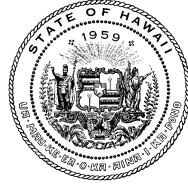


DAVID Y. IGE  
GOVERNOR

JOSH GREEN M.D.  
LT. GOVERNOR



ISAAC W. CHOY  
DIRECTOR OF TAXATION

STATE OF HAWAII  
**DEPARTMENT OF TAXATION**  
P.O. BOX 259  
HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
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To: The Honorable Glenn Wakai, Chair  
The Honorable Bennette E. Misalucha, Vice Chair  
and Members of the Senate Committee on Energy, Economic Development, and  
Tourism

From: Isaac W. Choy, Director  
Department of Taxation

Date: Friday, January 28, 2021  
Time: 3:00 P.M.  
Place: Via Video Conference, State Capitol

**Re: S.B. 2358, Relating to Transient Accommodations Tax**

The Department of Taxation (Department) offers the following comments regarding S.B. 2358 for your consideration.

S.B. 2358 imposes transient accommodations tax (TAT) on “camper vans” and defines the term. The bill also allows a rental motor vehicle lessor to pass on the amount of the TAT applicable to camper vans. The bill is effective upon approval.

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

Second, the Department notes that the definition of gross rental or gross rental proceeds explicitly excludes from TAT any amounts of TAT and general excise tax passed on to the customer. The Department recommends amending the definition of "gross rental" or "gross rental proceeds" to exclude any amounts collected as RVST passed on to the customer from TAT.

Finally, the Department requests the bill be amended to be effective on January 1, 2023. This will provide the Department time to make the necessary forms, instructions, and computer system changes.

Thank you for the opportunity to provide comments.



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

**David Y. Ige**  
*Governor*

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

Statement of  
**JOHN DE FRIES**

Hawai'i Tourism Authority  
before the  
**COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

January 28, 2022  
3:00 p.m.  
State Capitol  
via videoconference

In consideration of  
**SENATE BILL NO. 2358**  
**RELATING TO TRANSIENT ACCOMMODATIONS TAX**

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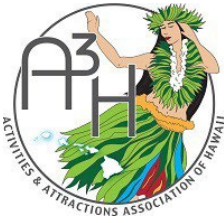
Aloha Chair Wakai, Vice Chair Misalucha, and members of the Committee on Energy, Economic Development, and Tourism.

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on SB2358, which makes camper vans a type of transient accommodation, the rental of which is subject to the Transient Accommodations Tax. We understand the intent of this measure to establish a framework to tax camper van accommodations in the same manner as other accommodations.

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

While we understand specific regulation of camper van parking is under the purview of the counties, to the extent that this measure would legitimize camper vans as a transient accommodation, it runs counter to the feedback we have received from the community through the Destination Management Action Plan process.

Our team has reached out to the counties to understand the particular issues they face, and we will remain engaged in this bill as it moves through the process. We appreciate the opportunity to provide these comments on SB2358. Mahalo.



Activities & Attractions Association of Hawaii, Inc.  
**Not for Profit 501c-6 ~ Preserve, Protect and Unite**

COMMITTEE ON ENERGY, ECONOMIC  
DEVELOPMENT, AND TOURISM

Senator Glen Wakai, Chair  
Senator Bennette E. Misalucha, Vice Chair

DATE: Friday, January 28, 2022  
TIME: 3:00 PM  
PLACE: Conference Room 244

January 26, 2022

Aloha Honorable Chair Wakai, Vice-Chair Misalucha and Members of the COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM,

As the executive director of the Activities & Attractions Association of Hawaii, Inc. (A3H), representing Hawaii's in-destination experiences, I would like to extend a thank you for what on the surface would seem a Bill which creates an even playing field among all types of accommodations. Sometimes tragic consequences come from good intentions. If this passes, our board is concerned it will legitimize camper/van/RVs as accommodations. **The Leg needs to make these types of accommodations illegal.** As an active participant in HTA's DMAP process we agreed Camper/RV/Modified Sprinter Vans/Jeeps are not a good "fit" for Hawaii.

Most that live here love to camp. It is often the only type of vacation we can afford due to the high rates of hotels. If encouraged, this type of accommodation puts residents in competition for permits with visitors. It will increase the already existent friction between visitors and residents.

Many of these modified vehicles do not acquire camping permits; they park on beaches or the side of a road with a nice view. Is this the kind of Hawaii we want to promote?

Unlike permitted short rentals, which can be controlled. There are no controls in place for those residents wanting to get in on the money to be made in this market.

We do not have the proper facilities anywhere on the islands - where are these people showering, going to the bathroom, getting water, dumping their tanks?

Camping visitors are the lowest spenders next to people visiting friends and family. Source: John Knox 2017 report-DBET data shows spending by accommodation type. I know this is a distasteful communication, but it is prudent to have visitors which benefit this place financially, culturally, and physically.

COVID exposed all of us to this beautiful place we call home without so many Tourists. The idea of over tourism was no longer a question as the public now had a frame of reference with which to compare. Two of the top complaints were traffic and crowded beaches this mode of accommodation exacerbates both.

Mahalo,  
Toni

Toni Marie Davis  
Executive Director  
Activities & Attractions Association of Hawaii, Inc.  
PO Box 598, Makawao, Hawaii 96768  
D: 808-871-7947 \* M: 808-264-0000\* F: 808-877-3104 Toll Free: 800-398-9698

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

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**SUBJECT:** TRANSIENT ACCOMMODATIONS, Include Camper Van Rentals

**BILL NUMBER:** SB 2358

**INTRODUCED BY:** KEITH-AGARAN, DECOITE, LEE, WAKAI, Kidani, Moriwaki

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

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

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

Makes other technical and conforming amendments.

**EFFECTIVE DATE:** Upon Approval

**STAFF COMMENTS:** The apparent aim of this bill is to impose TAT on visitors who otherwise could get around the TAT by sleeping in a camper van instead of in a hotel room, timeshare, or other transient vacation rental on terra firma.

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

Digested: 1/26/2022



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

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

Committee on Energy, Economic Development, & Tourism  
Senate Bill 2358: Relating to Transient Accommodations Tax  
January 27, 2022

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—opposes Senate Bill 2358 which would classify camper vans as transient accommodation units. At the core of the issue, classifying sleeper vans, campers, and RVs as transient accommodation units would effectively legitimize them and will lead to a number of issues that will negatively affect Hawai'i's tourism industry, the local community, and the relationship between the two.

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

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

**HLTA feels that this measure would ultimately have an adverse effect on the goals set forth for better tourism management around the state. For this reason, we oppose SB2358.**

Mahalo for the opportunity to provide this testimony.

**SB-2358**

Submitted on: 1/26/2022 1:36:10 PM

Testimony for EET on 1/28/2022 3:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Barbara Kaaumoana	Individual	Support	No

Comments:

Aloha Chair Wakai and Vice Chair Misalucha and Committee members,

In my capacity as a volunteer community member of the DLNR Hanalei to Ha'ena Makai Watch Program, I am seeing rented camper vans spending extended time in our public places. They pay no fees for this misuse of our places and often appear in unguarded beach areas with no facilities.

Taxing them as transient Vacation rentals is a way to regulate them and their transient uses.

If, however, applying this tax to them legitimizes them in some way. making them acceptable, then please do not take this action. Currently they are only allowed in two private camping locations on Kauai but they are being seen island wide.

The businesses renting and promoting them are not currently regulated so if this tax aides in that regulation, then I strongy support this bill.

Mahalo, Barbara Makaala Kaaumoana