

**Testimony of the Real Estate Commission**

**Before the  
Senate Committee on Judiciary  
Tuesday, March 1, 2022  
9:30 a.m.  
Via Videoconference**

**On the following measure:  
S.B. 3023, S.D.1, RELATING TO REAL ESTATE BROKERS**

Chair Rhoads and Members of the Committee:

My name is Michael Pang, and I am the Chairperson of the Hawaii Real Estate Commission (REC). The REC supports the intent of this measure and offers suggested amendments.

The purpose of this bill is to revoke or suspend a license, or fine a licensee, for advertising, promoting, representing, receiving any remuneration for, or offering for rent any transient vacation units and whole-home short-term rentals unless the unit or rental is permitted by the relevant county.

In an effort to provide consistency and clarity, the REC proposes replacing the current measure's use of "transient vacation unit" and "whole-home short-term rental" with the similar definition of "transient accommodations" found in Hawaii Revised Statutes section 237D-1, which is as follows:

"Transient accommodations" means 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.

Therefore, the REC proposes amending page 8, lines 5 to 9 as follows:

(23) In any way advertising, promoting, representing, receiving remuneration for, or offering for rent any transient accommodation unless the transient accommodation is permitted by the relevant county.

The REC also respectfully requests deleting the definitions of “Transient vacation unit” on page 8, lines 17 to 20, and “Whole-home short-term rental” included on page 9, lines 1 to 5. Instead, the REC recommends replacing these definitions with the below:

Unless otherwise defined by the relevant county ordinance in which the transient accommodation is located, transient accommodations means the furnishing of a room, apartment, unit, 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.

Thank you for the opportunity to testify on this bill and offer suggested amendments.



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March 1, 2022

**The Honorable Karl Rhoads, Chair**

Senate Committee on Judiciary

Via Videoconference

**RE: S.B. 3023, SD1, Relating to the Real Estate Brokers**

**HEARING: Tuesday, March 1, 2022, at 9:30 a.m.**

Aloha Chair Rhoads, Vice Chair Keohokalole, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **provides comments on** S.B. 3023, SD1, which allows the Real Estate Commission to revoke or suspend a license, or fine a licensee, for advertising, promoting, representing, receiving any remuneration for, or offering for rent any transient vacation units and whole-home short-term rentals unless the unit or rental is permitted by the relevant county.

HAR would note that all licensees, including real estate brokers and salespersons, can have their license revoked or suspended under Hawai'i Revised Statutes §436B-19 if a licensee is found to be "aiding and abetting an unlicensed person to directly or indirectly perform activities requiring a license." As such, under existing law, any real estate licensee could be reported to the Regulated Industries Complaints Office for participating in illegal short-term vacation rentals. As such, this measure seems redundant.

Mahalo for the opportunity to testify.



**SB-3023-SD-1**

Submitted on: 2/26/2022 1:24:21 PM

Testimony for JDC on 3/1/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Chuck Prentss	Individual	Support	No

Comments:

Strongly support. This measure will help provide a solution to our housing crisis.

**SB-3023-SD-1**

Submitted on: 2/27/2022 1:41:26 PM

Testimony for JDC on 3/1/2022 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Kim Jorgensen	Individual	Support	No

Comments:

**Aloha,**

**Thank you for the opportunity to testify in FULL SUPPORT of this bill.**

**As a resident in Waikiki, I have seen many real estate agents who manage condos in the Apartment Precinct actively operate illegal vacation rentals for investor clients - - even as recently as during the last few months - - well past the passage of O'ahu's Bill 89 into Ordinance 19-18!**

**Mahalo for your consideration to pass SB3023 SD1.**

**Kim Jorgensen**

**SB-3023-SD-1**

Submitted on: 2/27/2022 1:46:36 PM

Testimony for JDC on 3/1/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Denise Boisvert	Individual	Support	No

Comments:

**Dear Senators,**

**This is an urgently needed bill. I have personally seen the Waikiki Lanais, a residential condo building in Waikiki's Apartment Precinct zoned for 30-day minimum rentals, basically turned into an illegal hotel.**

**New owners would not become owner-occupants; and if there were long-term tenants in the units, the investors would force them to leave in order to operate illegal vacation rentals.**

**Many of the off-island investors would hire local agents to manage their illegal vacation rentals. In 2018 when a former board asked the DPP for a determination as to whether or not vacation rentals were allowed, it became known that they were not.**

**The former AOA attorney at the time announced at board meetings that agents could lose their license if they rented illegally - - then all of a sudden many of *the agents put the ads in their spouses' or assistants' names* - people who did not have real estate licenses!**

**PLEASE make sure that this bill thoroughly covers the possibility that other people may be used as fronts for those with real estate licenses. As long as there won't be a loophole (for example, commission or income from an illegal vacation rental going to a spouse and not the agent), then this bill needs to pass as quickly as possible.**

**Thank you for your consideration.**

**Denise Boisvert/Waikiki**