burden on all the local people.

Aloha and Mahalo

HB-820-HD-1

Submitted on: 2/23/2023 3:45:23 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Derek Taaning	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern;

If the intention is to reduce the level of tourists significantly, then passing this legislation should be effective; if not, it would be unconscionable to raise the TAT to this level. Tourists of Hawaii are already taxed at a very high level. This would make many other options such as California, Florida and Mexico much more attractive to tourists. The loss of tax revenue for the state from the airlines, accommodation suppliers, rental cars, restaurants, other island businesses and the related loss of jobs would be significant. Tourism is the goose that lays the golden egg for the state. Hopefully common sense will prevail and this motion will fail.

Thank You, & Mahalo.

HB-820-HD-1

Submitted on: 2/23/2023 3:50:01 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Della Halvorson	Individual	Oppose	Written Testimony Only

Comments:

Aloha.

We are non-resident owners of a vacation rental property in a condominium complex zoned/approved for short-term rentals, who have been diligently paying all our taxes. We are writing to express our opposition to HB 1471.

We have owned our vacation rental condominium home since 2009. We work hard to ensure we pay our General Excise Taxes and Transient Accommodation Taxes correctly and on time. In the year prior to us purchasing, our unit was rented only a handful of times and one of the rentals was us! By making an investment in the property we increased occupancy, thereby a substantial increase in tax revenue for the State and County.

Tourism in Hawaii took a huge hit with the recession however the rentals by owner model of accommodation is popular option all over the world, and we feel helped to boost the fragile economy and brought guests back to the Islands. We may only have 20 customers a year, but we are passionate about our little business and are working very hard to support the economy in the State of Hawaii.

We urge you to consider the thousands of vacation rental owners that are working hard to boost the economy of Hawaii... and not penalize us!

We ask that you add our voices in opposition to HB820.

Mahalo for considering our testimony,

Keith and Della Halvorson

HB-820-HD-1

Submitted on: 2/23/2023 3:58:23 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Randy Atkins	Individual	Oppose	Written Testimony Only

Comments:

Dear Sir/Madame,

I've been a VR owner on Kauai since 2015. I stand in full opposition to HB820 for many reasons. First and foremost, a 33% total tax will effectively end the vast majority of legal VR ownership. Since COVID, the big chain hotels have decided to cater to the "1 percenters" with \$800-1000/nite rooms. The remaining customers who have been coming to Hawaii for generations have no where to turn, but for vacation rentals. The economic impact to Hawaii and its business community would be devastating. When most of the GET & TAT is gone, how will Hawaii thrive?

If the concern is the small portion of VR community running illegally, why blow up the entire industry. You need a scalpel, not a sledgehammer. At the very least the intent and scope of this bill needs a more narrow focus on what problem it's attempting to fix. From all that I've read, I'm confused what the true objective is.

Respectfully,

RA

HB-820-HD-1

Submitted on: 2/23/2023 4:00:17 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jim Ogann	Individual	Oppose	Written Testimony Only

Comments:

To: HOUSE OF REPRESENTATIVES THE THIRTY-SECOND LEGISLATURE REGULAR SESSION OF 2023

Representative Scott K Saiki and The Committee on Tourism, Hi State Legislature

Regarding HB 820 HB1:

First thank you and the committee for your service.

Background: My family has owned a vacation rental condo in a “Condo-tel” building on Maui since 1998. It has been rented since we purchased it and it is also used by our kids and grand-kids from time to time. We have fatefully collected TAT and GEC taxes for the state and remitted them monthly, insuring that the state is fully benefiting from this business. We also pay income and property taxes. If the market were to collapse, we would exit it at a significant loss and the condo’s value would crater, reducing all of the revenue it generates for the state of HI to nearly zero. This would happen thousands of times over.

Let me get right to the point....**This bill is a very bad idea.**

I have three concerns about this bill.

1. Instantly raising the TAT from 9.25% to 25% will drastically reduce the state tax revenue generated by TAT over the long run. If it becomes effective, tourists will stop selecting Hawaii as their vacation designation. Since the state relies heavily on tourism for its funding, this move will kill the golden goose and HI will have an ever deepening budget shortfall. The tourism market that HI depends on will crater.
2. When the state has elected an increase in TAT in the past, it has been made effective immediately. Vacation rentals are usually booked 6 to 12 months in advance and AT THE TIME OF BOOKING, the taxes are determined and paid. It is almost impossible to go back to a customer that has booked a vacation and ask for increased taxes. So the owners of these properties "Eat" the increases for at least the first year. If you do increase the TAT by a reasonable amount (not the 25% in this bill), PLEASE make it effective at least 9 to 12 months after the date the bill is enacted. That way the owners can avoid most of this issue.
3. It is clear that this huge increase in TAT is being driven by HI residents that actually want touring to stop. Please see ** below.

As you well know, vacation rentals provide huge tax revenues for the state and counties. **TAT, GEC, County TAT, State Sales Tax, State Income Tax, Conveyance Tax and Property Taxes will all be extremely negatively effected if vacation rentals are reduced or eliminated.** By the time it is obvious to state government, it will be too late. Unemployment in the tourism industry will skyrocket and many great local residents will move back to the mainland permanently. This will further negatively impact all tax revenue as the base population shrinks.

I want to highlight Property Taxes for a moment. This is quite insidious. They have basically doubled over the last few years. Why? Investors have identified Hawaii vacation rentals as good investments and driven sale prices up substantially. Convenience Taxes have mushroomed as well. Investors know that, at the current sale prices, they can not justify investing in these vacation rental properties for the cash-flow. Especially when they include the cost of tying up their capital as interest rates have skyrocketed. So why are they still pushing the sale prices up? They expect them to appreciate at the current rate in the future. This outside investment will stop immediately if it is clear that the value of these properties is going to crater.

I have noticed that a vocal and organized group of Maui residents has surfaced that were emboldened by the peace and tranquility that swept over the island while the state was shut down during the pandemic. They apparently decided that having the island to themselves (without tourists) was very nice. Now that the tourists are back, it is my humble opinion that this group of people has decided that they will do anything to try to return Hawaii to the pandemic shutdown status. The key to that goal is shutting down vacation rentals completely. If those pushing to shoot down vacation rentals are allowed to do so, investors will disappear and the value of these properties will crater, **taking property taxes with them. All of the other taxes the state and

counties currently collect from vacation rental tourists will also evaporate. Government agencies will have to reduce staffing in all departments and stop maintaining infrastructure. This includes public safety and schools, snowballing on them. They will then come to the legislature and demand help... having destroyed a significant part of the one and only source of outside income for Hawaii. Tourism. Please don't allow this to happen.

I know this all sounds somewhat reactionary but please reconsider what you are doing.

Thanks for listening

Testimony of Jennifer M.L. Wilkinson, JD/MBA, RS-85527

Re: H.B. No. 820, Relating to the Transient Accommodations Tax

Before the: House Finance Committee

Dear Chair Yamashita, Vice Chair Kitagawa and the Respectable Members of the Committee:

No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.

~Article III, Section 1 of the 1987 Constitution

Equal protection of the laws afforded U.S. citizens by the United States Constitution extends to all laws - including tax laws. The concept that all persons, alike under reasonably similar circumstances, shall have the same privileges and liabilities under the law has been an unrefuted tenet since the turn of the last century. Discriminating against a particular class of individuals in the assessment of tax, without reasonable and rational grounds has been condemned by the United States Supreme Court and has been found arbitrary and oppressive.

The proposed tax revision creates a class of taxpayer where there is no real and substantial difference upon which to base a separate class. Transient accommodations are defined elsewhere in federal and state law, and any legislation of tax assessment should apply to the entire class of operators – not arbitrarily to only those operating a certain *kind* of transient accommodation. The targeting of a smaller class of operators based only on a carved-up definition with no reasonable differentiation as it relates to the purpose of the tax, is **unconstitutional on its face**.

Apart from the unconstitutional lack of uniformity and equity of taxation, the proposal itself is punitive in nature and bears no direct, exclusive correlation to solving the problem the drafters identify as their purpose for such a proposal – to make sure that visitors who come for less than 30 days pay their ‘share’ to address over-tourism. How are visitors to a bed and breakfast, different than those who stay in a licensed STVR? Are individuals or families displaced and staying in a STVR near their kids’ neighborhood school for a week while waiting for their primary home to be fumigated, harmful to the environment? Is this tax, which is passed to the guest in ALL situations, the appropriate approach to solve the drafter’s goals? To favor hotels and bed and breakfasts by exclusion from transient taxation to the detriment of hosted rentals and legal STVRs and with zero consideration for the purpose of the transient use is unreasonable and detrimental to our economy much less a long-term deterrent to tourism which needs management, not cessation.

I request that the Committee decline to approve this bill. The arbitrary increase in taxation is unconstitutional, does not reasonably relate to the purpose of the tax in its specific construction, and is simply inappropriate as a solution to the County’s housing and over-tourism issues.

Respectfully submitted,

Jennifer Wilkinson

HB-820-HD-1

Submitted on: 2/23/2023 4:03:05 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dorothy Antolin	Individual	Comments	Written Testimony Only

Comments:

I don't have a problem with this bill other than the tax (25%) that would be higher than hotels. I'D like to know the reason for this? It looks like favortism, and that would not be right, especially since TARS are mostly suited for the lower budget tourist. It should be the same across the board.

HB-820-HD-1

Submitted on: 2/23/2023 4:11:02 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Eliot Ehrler	Individual	Oppose	Written Testimony Only

Comments:

This is not fair that you are letting all the big buys with all the money and power not do anything? The vacation rental industry is supporting local families with jobs and feeding back into the Hawaiian economy. The big hotels dont care about hawaii... they only care about themselves. This is completely unfair and seems like its being monopolized. The short-term rental industry has been around for decades, operates professional businesses supporting the local economy and other small businesses, contributing to our island's overall economic health. Adding a 25% tax only applicable to transient vacation units and not applicable to hotels, timeshares or B&Bs is unfair. Why the different tax assessment? If you're going to apply a TAT tax to travel/visitor accommodations, it should be the same across the board. The condos that we manage and represent were built for the purpose of traveler accommodations – they are not homes that have been converted to transient vacation rental units. Most of them are zoned hotel and do NOT require short term rental permits. So why tax them differently? This is industry discrimination.

HB-820-HD-1

Submitted on: 2/23/2023 4:14:21 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Eva	Individual	Oppose	Written Testimony Only

Comments:

I stronly oppose this bill. We just had a tax increase last year. I feel like this would hurt the small people trying to make a living and already paying plenty of taxes. Maybe take more money from the big hotel companys. Mahalo

HB-820-HD-1

Submitted on: 2/23/2023 4:19:02 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Larry Smith	Individual	Oppose	Written Testimony Only

Comments:

Thank you for giving me the chance to comment. I oppose this bill, it is poorly written and is trying to be pushed through without given it the due diligence that such a bill should require. Very poor communication about these meetings and allowing the proper testimony from the people it will affect.

The amount of the increase is without question a huge red flag right from the start. The date for it to start being implemented is another red flag. Very little thought except a money grab has been put into this. This state requires tourism to pay its bills and increases such as this would affect that industry.

Best Larry Smith

HB-820-HD-1

Submitted on: 2/23/2023 4:22:45 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tom Mitchell	Individual	Oppose	Remotely Via Zoom

Comments:

Aloha,

This proposed raise in the TAR tax is excessive and burdensome. After this proposed tax raise to 25%, the County Tax of 3%, the GE Tax of 4% and income tax on any profit of up to 30% and then insurance and utilities and maintenance, there is nothing left over. What is the justification for more than doubling this tax on TAR's but not for Hotels and B&B's? Are you trying to drive tourists away?

Not everyone can afford hotels and families generally cannot stay at B&B's. What if a family of six wants to come to Hawaii for a vacation or for a visit to family How many hotel rooms is that and what would the cost be? Please do the math before changing the law. Where is the Aloha in this proposed change? Is Hawaii's economy not based on tourism? What will this change do to tourism? Is this to encourage long-term rentals? Please show the facts that eliminating TAR's will actually fix the problem of the availability of long-term rentals.

Thank you for allowing me to have a voice in these proceedings.

Tom Mitchell in Kohala on the Big Island

HB-820-HD-1

Submitted on: 2/23/2023 4:25:03 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Celeste Mausolf	Individual	Oppose	Written Testimony Only

Comments:

Dear Legislative Leaders and Representatives,

I am writing in opposition of HB 820:

1) The HB 820 drafted legislation proposes to add a 25% tax on vacation rentals that are already taxed by the state via Transient Accomodation Tax at the rate of 10.25% and by City and County of Honolulu at the rate of 3%. As written, this bill will result in transient vacation unit owners on Oahu having to pay **38.25% tax** on their rentals. This is written without explanation of why an increase is justified when taxes were already raised in the recent past.

2) It is apparent to owners, such as myself, that this legislation intends to punish legal vacation rental owners while **exempting the hotels from the same treatment**. Unlike the existing Transient Accomodation Taxes which treat any rentals of less than 180 days (like hotels and vacation rentals) equal, this one **singles out and punishes owners of transient vacation units**, especially on Oahu. There is no rationale for continuing to tax, marginalize, and burden citizens who rightfully have ability and legal use of their private property to create an income source. Yet, by singling out TVU's, unfairly it will raise costs for owners and tenants in a demographic that our local economy needs. Why would hotels not be treated equally? Why does Oahu only require more taxes? What would these taxes be used for?

3) How was this legislation drafted without bringing representatives of the Vacation Rental industry to the table? What does this legislation attempt to solve? The Vacation Rental Industry should be at the table as partners, to create understanding of the complexities within which TVUs operate and contribute to community and economy so that all parties can work together to come up with a fair and balanced solution.

My testimony, with clear and reasonable opposition, is intended to add a voice to those of my colleagues and fellow private owners in order to halt this HB 820 from proceeding and for our legislators to include the Vacation Rental representatives and owners equally when discussing these issues and drafting these bills that have the potential to unfairly damage persons, their investments and our legal rights as citizen owners.

Submitted Respectfully,

Celeste Mausolf

808-233-9127

HB-820-HD-1

Submitted on: 2/23/2023 4:26:10 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tram Truong	Individual	Oppose	Written Testimony Only

Comments:

To Whom it May Concern:

I am against the TAT increase. As a short term rental host, I've paid a substantial amount of taxes already which will help to support the local businesses. Please DO NOT increase anymore taxes.

Thank you,
Tram Truong

HB-820-HD-1

Submitted on: 2/23/2023 4:30:04 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
MARY MORRIS	Individual	Oppose	Written Testimony Only

Comments:

Making a special 25% tax only on vacation rental properties is grossly unfair. If you are going to apply this 25% new tax to short term rentals then it should be applied to all hotel and resort properties. Why isn't it?

It is unfair to single out one small business for this taxation. This is so obviously a push by the hotel industry.

As a homeowner who has always been in compliance with paying GET/TAT this is an outrageous proposal that will cause many of us to have to sell our home that we are not yet able to occupy full time. We've been community members for almost 20 years. This is our dream home, our retirement home, but we can't live here full time as yet. You will drive us away too. And the only people able to buy our home will be Silicon Valley types who will leave it vacant most of the year. This has nothing to do with providing housing for locals. It has everything to do with hotels wanting a monopoly. Please do not pass this outrageous and unfair tax. Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 4:36:53 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mylene Caril	Individual	Support	Written Testimony Only

Comments:

Agree with STR legal in Hawaii

HB-820-HD-1

Submitted on: 2/23/2023 4:40:49 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Katherine Almonacid	Individual	Support	Written Testimony Only

Comments:

Agree with STR legal in Hawaii

HB-820-HD-1

Submitted on: 2/23/2023 4:42:07 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Faruq Ahmad	Individual	Oppose	Written Testimony Only

Comments:

Additional tax on legal vacation rentals of less than 30 days is entirely unwarranted and unjustified.

HB-820-HD-1

Submitted on: 2/23/2023 4:47:20 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mathew Dietrich	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern,

I find it very concerning that Hawaii already has some of the highest tourism taxes anywhere within the United States. The legislature should not be looking to increase tourism taxes. This is an example of killing the goose that lays the golden eggs. Many tourists are already skipping Hawaii and going to less expensive places like Mexico for their tropical vacations. We all depend on the tourism industry in order to have a comfortable and happy life here in Hawaii. Please consider instead, lowering the amount of tourism taxes that are currently levied on visitors to the state.

Sincerely,

Mathew Dietrich

Resident of eruption economically-devastated Puna on the Big Island

HB-820-HD-1

Submitted on: 2/23/2023 4:55:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
JANIS L NORES	Individual	Oppose	Written Testimony Only

Comments:

HB820 is unfairly targeting Hawaii Residents that rely on the income that their property can provide. This is most important for many as a means to stay and keep your home, especially in retirement.

It feels like the Government is more concerned about the Hotel's bottom line than it's residents.

We need transient vacation rentals for all the people that want to visit Hawaii, but cannot afford the Hotel rates, that want a kitchen, etc. for longer stays with families.

I can see this adding to the exodus of people that have lived here for generations, that cannot afford to stay.

Why don't they tax the Hotels more and leave the owners of property out of this?

This is another reason why people are so upset with the Government!

Please back off and allow people to manage their homes and investment without more Government interference.

Sometimes it takes a Village, so we can survive!

Jan

HB-820-HD-1

Submitted on: 2/23/2023 5:00:36 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sylvia Remington	Individual	Oppose	Written Testimony Only

Comments:

I godness, if you impose a tax like you are talking about, it will completely ruin my vacation rental (2) and many others. We bring a lot of business to the Big Island, by having many repeat guests. Our places are rented for most of the year and since we bring in so much revenue- either thru guests staying iin our condos and the taxes that we collect and pay to the state and the County of Hawaii. I am hoping you take my request of not increasing the TAT into consideration. Most of my guests would decide to travel elsewhere. I also don't understand why we as small rental business are the ones being hit with this tax, but the hotels are not. My hope is that you will put alot more thought into this before passing a law to increase the TAT taxes. If this bill passes many of us will be put out of business and I only seeing it affecting the State of Hawaii in a negative way. It will lower the cost we can even get out of selling our properties. The economy isn't looking good right now and I find this very scary. I am the owner of 2 condos in the Waikoloa Beach Resort. Regards, Sylvia Remington

HB-820-HD-1

Submitted on: 2/23/2023 5:08:47 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mitch Maxwell	Individual	Oppose	Written Testimony Only

Comments:

This is an awful bill that manages to punish not only LEGAL vacation rental owners, but visitors to Hawaii as well. It's extremely unfair and will cost the state dearly in the coming years. It will also open the door to expensive lawsuits and judgments against the state. Once you raise taxes to that level, you'll chase visitors to other destinations...not to the Waikiki hotels which are "conveniently" exempted from this proposed tax. It's beginning to sound like the hotel lobby itself is writing legislation, instead of legislators who are elected to serve the people. All people...not just hotel industry executives. Sounds a bit like racketeering doesn't it?

HB-820-HD-1

Submitted on: 2/23/2023 5:09:43 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Frank John Forest	Individual	Oppose	Written Testimony Only

Comments:

What is this? Some kind of sell-out to the hotel industry? The bill also says it will take effect in the year 3000? Is this true or did someone make another mistake to go with the idea of increasing this tax? You are hurting retired and elderly residents that live off their rental incomes in favor of the hotel industry? You are relentlessly unfair and uninformed.

NO!

HB-820-HD-1

Submitted on: 2/23/2023 5:21:28 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tryg Jon Fortun	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

We strongly oppose HB820 as vacation rental homes are already taxed too much. Their guests spend significant amounts of money on hospitality, food and beverage, activities, etc., but those Guests create very little burden on taxpayers as they are generally law abiding and do not create a police, fire department, health and welfare, etc., burden. The high taxes that vacationers already pay are resulting in lost bookings and lost revenue to Hawaii. Please do not raise TAT and drive away tourist revenue.

Mahalo.

Tryg & Barb

HB-820-HD-1

Submitted on: 2/23/2023 5:34:44 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

NO TAXES!!! TAXES ARE ILEAGLE under the Consitution!!!!

HB-820-HD-1

Submitted on: 2/23/2023 5:38:57 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dorothy Larsen	Individual	Oppose	Written Testimony Only

Comments:

As an owner of a STVR on Hawaii, I am strongly opposed to this house bill proposal. Some of the vacation rental properties may be owned by large corporations, or families that have the means to purchase luxury homes that they rent for vast amounts of money. I happen to be a single, retired teacher that inherited my condo, and live on a limited income. The proceeds from my rental supplement my income. I can afford trips to the island to do the necessary work to keep my property in top shape, and am proud to share my home with the guests that come to share in the culture and beauty of your island. I can't afford vacations anywhere else, but my working vacations make it affordable for me to enjoy the island. The rate that you asking for the TAT will most likely make me lose my home. With the vast amount of other owners I know, we will all be facing the same fate. With the market flooded with condos for sale, I imagine the market values will greatly drop. You will be losing the revenue from the loss of rental properties, as well as from the reduction of visitors that will not be able to afford to visit this tropical paradise. Our taxes are already at the top of the tax rates, as well as having the highest electricity in the nation. You will be pricing out guests out of choosing Hawaii as their holiday destination.

HB-820-HD-1

Submitted on: 2/23/2023 5:39:30 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sterling Church	Individual	Oppose	Written Testimony Only

Comments:

I am owner of a STHR and ask you please not to increase our taxes for this source of income again. This state makes doing any business here very difficult for the little guy partly due to high taxes. High taxes disincentivize productivity and creativity. Thank you.

HB-820-HD-1

Submitted on: 2/23/2023 5:40:14 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ashley Lake	Individual	Oppose	Written Testimony Only

Comments:

I oppose this proposed legislation as it is prejudicial and punitive without reason. It singles out only one type of taxpayer who offers transient accommodation. Why not the hotels? The timeshares? No, only the owner of homes, many who have *no choice* but to rent out their rooms, land, or ohanas in order to afford to stay in Hawaii. This bill unfairly punishes local families and guests to Hawaii who want to rent from them but who won't (or can't) should this bill be passed.

If you want Hawaii to become less dependent on tourism then make it easier for small business to do business in Hawaii, don't begin by strong arming local people so that they can no longer make an income in the system that has been set up, and not by us.

HB-820-HD-1

Submitted on: 2/23/2023 5:41:02 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark Baker	Individual	Oppose	Written Testimony Only

Comments:

This huge tax increase jeopardizes our tourism economy, is unfair, unjust, and should be voted down.

Mark Baker

HB-820-HD-1

Submitted on: 2/23/2023 5:55:21 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tracy Infante	Individual	Oppose	Written Testimony Only

Comments:

Hawaiian tourists are already taxed at a very high level. This tax increase would make Hawaii less attractive to tourists. The loss of tax revenue for the state from tourism, airlines, rental cars, restaurants & other businesses would be significant. Not to mention the possible loss of jobs in such a difficult economy.

HB-820-HD-1

Submitted on: 2/23/2023 5:55:26 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Litan Rath	Individual	Oppose	Written Testimony Only

Comments:

My family and I work so hard, take so much litan to get our Turtle Bay place ready and run.. we are already paying SO much tax.. besides the mortgage the only thing left for us is our own cleaning fee. Being a regular Hawaii person is so hard. So hard to even make ends meet. Barely any reasonable job opportunities and super high tax.. can we figure out some creative way to develop economy instead of robbing the regular people?

HB-820-HD-1

Submitted on: 2/23/2023 5:57:44 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tom Stirling	Individual	Oppose	Written Testimony Only

Comments:

You people are poisoning our industry. When are these tax increases going to stop? Every year, it seems, you increase the tax rate. Stop spending so much of our money! As it is, you are STEALING (YES, I MEAN STEALING) funds from the individual counties. Why does the state get TA revenues? The tourists come to each individual county, and that is where the money should be sent and spent. You bureaucrats are incompetent jerks!

HB-820-HD-1

Submitted on: 2/23/2023 5:58:34 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ching Man	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern:

Hawaii has been my home for the past 30+ years. It is a great a place to live and raise a family simply because this place embraces and protects the multicultural communities and offering equal opportunity for every one of us.

I am here to oppose Hawaii House Bill 820 because I feel it violates the fundamental right for the small business owner to make a living, and instead give advantage to big hotel chains.

I understand and agree the importance of having proper legislation for our state to operate effectively, and I hope that our legislators can work with the OSTR community to create a plan that would support smaller business owners who offer short-term rentals, and in term give more options to our visitors of Hawaii. I truly believe this will result in attracting more people to visiting Hawaii and help our tourism to thrive.

Thank you!

Best Regards,

Ching

HB-820-HD-1

Submitted on: 2/23/2023 6:25:19 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
LISA Wax	Individual	Oppose	Written Testimony Only

Comments:

To whom it may concern;

If the intention is to reduce the level of tourists significantly, then passing this legislation should be effective; if not, it would be unconscionable to raise the TAT to this level. Tourists of Hawaii are already taxed at a very high level. This would make many other options such as California, Florida and Mexico much more attractive to tourists. The loss of tax revenue for the state from the airlines, accommodation suppliers, rental cars, restaurants, other island businesses and the related loss of jobs would be significant. Tourism is the goose that lays the golden egg for the state. Hopefully common sense will prevail and this motion will fail.

HB-820-HD-1

Submitted on: 2/23/2023 6:30:36 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul Stobie	Individual	Oppose	Written Testimony Only

Comments:

Aloha. Continuing to increase taxes any further on visitors will diminish the value of Hawaii as a vacation destination spot. It would lead to a tourist class of only the ultra wealthy and prevent normal folks from a chance to enjoy the islands. Between TAT, island added TAT, GE, and high taxes on rental cars, groceries and restaurant bills, the tax burden now is higher than any other US taxes. Please consider other means to raise monies or decrease expenditures. Thank you for this chance to testify.

HB-820-HD-1

Submitted on: 2/23/2023 6:31:40 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Anne Myers	Individual	Oppose	Written Testimony Only

Comments:

Hawaii Bill 820 proposes to add an additional 25% tax (combined as 33-35%) to short term vacation rentals, which will surely have a negative impact on the state's tourism industry. Many travelers opt for vacation rentals over hotels because they offer more space, privacy, and flexibility- this includes affordable hotel alternatives for traveling nurses, misplaced local residence during times of need.

I agree with the position held by the Hawaii Tax Foundation that, "This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer from those that are similarly situated. It is discriminatory in that it does not treat all providers of transient accommodations the same." This in turn references the obligation toward homeowners vs big box hotels.

Vacation rental profits go to homeowners and those employed by the vacation rental industry are local, small businesses - housekeeping, contracting, landscaping. Tourists will not stop visiting Hawaii. What will rise are prices in hotels if there is a loss of alternatives, giving more money toward the big box brands rather than homeowners and local vendors/small businesses.

In conclusion, while Hawaii Bill 820 may be seen as a way to generate additional revenue for the state, the negative impact it could have on the tourism industry, local families, and the economy should be carefully considered - especially when the tax is not applied to the hotels who are generating millions over the vacation rental industry on Maui and leaving money on the table that could be used to improve our state and give back to the community. The reduction of Vacation Rentals and the increase in taxing will only drive up profits for hotels when we could be flattening the curve.

Mahalo for allowing the opportunity to express opposition.

HB-820-HD-1

Submitted on: 2/23/2023 6:45:58 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joe and De Buckwalter	Individual	Oppose	Written Testimony Only

Comments:

Please vote no on this Bill. Short term and vacation rentals provide jobs for the community and options for travelers. As Owners we have the personal opportunity to encourage guests to shop and eat local and respect the 'aina. This tax is exorbitant and will only encourage hotels to raise their rates as they push out rental options for guests to live more like locals during their stay. The number of rental permits has already been limited. This extra tax should be avoided. Tourism is a helpful industry for jobs and the economy. Limiting additional bed space should be for hotels and vacation rentals alike and any new tax should apply to both.

Mahalo for your consideration.

Joe and De Buckwalter

HB-820-HD-1

Submitted on: 2/23/2023 7:00:31 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Barrackman	Individual	Oppose	In Person

Comments:

<https://docs.google.com/document/d/1-0CwiYUkrRq1rLbsBPIkeQ8yKx0p7X0Tk88NGQ38Q3k/edit?usp=drivesdk>

Testimony on HB 820

To whom it may concern.,

How can you even think it is legal to target stvr's for a huge tax increase and leave hotels and others untouched by it? This is discrimination.

During the covid travel restrictions quarantine our STVR, which is in a hotel zone, was shut down by county and state proclamations and could not operate. We were even told we would lose our permit if we did long term rentals. Hotels on the other hand were not only allowed to stay open but were designated a legal place to quarantine. Even though for the traveler staying alone in our home with a kitchen and dishwasher and refrigerator that would have limited guests exposure to others much better. And would have helped stop the spread of covid better. And with our security system we could have told if they were home or not.

Discrimination.

I will support and help pay for a lawsuit to prevent this illegal action should this pass.

Do you not understand or care that many people including many locals don't want to stay in a hotel.

This Bill violates the United States Constitution as well as the Hawaii State Constitution. It disenfranchises a certain category of taxpayer.

Thank you for hearing my thoughts.

Sincerely David Anderson

HB-820-HD-1

Submitted on: 2/23/2023 7:01:29 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Giannini	Individual	Oppose	Remotely Via Zoom

Comments:

Public Comments on HB 820

Increase in Transient Accommodation Tax

Chair, Vice-Chair and Honorable Committee Members,

Please accept my thanks for taking the time to first, recognize the importance of working to effect positive change on the communities within the State and second, to consider the comments from the various constituency groups.

My wife and I own a short term rental on Maui. We are both retired, I was a firefighter and my wife a RN. We were able to purchase our rental after selling another property on the mainland that we owned for over 30 years. During that same span of time, we visited the islands at least once a year. We have worked long and hard to acquire our condo on Maui. We rely on the revenue to support our retirement.

As I am sure you are aware, a tax increase of this magnitude will have considerable, downstream negative consequences for the entire State. While the intentions are well placed, this is not the solution that will resolve the problems that currently exist in Hawaii.

While Hawaii is unique in so many ways, it shares the same challenges of government that encumber almost every other tourist destination in our Country. I implore you to take a step back

and really explore the potential options for solving Hawaii's issues by taking a hard look at what other cities and states have done to best support their citizens and visitors.

Please don't make any decision that is not fully vetted and considered. There are a multitude of solutions available. At the very least, additional time must be allowed to provide more information to you, the decision makers with regard to this drastic proposal.

I strongly encourage you to NOT support this Bill as currently proposed.

With much respect and gratitude.

Michael Giannini

HB-820-HD-1

Submitted on: 2/23/2023 7:12:11 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joe Devane	Individual	Oppose	Written Testimony Only

Comments:

The Committee needs to explain why hotels are exempt from this Bill. You have two buildings next to each other with the same zoning. One is a condotel with 250 units and one is hotel with 500 units and only the condotel is the one you single out as attributing to the housing and overcrowding issues.

That said a 30-35% tax on accomodations is glutonus, even for Hawaii. We already have the highest rates in the country at 17.416%.

HB-820-HD-1

Submitted on: 2/23/2023 7:14:53 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Amy Ramos	Kihei Oasis	Oppose	Remotely Via Zoom

Comments:

To the Legislature of the State of Hawaii,

I adamantly oppose the proposed State Bill HB820. This TAT increase would tax visitors over 32% to come to Hawaii and stay in a vacation rental, mainly representing the small business segment! As a responsible and licensed short-term rental operator, my family of five depends on our right to continue legally renting our home to maintain our life here in Hawaii. There are few ways in which local families can make enough money to afford the high cost of living here in Hawaii. I have been operating legally since 2013 by a permit that needs to be renewed every 5 years. The permit is ONLY renewed if I have no neighbor complaints, and I maintain all the requirements required by my permit. It seems every year I'm testifying to either the County or the State to fight for the Mom and Pop operators, such as myself, that are constantly cast out to sea in lieu of the Hotel Giants, the main consumers so many of our island resources owned by off island companies. Additionally the hotels have restaurants, spas, shops, services, and all kinds of other surplus ways to make money.

We live on the most remote islands in the world, and the State and County should be handing out awards for ANY small business that maintains high quality standards AND who contributes of paying ALL their taxes while maintaining some kind of quality of life to reside in the islands.

This tax increase is unfounded and unfair, and will be fought with legal opposition.

This bill should be killed now.

Mahalo for reading my testimony,

Amy Ramos

Kihei Oasis LLC

Kihei, HI

HB-820-HD-1

Submitted on: 2/23/2023 7:22:40 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
richard liebmann	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill.

Hosted STVR are vital for thousands of kamaaina families.

With the soaring cost of living in Hawaii, we rely on income from STVR to continue to live in Hawaii.

Communitis all over Hawaii are overwhelming opposed to this.

Listen to the people not the large hotel corporations.

HB-820-HD-1

Submitted on: 2/23/2023 7:26:21 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dan Choi	Individual	Oppose	Written Testimony Only

Comments:

I strong oppose this bill. There are several reasons why raising the transient accommodation tax in Hawaii to 25% will not help with Hawaii's overtourism issue:

1. The transient accommodation tax is only one component of the overall cost of travel. Even if the tax is raised, other costs such as airfare, food, and activities may still be affordable enough to attract tourists. This begs the question, should higher taxes be levied on this as well, including hotel accomdations?
2. Overtourism is not just a function of the number of tourists, but also the way in which tourism is managed. Hawaii will need to implement other measures such as limiting the number of daily visitors to popular attractions, improving transportation infrastructure, and promoting off-the-beaten-path destinations to reduce the impact of overtourism.
3. A high transient accommodation tax could also disproportionately impact smaller businesses and individuals who rely on tourism for their livelihoods. It will also discourage investment in new tourism infrastructure and accommodations, which could ultimately limit the industry's ability to grow and diversify, in a sustainable way.

Overall, raising the transient accommodation tax is not an effective solution to address the overtourism issue on its own. More comprehensive measures will likely be needed to manage the impact of tourism on the state's natural and cultural resources, as well as the quality of life for residents. Furthermore, raising this tax on short-term rentals dispropriationately targets individual owners and small businesses, while largely benefits large hotel corporations.

HB-820-HD-1

Submitted on: 2/23/2023 7:39:07 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
NICOLE M BENNETT	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB820. This is just plain wrong. The hotels are not included, and in effect this is an attempt to shut down STRs.

HB-820-HD-1

Submitted on: 2/23/2023 7:44:22 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Staci McDaniel	Individual	Oppose	Written Testimony Only

Comments:

If passed, this bill would be devastating to many STVR owners--especially retired-- who are depending on this income. With the massive losses we have seen in the stockmarket, my husband and I were counting on our income from our condominium to allow us to stay in the home we love in our retirement years. If we lose an additional \$10,000 each year due to the higher taxes, we may lose our primary home as well as the condo. I know a lot of other retirees who will have to make some significant sacrifices if this bill is passed. Additionally, this bill is bad for Kona. Owner's in the vacation zone have been exempted from other regulations because Kona depends on our rental units to support the tourism that this town depends on. We do not have enough hotels to support this industry. If condo owners are forced to sell--or just decide it's not worth renting anymore--where will visitors stay? These ocean front condominium complexes are not driving up housing costs for Hawaiians--they are supporting the local population! Native Hawaiians are unlikely to buy ocean front condos that are no longer lucrative to rent out. Seriously, Hawaiians raising families in one bedroom condos on the water?

HB-820-HD-1

Submitted on: 2/23/2023 7:53:11 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Janet Reynolds	Individual	Oppose	Written Testimony Only

Comments:

I am in opposition to HB820.

First, I find this proposal discriminatory to families that would like to travel to Hawaii with their children. Most families would like accommodations that offer a home environment with cooking possibilities that are affordable. This bill will force owners to raise their prices which will be passed on to the consumer. This will price most families out of the market of a life long dream to come to Hawaii.

Second, the bill does not differentiate owner occupied units from non-occupied investors. Homeowners that are residents should be protected. For many of these resident homeowners this is a way of creating income so they can live in Hawaii, while providing a memorable experience for guests that spend money on the local economy.

Third, the bill does not raise taxes on Hotels. Is the hospitality industry not responsible for subsidizing housing for their workers or paying them enough to live here? Why is it the responsibility of single residence home owners?

Since the purpose of the bill is to encourage housing for local people, which includes homeowners, should we not support residents rights over investor/hotels?

Dear Members of the Hawaii State Legislature,

Thank you for allowing me to submit this testimony. I hope that you will read it with an open heart and open mind.

This proposed bill would be a dramatic blow to the state economy, and to local working families.

My wife, son and I live on the island of Hawaii. We own and operate a multi-bedroom vacation rental house. Our guests consist of large families, who come to Hawaii for birthdays, reunions, weddings, and other large family events. They come with parents, kids, grandparents, grandchildren, and close friends, and they come to be together in one place. They leave talking about the trip of a lifetime...their incredible stay in paradise, and how they can't wait to come back. Their children grow up loving Hawaii and wanting to bring their own families here when they get older. They support local businesses, and from the rent we collect from them, my family is able to live in Hawaii and support other local businesses. Not only the landscapers and cleaning crews, but local farmers and fishermen, local banks, clothing stores, etc. etc. My wife was even able to start her own business where she employs several other women. I am able to volunteer my time and help coach the children of other families in the community, kids who would not otherwise have a soccer team to play on because of a shortage of volunteers.

If this bill passes, our guests will not come to Hawaii. They are not interested in staying in a hotel, or a hosted vacation rental, because they want their Ohana to be together in one place. They often save up for years to make the trip happen. Instead of talking about the trip of a lifetime to Hawaii, they will go somewhere else. A 25% tax will not only put the trip out of their budget, it is a slap in the face. It is a giant red sign that doesn't say "Aloha", it says "Hawaii does not want you and your Ohana." The state economy will lose high quality tourists who help support so many local businesses, not just for a week, but for generations. It will also force us to lower our rent to compensate for the increase in price, something we cannot afford while already in the midst of an economic downturn, where occupancy rates and rents are already down. It would be catastrophic for our business. If forced to sell our home, it will not help resolve the housing crisis. It will not get purchased by a working family or a young, single person who needs a place to live, it will get purchased by a wealthy, out of state buyer who can afford to own it without any rental income. Who will spend a few weeks a year on the island while the house sits empty the rest of the year. Who will not support and start local businesses, or volunteer in the community.

This bill is also discriminatory against owners of vacation rental houses. There is no reason for us to pay more taxes than any other type of transient accommodation. Please do not pass this bill, unless your goal is to punish local families and put the state economy into a downward spiral.

Sincerely,
Andrew Castellano

HB-820-HD-1

Submitted on: 2/23/2023 8:08:28 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jaqueline Quinlan	Individual	Oppose	Written Testimony Only

Comments:

Are you guys crazy??? Truly! Who the heck is introducing these insane bills? Not sure if you are trying to kill business owners of STR or tourists...Regardless, this bill would kill both and in the end, it will kill the state of Hawaii. I am opposed.

HB-820-HD-1

Submitted on: 2/23/2023 8:11:46 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Christine Kollmorgen	Individual	Oppose	Written Testimony Only

Comments:

Dear Elected Officials

I am writing to oppose HB820. As a homeowner in Princeville who rents short term I believe this bill will have significant impact on my ability to successfully rent my home due to an unprecedented rise in cost to the prospective renter. Over the last few years we have suffered COVID times with lost revenue and difficult times to procure labor, goods and services. The island already suffers from a blistering energy and food costs as well as exorbitant labor costs. All of this has already significantly reduced the return on renting our home.

If rental volume drops much more due to soaring prices there will be a significant reduction in tourism and overall a decrease in tax revenue as well as commerce. While I respect the delicate balance between tourism and island viability I think this increase is too steep and too swift. Homes will foreclose and be bought up by private equity. This is not in anyone's best interest other than folks who already have deep pockets. Housing prices will rise as a result and the downstream problems of this are already felt through the west coast.

Please vote to oppose this his repressive bill.

Sincerely

christine Kollmorgen

HB-820-HD-1

Submitted on: 2/23/2023 8:16:37 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Laurence Chapman	Individual	Oppose	Remotely Via Zoom

Comments:

Good morning,

I believe HB820 requires amendment before being considered. If the objective is to hold the tourism industry responsible for the impacts on the State's resources, the measure must include hotels since they bring in significant numbers of visitors who have exactly the same impact on State resources.

Alternatively, if the measure is targeted at transient vacation properties that could be used for resident housing, the measure must exclude properties that are zoned as short term rental, Because of zoning restrictions, character of the property or limitations in the property by-laws, these properties cannot or will not be used for resident housing. Properties that cannot be used for resident housing must be treated as hotels.

Whatever the breadth of coverage, the measure should include estimates of the amount of funds raised and include language to limit the funds use to the intended purposes.

Thank you for allowing me to testify.

Laurence Chapman

HB-820-HD-1

Submitted on: 2/23/2023 8:48:36 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Henig	Individual	Oppose	Written Testimony Only

Comments:

I am tired of longtime Maui residents' taxes being constantly increased on ALL fronts, and particularly this and property taxes! I bought my condo many many years ago in an area designated for short term rentals at that time (in 1976 before Maui County allowed all the expensive hotel/resorts to come in and overbuild and drive up everyone's expenses), and lived in it as my primary residence with the idea that someday it might be an income source for me in retirement. I have paid taxes for years to you (both GET/TAT and property) on it and am tired of you pricing long time Maui residents off our home island! I have morgtgages, and have paid and endured major increases in the transient and property taxes, as well as exorbitant maintenance fee increases. We enjoy using it with our grandkids now from time to time, and don't want to have to sell it, but if we have to operate in the red we will be forced to, and there goes my retirement security. Stop penalizing residents along with the speculators! Hewa!

HB-820-HD-1

Submitted on: 2/23/2023 8:55:08 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Tia Wou	Individual	Oppose	Written Testimony Only

Comments:

To Whom It May Concern:

I oppose this bill. A 38% tax on our family home that we vacation rent to offset expenses and be able to keep it in the family would be a complete hardship. I was born and raised on Oahu and the home has made it possible for my sisters and I and our families to stay connected to extended family on the island. We visit as often as possible and the next generation has enjoyed spending time getting to know their cousins. My sister hopes to retire in this home one day.

Thank you for your time.

Sincerely,

Tia Wou

HB-820-HD-1

Submitted on: 2/23/2023 9:02:54 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Rose Henderson	Individual	Oppose	Written Testimony Only

Comments:

I am again this bill for the following reasons

1. It discriminates against legal Hawaii vacation rentals.
2. It is proposed to be assessed only on vacation rentals and not hotels and does not treat all providers of transient accommodation equally
3. Because it does not treat providers equally, It violates the US constitution and Hawaii State Constitution
4. My property is in an approved, purpose built visitor area and not a local residential area
5. STVRs provide employment to many local residents and many customers for local businesses.

HB-820-HD-1

Submitted on: 2/23/2023 9:22:56 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kristina Anderson	Individual	Oppose	Written Testimony Only

Comments:

I adamantly oppose this awful legislation. This huge tax increase will kill STRs immediately and visitation to the Islands will IMMEDIATELY drop like a rock. You really think visitors will just gladly switch over to hotels? Are you joking?

There is no data or proof that killing vacation rentals will open up local housing for residents. VR owners will just close up or sell, as these are two different markets. They don't want to convert to being landlords, but especially in a state that offers no protections for landlords and they've experienced a plethora of deadbeat tenants.

You will pass this bill to the peril of all concerned--everyone living and working in Hawaii. Our entire economy will die as visitors decide that other destinations are better and more budget friendly. And they will be right.

I urge you to vote NO on this ghastly legislation!

HB-820-HD-1

Submitted on: 2/23/2023 9:24:56 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Loki Feliciano	Individual	Comments	Written Testimony Only

Comments:

HB820 proposal of 25% TAT

Hello. The proposal of raising the TAT to 25% would be quite difficult for me. As one of a pair of retirees who live in a small house we depend on the extra income we get from renting the extra space when we don't have family and friends visiting.

All this antagonism against private homeowners offering hosted bed and breakfast really irritates me. All of the guests we have had would never stay in a hotel or resort anyway as being hosted is part of what they want. Also all the money generated by the hosts doing bnb, stays IN THE COMMUNITY and directly benefits our community. Our place is not suitable for long term full time habitation anyway, and wouldn't even be approved for a section8!

It would be a challenge to handle higher tax.

But I don't understand why the county (and for that matter the state) seems to see nothing wrong with the hotels and resorts just getting bigger and building more and more luxury timeshares and elite homes along the coast! If the arguments against hosted bed and breakfasts are too many tourists and affordable housing, it's the resorts and hotels that are bringing in the vast majority of tourists. As for affordable housing, what about timeshares?! Talk about contributing to pricing locals out!

The average room rate on Oahu is \$1000, and here on the Big Island \$600 according to the news today. And where does all that money go? They are all big corporations so I doubt the stats would be as favorable to the local communities as the hosted bed and breakfast's income. Most of the private hosts like us are living pretty close to the margins to begin with. As far as the tax being raised, by all means tax the resorts way high. We can't afford to stay in them anyway.

HB-820-HD-1

Submitted on: 2/23/2023 9:37:00 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Connie M	Individual	Oppose	Written Testimony Only

Comments:

I OPPOSE this measure. If passed, it will more than triple the taxes levied on Vacation Rentals in the last 10 years. This will hurt Hawaii and Hawaiians.

Mahalo

TO: Members of the Committee on Finance

FROM: Natalie Iwasa
808-395-3233

HEARING: 1:30 p.m. Friday, February 24, 2023

SUBJECT: HB 820, HD1, 25% TAT - **OPPOSED**

Aloha Chair Yamashita and Committee Members,

Thank you for allowing the opportunity to provide testimony on HB 820, HD1, which would establish a transient accommodations tax (TAT) rate of 25% for certain vacation units for occupants who stay less than 30 days.

According to the committee report:

“This measure will ensure that transient vacation rentals that host visitors for less than thirty days **pay their share** to address the impacts of the tourism industry on the State.” (*Emphasis added.*)

Let’s get this straight. First, we have the taxes imposed by the federal and state government on air travel just to get and land here.

Then we have the general excise tax at anywhere from 4% to 4.5% on almost everything a tourist would purchase, including a place to stay.

Add on visitor fees for places like certain parks, museums, etc.

And now you want to increase the transient accommodations tax from 10.25% - 13.25% (including the county TAT) to 25% for certain visitors, so they can “pay their share”? Why stop at 25%? Why not just make it 100%?

In addition to being unreasonable, this bill needlessly makes our tax code more complex.

Please vote “NO” on HB 820, HD1.

HB-820-HD-1

Submitted on: 2/23/2023 11:47:23 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Wendy Reinoehl	Individual	Comments	Remotely Via Zoom

Comments:

I would like to zoom in and listen to the hearing.
how do I do that?

mahalo

HB-820-HD-1

Submitted on: 2/24/2023 3:30:08 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joe Dorsey	Individual	Oppose	Written Testimony Only

Comments:

Aloha, I am writing you today in opposition to House Bill HB 820. Respectfully, I own two condos on Maui for the past 15 years and when my wife and I are off island, we do rent them out, legally paying the current 17.25% General Excise, State and County Accommodation taxes. We already pay the higher transient real estate property tax to the County of Maui.

As you know, Maui County recently imposed their own new Transient Accommodation tax of 3%. The worldwide economy is predicted to slow during the coming 18-24 months. Increasing accommodation taxes at this time will decrease tourism to the islands as travelers opt for less expensive destinations. That is why I ask you today to NOT increase accommodation taxes at this time.

Mahalo, Joe Dorsey Cell: 954-260-9004

HB-820-HD-1

Submitted on: 2/24/2023 3:57:29 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Susan Kim	Individual	Oppose	Written Testimony Only

Comments:

This bill will discourage tourism to Hawaii as rental costs will increase to make up for the already high taxes. It will discourage businesses, not encourage the already horrible economy we are experiencing as we are headed toward recession. Please do not pass this bill. It is not good for economy. Not good for Hawaii.

HB-820-HD-1

Submitted on: 2/24/2023 4:41:06 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
David Arthur	Individual	Oppose	Written Testimony Only

Comments:

I have been an owner of a legal and correctly zoned vacation rental on Maui in Wailea (a planned resort community created in the 1970's) since 2012.

Every year special interest groups have introduced House and Senate bills to either restrict the use of existing, or constrain the establishment of new vacation rentals. They cite the diminishing of the roles of traditional property managers (real estate agents) in Hawaii or the perceived effect on affordable housing in Hawaii.

The digitization of our globe has changed the landscape in many aspects of the economy, and the transient vacation rental market is one such part. It has become much easier to rent units and has lead to a burgeoning of the sector.

I respectfully submit that continuing to put into place punitive and protectionist policies under the auspices of the Hawaiian resident and the Hawaiian voter is not constitutional. You cannot create taxation without representation. And you cannot treat one group (in this case legal conforming vacation rentals) who pay Transient Accommodation Tax (TAT) differently than others providing the same service (hotels and other businesses).

The State and County governments already tax properties zoned as vacation rentals 10X those properties zoned as owner-occupied. This has happened in the last 5 years. That is taxation without representation. The State has already 2X the TAT and the county added a 1X levy on top of the original TAT.

Tourisim in Hawaii is a major industry. Perhaps it is now the biggest sector. I think a policy of fairness in taxation should be respected and the institution of unconstitutional taxes be stopped. This is not the way to grow the economy and to support the local residents. This will create the opposite effect.

Even though it is very difficult, government should support the growth of economies and the diversification of economies and not protectionist policies.

I am opposed to this new tax. Further, I am opposed to all of the yearly barrage of legislation to restrict the rights of owners that are in place and were the basis of business for decades. Those that give powers to real estate agents, those that increase property taxes differently than residents, those that intend to increase the capital gain on a sale by a non-resident and those that increase the transactional taxes (of any kind - GET and TAT + future) differently than similar businesses.

Fairness is the basic principle of government for the people. Every one of the protectionist policies and bills that have been systematically introduced in the past 20 years are against that principle.

I ask the voting representatives to consider this and vote no to this and future protectionist bills.

Help to find other avenues to build the economy of Hawaii while not diminishing the tourism sector.

February 24, 2023

Subject : HB820

Distinguished Legislators,

As an owner of a vacation condominium in Kona I oppose HB 820. As you know, Hawaii is already one of the most expensive places to live, and or visit. Hawaii's beauty is appreciated by many people from around the world and is a once in a lifetime destination for many who can only afford to come once. We all know that the cost of living is always increasing, if you feel, however, that it is absolutely necessary to increase the TAT tax perhaps you could consider a much smaller increase, more in line with our average national inflation rate.

Thank you for your consideration.

Sincerely,

Craig Harbarth

HB-820-HD-1

Submitted on: 2/24/2023 5:51:34 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Peter Corsun	Individual	Oppose	Written Testimony Only

Comments:

As an owner of a small condo on West Molokai I oppose HB820. The increase in taxes on short term rental would have a negative effect upon my financial ability to cover the costs of ownership.

Over the thirty years of our vacationing in the Hawaiian Islands we have always enjoyed the feeling of Aloha we experience.

HB-820-HD-1

Submitted on: 2/24/2023 5:57:15 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Luke Hofacker	Individual	Oppose	Remotely Via Zoom

Comments:

I oppose HB820. Each county has different rules with regard to Transient Vacation Rentals. Kauai has 3 Visitor Destination Areas defined with streets as geographical boundaries (All of Princeville, a slice of Kapaa, and most of Poipu). If your property is contained within the Visitor Destination Area, it is completely legal for you to short term rent your property for less than 30 days and no short term variance permit is needed from the County of Kauai. Likewise, on Oahu there is Ko Olina and Turtle Bay. If your property is located there, you can legally short term rent it out. For Kauai and Oahu, geographical location is a direct function of following the law. These counties have said, if your property is located in x or y location, it is legal for you to rent for less than 30 days. I understand the desire to stamp out vacation rentals in residential neighborhoods because they deprive state residents of badly needed housing.. Unfortunately, HB820 does not address all of the property owners located within approved areas that have allowed renting for less than 30 days. Those property owners may have expended large amounts of capital playing by the rules and HB820 lumps those folks in with the people who don't play by the rules and have short term rentals in residential neighborhoods. I implore you to please edit the bill and make an exception and not tax short term rentals located within each counties' approved visitor destination areas an additional 25%. Respectfully Submitted.

HB-820-HD-1

Submitted on: 2/24/2023 6:03:18 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sandra Collard	Individual	Oppose	Written Testimony Only

Comments:

We oppose Bill HB720. This increase in TAT is an excessive and unreasonable increase (25%). We have been property owners in Hawaii for over 20 years & do not see the rationale of such a drastic increase.

HB-820-HD-1

Submitted on: 2/24/2023 6:38:01 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shannon Cormie	Individual	Oppose	Written Testimony Only

Comments:

Not very Aloha. Damaging the entrepreneurial Vacation rental business, damages local families.

HB-820-HD-1

Submitted on: 2/24/2023 7:13:16 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Andre Chabot	Individual	Oppose	Written Testimony Only

Comments:

Please, we are already paying over 17% in taxes total (GET/ TAT/County 3%). That is high. Hawaii basically survives because of tourism and if you keep increasing the tax base for accommodations - the tourists will begin to go elsewhere

Therefore im apprised to increasing the taxes further.

Sincerely

Andre Chabot

HB-820-HD-1

Submitted on: 2/24/2023 8:27:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
LeeAnne Loney	Individual	Oppose	Written Testimony Only

Comments:

We vehemently oppose this proposed bill. This massive increase would likely put a lot of small business like ourselves OUT of business. I can only assume that this is a direct aim at shutting down TARs completely. We are a Kama‘aina ohana who host travelers in our primary residence in Kona to supplement our income. It allows us to pay our mortgage and support our children. We already pay 20% of our gross income to GE, TAT and county tax. I am not sure how we can continue to live in Hawaii, if you take away more of our income through higher taxes. Hotels have the resources to survive this but not individual hosted TARs like ourselves who are just trying to make a living to stay in Hawaii. The majority of the hosted TARs are local families like ourselves making an honest living. We are not on welfare but certainly if the ability to rent our a portion of our home is taken away via proposed bills like this one, it may be our only way to get by. Bills like this will most certainly be contributing to more local people going on welfare. In addition, the narrative that shutting down airbnbs will convert to provide long term housing is based on no independently researched evidence. Many of us do not want a long term tenant in our primary residences for various reasons. In our case, it is because we need the space for our family members including our senior parents who come often from Oahu to visit their grandchildren. With the way the current landlord tenant codes are written in favor of the tenant, many homeowners are scared to have a long term tenant in their primary residence for fear that they will have little to no recourse in terms of eviction if a tenant stops paying rent.

We strongly urge you to please consider the individual Kama‘aina families you will be hurting if this bill passes.

Thank you,

The Loney Ohana

Holualoa, HI

HB-820-HD-1

Submitted on: 2/24/2023 8:35:52 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Herb Hoepfner	Individual	Oppose	Written Testimony Only

Comments:

Dear HB820;

I'm sure you realize taxes have a purpose. Diminish demand or stifle economy. This will do both. Why not 50% tax. You may assume there is no limit, but there is..

If the intention is to reduce the level of tourists significantly, then passing this legislation should be effective; if not, it would be unconscionable to raise the TAT to this level. Tourists of Hawaii are already taxed at a very high level. This would make many other options such as California, Florida and Mexico much more attractive to tourists. The loss of tax revenue for the state from the airlines, accommodation suppliers, rental cars, restaurants, other island businesses and the related loss of jobs would be significant. Tourism is the goose that lays the golden egg for the state. Hopefully common sense will prevail and this motion will fail.

HB-820-HD-1

Submitted on: 2/24/2023 8:39:43 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Roderick Yu	Individual	Oppose	Written Testimony Only

Comments:

Aloha mai kakou!

I wish to submit opposition to HB820.

This is merely a punitive action against owners of STRs. There is already :

- a very high property tax imposed on STRs
- TAT currently already at 13.25%
- GE tax at 4.16%

These have contributed to budget surplus to the state and county. Any further increase in taxing these legal short term transactions goes towards the visitor, and will discourage further visits to the island.

Mahalo!

HB-820-HD-1

Submitted on: 2/24/2023 8:42:14 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
ROBERT Y CHUNG	Individual	Oppose	Written Testimony Only

Comments:

Excessive tax on already high taxes that hotels are exempt. What a shame that the hotel lobbies keep buying these ridiculous proposals. If affordable housing is the primary concern however, why not make laws more favorable for LTR and building codes or plans allowing more LRT ONLY housing. Just villifying STR people who have already pay increasing taxes and stifling new laws that have already limited their ability is not going to work. In fact, you will simply reduce your overall tax revenues. Do your job and look at the ENTIRE picture.

Dear Hawaii State Legislature,

I am writing to you concerning HB820. I own a non-comforming permitted short term vacation rental (STVR) and strongly disagree with this bill. It seems the state has been trying for several years to get rid of STVR for reasons I can only believe is pressure from the hotel industry on the island because it gives tourist an alternate, less expensive means of visiting the island; thereby allowing more people to visit the islands. The permitting process which was implemented in 2019 severely impacted and regulated the addition of more non-comforming STVR; thereby negating the need to implement such a bill as HB84, which will only do away with them. The permitting process makes sure STVR are properly kept and managed. These STVR are the backbone of the small business community in the state of Hawaii. The tourist that visit these islands via STVR bring support to the local stores and businesses in the community. Hawaii is a tourist state (there are NO major industries here), and reducing the number of tourists that can make it to the islands, as this bill will do, will severely impact the residents of this island that are trying to make a living. **The bill gives no reason as to why it is needed**; it isn't to fix any problem, so why have it. This bill is a waste of my tax payer dollars. The state has many REAL problems that the legislature should be working on to fix. The following are just a few issues plaguing the state: joblessness, effects of global warming, fixing public schools, fixing roads, reducing business red tape and eliminating the apparent corruption of the State Legislature. Try focusing on these problems which will help the residents of the state, which after all is the function of the State Legislature.

HB-820-HD-1

Submitted on: 2/24/2023 9:08:53 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
George Hu	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB820 because it is applied unfairly to short term rentals but not hotels, and is too great of an increase without any plan to actually solve any problem. If the problem is truly too much tourism overall then it should be applied to any tourism accommodations. Prices for accommodations have risen by a large margin since before the pandemic. Yet, tourism has not declined. So such a tax increase will not solve any problems. Please identify what exactly the problems are and then find reasonable solutions used elsewhere in the US such as a parks fee which could be waived for locals. In this time of huge inflation, such a large increase in costs will only prevent ordinary middle class Americans from coming to Hawaii. Without any direction of funds towards actually solving a problem, but instead directing it to the general fund, no problems will be solved. Our short term rentals pay large amounts of GET and TAT already and employ many Hawaiians.

Testimony on HB820

We understand the need to control the number of visitors coming to Hawaii and to Maui. However, increasing the TAT to 25% doesn't accomplish that goal.

We have a vacation rental and we employ housecleaners, maintenance staff and contractors to do any upgrade work. Additionally, local businesses are helped by us buying supplies, furniture, appliances or whatever else is needed . All the above personnel will suffer if we don't support their businesses.

Visitors who come also support restaurants, farmers markets and grocery stores . So the entire economy will be affected.

The GE/TAT right now is 17.41% which is a big chunk. Please reconsider your views and don't vote on HB820

Mahalo
Koshu & Vijay Madnani
Maui

HB-820-HD-1

Submitted on: 2/24/2023 9:21:42 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Joshua Hanzel	Individual	Oppose	Written Testimony Only

Comments:

Strong oppose. We already had a increase last year. You should tax the upper level people like big hotels and relief the smaller operations. It really killing the small working class if this goes through.

HB-820-HD-1

Submitted on: 2/24/2023 9:31:57 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
James R Petersen	Individual	Oppose	Written Testimony Only

Comments:

I am concerned about the new bill HB820. It is another tax increase after several in the last two years. Seems excessive for those of us trying to run a legitimate business. If the concern is problem properties, then how does it help to penalize the many well run non problem properties? The proposal is on STVR's only and not hotels. That looks to me to be clearly discriminatory and I will support legal action arguing the bill. Finally, I want to note that if I get fed up with the relentless attacks on my STVR I will seriously consider going to long term rental. The tax loss to the state will be \$7,932 and to the country \$2,321. Multiply that by a lot of owners and I can't think the public will be happy with that loss of tax income. And, it will come the the publics attention.

Thank you for your time.

James R. Petersen

HB-820-HD-1

Submitted on: 2/24/2023 9:36:54 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mary Judith Donlevy	Individual	Oppose	Written Testimony Only

Comments:

Aloha State Legislators

I am writing to state my opposition to an increase in Transient Accommodation Tax by the State. I am a Maui property owner and rent my property on a short term basis to pay the property taxes and AOAO fees etc. .

Since my husband and I purchased in 2008, there have been multiple increases to the TAT including a 3% add on TAT by Maui County last year. Many of my past renters have stated that almost 20% in taxes is too much and that they will spend their holidays outside of Hawaii from now on. (Mexico, Caribbean for example) .

Thousands of small companies and workers depend on short term rental affiliation. A huge number of workers and companies may go out of business.

There is a huge input to County coffers from property taxes from short term rental property owners who are supporting the State and Counties. I cannot imagine what it would do to these government incomes if we all had to sell as we could not rent our properties to pay our bills. Have the legislators consulted with county finance departments on this?

In summary, I believe increasing the TAT will do much more harm to the state and county than good. Please reconsider this bill.

Mary Donlevy

Robert Riddall

Kihei, Hawaii

February 24th, 2023

To: Members of the Hawaii House Finance Committee

As a member of the Maui Chamber of Commerce, a real estate agent and a concerned citizen, **I am writing to strongly oppose Bill HB 820.**

The short-term rental industry has been around for decades, operates professional businesses supporting the local economy and other small businesses contributing to our island's overall economic health. **Adding a 25% tax only applicable to transient vacation units and not applicable to hotels and timeshares is unfair.** Why the different tax assessment? If you're going to apply a TAT tax to travel/visitor accommodations, it should be the same across the board, including hotels.

To single out this segment of the hospitality industry doesn't make sense. Why punish your best performers? A tax like this would hurt our small businesses. When this industry is stifled and suffers, jobs are lost and that creates broad waves of negative impacts that ripple throughout our community.

It appears the legislature is attempting to drive business away from Vacation Rentals and towards hotels by forcing prices higher in Vacation Rentals only.

In addition, making Hawaii even more expensive will drive tourism to other less expensive destinations.

It is for these reasons that I oppose HB820.

Mahalo,

David Maleski

HB-820-HD-1

Submitted on: 2/24/2023 10:49:01 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carl T Hu	Individual	Oppose	Written Testimony Only

Comments:

I am against HB820 which will greatly harm tourism, increase inflation, and make Hawaii unaffordable for families on a budget. A 25% TAT rate will ultimately result in not only lower tax revenues but harm the main engine of Hawaii's economy by making vacations unaffordable to all but the wealthiest. The legislature has also not explained what this 2X tax increase will be used for. Please do not kill the golden goose by passing this I'll conceived measure.

HB-820-HD-1

Submitted on: 2/24/2023 10:56:04 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
RAYMOND JACOBUS	Individual	Oppose	Written Testimony Only

Comments:

Dear Legislatures,

I am opposed to raising the State TAT. With all the taxes combined for our tenants on Kauai, it is over 18% already. This will surely hurt our rentals.

Mahalo,

Ray Jacobus

HB-820-HD-1

Submitted on: 2/24/2023 11:04:41 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Megan Wolfenden	Individual	Oppose	Written Testimony Only

Comments:

February 24, 2023

Honorable FIN,

RE: Transient Accomadation Tax: Transient Vacation Unit:

Raising the TAT rate by 15.75% will not by itself aliviate the perceived impacts from "overtourism" and housing crises. The bill as proposed unfairly places the burden on select members of the vacation rental market, such as myself. I have owned my condo for 10 years and responsible comply with laws and regulations. Eliminating this surcharge to bed and breakfast, hotels and other categories will create unfair competiton. If the goal is to elimiate small businesses such as myself, I believe your bill as will do this. Also by passing on the surcharge to the guest, owners will be forced to lower rents signifanclty below market value to match our competitors not being assessed the same tax.

Without a regular stream of income due to unfair competition and loss of revenus, I will be forced to sell. I believe I represent the majority of STVR, who take pride in our businesses, love our visitors and most of all respect and love the Islands. We are not absentee owners and regulary inspect and upgrade our homes. We create income by encouraging our guests to dine at local restaurant, take tours, visit shops and experiene the culture and history of Hawai'i.

Loss of STVR owners as myself by being forced to sell or signiciantly reducing rents through unfair competiton will result in financial impacts to our local businesses that count on our steady stream of visitors. As most of us have witnessed with the economic downturn due to the Covid shutdown, many of these local businsses may never recover ,which will place additonal burden on the state by loss of GET/TAT taxes, and other negative social impacts assocaitte with financial crises.

The lack of housing and perceived "overtourism" should not be resolved on the backs of honest private owners. Other legislative and educational strategies in cooperation with all industry interests can result in effective outcomes that won't single out and unfairly punish owners and small businesses.

Aloha

Megan Wolfenden

owner of Wai Aloha, Waikoloa HI

HB-820-HD-1

Submitted on: 2/24/2023 11:11:39 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Caitlin Miller	Individual	Oppose	Remotely Via Zoom

Comments:

It is clear that HB 820 is an attack on Hawaii small businesses and is heavily in favor of the Hotel Industry. There is no objection that there should be a better balance between tourists and locals but the reality is that we have centered our economy around tourism and the only thing this bill aims to do is make small business owners in Hawaii suffer the consequences of the States poor planning.

This bill proposes to increase taxes by another 25% ON TOP OF the already astounding almost 18% that already puts us as the highest in the country. While the idea of the tax increase is to slow down tourism than why is it not also levied against hotels? Rental car companies? Airlines? Why is it only STR? It is clear that the State does not actually intend to slow down tourism they intend to attack one industry in particular which is STR.

STR provides thousands of jobs across the state at higher wages than resorts for all of their employees. It also provides a solid stream of business and income for trade professions such as plumbing, contractors, HVAC, etc. The State has not thought about the impact to these families and industries.

If there was a better balance on housing this bill would likely not even be proposed. The State obviously is looking to address two issues at once without really addressing either.

1. Taxes: the current tax structure provides an astounding amount of tax revenue for both the counties and the State from STR. By increasing it to an insane amount of money Hawaii will continue to price people out while seemingly having the reverse effect in terms of revenue. This will not be quantity over quality as I'm sure they are pitching it as. It will be a matter of completely destroying an industry, losing millions in tax revenue and all the while boasting hotel revenues.

2. Housing: while I agree there should be limits placed on Single Family Home rental permits, many of the properties and businesses that will be most heavily impacted are condo resort style communities that are 50+ years old with failing infrastructure, failing sea walls and threats from sea level rise and astronomical association fees. These properties were never built with the intention of being housing for locals. They have no storage, no parking, very little outdoor space and most don't allow pets. These were built as second homes for tourists. By adding such a high tax levy against this group it will not magically make all of them turn these into longterm rentals or sell them at lower prices - it will just mean that they sit empty and cost people their

livelihoods. If these turn into second homes or longterm rentals has the State thought about the detrimental impact it will have to property taxes in the County budget? The State//Counties have done a poor job adding housing for locals and this dates back DECADES. How do they expect locals to afford a house if they don't have a job?

The laundry list of unintended consequences will be felt instantly and for years to come if this bill passes. This bill is not a bill for the people of Hawaii to find balance this is an attack. As a small business owner I find myself constantly having to fight to keep my business and to feel like I'm respected in the community because I made the choice to better my life instead of settling for the scraps from the resorts. I know that this sentiment is felt far and wide across small business owners that have created industry around tourism whether it is restaurant owners, property managers and realtors, retail owners, etc. Small Business owners in Hawaii do not feel supported and this is another example of why we don't matter even though the tourists that we cater to stimulate our economy.

Let's find real solutions instead of continuing to pick low hanging fruit.

The State of Hawaii and its County leaders can do better.

HB-820-HD-1

Submitted on: 2/24/2023 11:24:25 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
robert smith	Individual	Oppose	Written Testimony Only

Comments:

The illegal STR's have been an issue since day one. Yet nothing has been done. The legal STR's are easy prey for the government taxes, licenses with various info on file, resulting in constant threats of more taxes, cancelled licenses, of course the never ending rules and laws due to an inept government, seen from the rail system, the homeless and crime.

Like the illegal STR's happily and profitably flying under the radar, so too many legal who are Not in compliance with rules, specifically taxes! There's millions of dollars in what is suppose to be tax money going in illegal and some legal STR's!

Sadly the government is aware of all the above, but it's harder work to go after the law breakers than to simply send out notifications of same 'ol increase in taxes, non sensible rules, yada yada.

Do what's right! Go after the scowlaws, the fly by nighters, the cheaters, taxes.

It's the legislature's Responsibility! Not more laws and increase in taxes.

Let us who comply and collect Your taxes run our businesses!

Robert Smith

Pepeekeo HI

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HB-820-HD-1

Submitted on: 2/24/2023 11:32:44 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Ellen Floyd	Individual	Oppose	Written Testimony Only

Comments:

This is a poorly drafted bill. Not only does this ignore the fact that there is a state-level transient accommodation tax on rentals of less than 180 days as well as additional City & County of Honolulu-level transient accommodation tax, but it is obvious that the hotel industry is behind this.

HB-820-HD-1

Submitted on: 2/24/2023 11:36:55 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Patricia Cadiz	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB 820 and any measure to use TAT to kill our economic engine of tourism. This is a fiscally irresponsible proposal. We don't have plans in place at state or county levels to replace the revenues of tourism. Unless and until there is a new revenue source, this proposal is untenable.

HB-820-HD-1

Submitted on: 2/24/2023 11:46:54 AM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Laurie Zimmerman	Individual	Oppose	Written Testimony Only

Comments:

This will bring us back to PANDEMIC ERA you will put visitors out of the tourist market

HB-820-HD-1

Submitted on: 2/24/2023 12:00:37 PM

Testimony for FIN on 2/24/2023 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Marci Cortisse	Individual	Oppose	Written Testimony Only

Comments:

February 24rd, 2023

To: Members of the Hawaii House Finance Committee

I am writing to strongly oppose Bill HB 820 as it is a **discriminatory** bill.

Hawaii has historically adjusted the Transient Accommodations Tax (and applied it across all accommodations that owe such taxes. This bill does not. If you are going to apply a TAT tax to travel/visitor accommodations, it should be the same across the board. Additionally, TAT was introduced in 1987 as a *temporary* tax at 5%. It has since been increase to 10.25% and there is no sign of it going away. That is fine if the state needs it but to weaponize the tax is simply wrong.

This bill specifically targets Short Term Rentals, including legal and historically permitted rentals, and does not apply to hotels, timeshares or B&Bs. **This leads me to believe this bill is not only discriminatory but also punitive toward the legal, law-abiding short-term vacation rental industry.**

Short term vacation rental units are already the highest contributor to the TAT fund and so to single out this one segment of the hospitality industry doesn't make sense. Why punish your best performer? A tax like this would hurt our small businesses. When this industry is stifled and suffers, jobs are lost and that creates broad waves of negative impacts that ripple throughout our community.

Personally, I'm disappointed in **a bill that supports large corporations with lobbying power. If government continuously bends the knee to those with power (frequently out of state big business corporations), small local business WILL be snuffed out.** Punishing a legal professional industry and simultaneously favoring an industry that includes a large portion of out of state-based corporations is salt on the wound.

It is for these reasons that I oppose the HB820.

Thank you and I welcome any discussion with you or a member of your administration.

Mahalo,

Marci Cortisse