

Testimony of the Real Estate Commission

**Before the
Joint Senate Committees on Commerce and Consumer Protection
and
Energy, Economic Development, and Tourism
February 8, 2022
10:00 a.m.
Via Videoconference**

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

Chair Baker, Chair Wakai, and Members of the Committee:

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

The purposes of this bill are to: (1) prohibit real estate brokers and agents licensed in the State from advertising, offering for rent, receiving any remuneration for, or representing transient vacation units and whole-home short-term rentals (TVRs) not permitted by the relevant county; and (2) requiring the Commission to amend its rules accordingly no later than December 31, 2022.

The Commission supports the intent of this bill as it provides the Commission an appropriate enforcement mechanism to take appropriate action against licensed real estate brokers or agents in this State who advertise, promote, represent, receive remuneration for offer for rent any TVR operating without the required permit.

Accordingly, the Commission respectfully requests the following amendments be made to this measure:

- Page 2, section 2, subsection (a), lines 1 to 5, be placed in Hawaii Revised Statutes section 467-14;
- Page 2, section 2, subsection (b), lines 6 to 9, be deleted. This language is unnecessary given the clear language of subsection (a); and
- Clearly define the terms “transient vacation unit” and “whole-home short-term rental.”

Thank you for the opportunity to testify on this bill.

SB-3023

Submitted on: 2/6/2022 11:39:00 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Tom Coffman	Testifying for Hawaii's Thousand Friends	Support	No

Comments:

For many years, Hawaii Thousand Friends has raised the alarm over the environmental, neighborhood, and housing market effects of short-term vacation rentals. Curtailing the referral and commissioning of the continuing illegalities by realtors is a needed additional step in fulfilling the public's widely held goal of shutting down illegal short-term rentals. As such, we support this bill wholeheartedly.



2022
BOARD OF
DIRECTORS

February 7, 2022

Elizabeth Reilly
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Meeting on February 8, 2022 at 10 a.m.

Conference Room 229 & Videoconference

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RE: **Strong support for SB3023**

Dean Takebayashi
Director

Aloha Chair Baker, Chair Wakai, Vice Chair Chang, Vice Chair Misalucha, and CPN/EET Committee Members,

Gary Weller
Director

Livable Hawaii Kai Hui **strongly supports** SB3023 relating to real estate brokers and illegal transient vacation rentals and whole-home short-term rentals.

Kendrick Chang
Community Outreach
Coordinator

While many may know us today through our volunteer 'āina projects, our support for this Bill should be unsurprising to those who know how we came to steward these lands. The Hui cut its teeth fighting urban sprawl; we've achieved conservation through downzoning and easements; our mission statement, which has stood firm since our founding in 2004, says, "We strive to promote sensible growth, respect for cultural & natural resources, and upholding the integrity of the East Honolulu Sustainable Communities Plan."

Dylan Ramos
Communications &
Operations

Website

www.hawaiikaihui.org
www.kaiwicoast.org

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Livable Hawaii Kai Hui
Aloha Aina O Kamilo Nui
Ka Iwi Coast

When it comes to the long debate over short-term rentals, if there is one thing everybody seems to agree on, it's that Hawai'i needs to enforce its regulations on illegal units. The Hui believes that SB3023 is a step in the right direction by demanding consistency between policy and practice.

Livable Hawaii Kai Hui is a 501c(3) non-profit, community organization serving East Honolulu since 2004. We strive to promote sensible growth, respect for cultural & natural resources, and upholding the integrity of the East Honolulu Sustainable Communities Plan.

Mahalo,

Elizabeth Reilly
Founder/President
Livable Hawaii Kai Hui

SB-3023

Submitted on: 2/6/2022 8:31:37 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Neil Frazer	Testifying for Frazer-Frantz Family Hui (4 adults)	Support	No

Comments:

Aloha Chair Baker, Chair Wakai, and Committee Members,

My family and I wish to communicate our very strong support for SB3023, which "prohibit[s] real estate brokers and agents from advertising, offering for rent, receiving any remuneration for, or in any way representing illegal transient vacation units and whole-home short-term rentals."

Imagine, if you will, penalizing manufacturers of illegal substances but not penalizing sellers of such substances. That is our present situation with regard to illegal vacation rentals. This bill ought to bring some much needed relief.

Many thanks to the sponsors of this bill: RIVIERE, ACASIO, CHANG, FEVELLA, KEITH-AGARAN, MISALUCHA, MORIWAKI, RHOADS, WAKAI, and KIDANI.

Mahalo for your unselfish service to the people of Hawai'i.

SB-3023

Submitted on: 2/5/2022 1:17:20 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Chuck Prentss	Individual	Support	No

Comments:

Strongly support. This bill will provide both the City & County and State needed assistance with enforcement against illegal short-term rentals that are devastating our neighborhoods.

SB-3023

Submitted on: 2/6/2022 9:16:08 PM

Testimony for CPN on 2/8/2022 10:00:00 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

SB-3023

Submitted on: 2/6/2022 10:07:33 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Karen Gallagher	Individual	Support	No

Comments:

Aloha, I strongly support SB3023. I have been working hard and living on the North Shore of O‘ahu for over 40 years but because of many hardships I have not been able to afford to buy a home. The proliferation of illegal vacation rentals has taken hundreds of former homes and turned them into resort villas. The effect upon our community has been very negative as long-time friends and family members have been forced out by lack of rentals and the exorbitant prices being charged for the few remaining units. My rent has gone up twice in the past 6 months and I am afraid that I, and soon thousands of others, will be joining the houseless community. The only people in support of this illegal business are the people profiting from it. Please keep tourists in designated resort areas; isn't that why zoning laws exist? Thank you, Karen Gallagher

SB-3023

Submitted on: 2/7/2022 12:48:50 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
marjorie erway	Individual	Support	No

Comments:

I hope you will support this bill. It makes a lot of sense to me.

Mahalo for your consideration!

SB-3023

Submitted on: 2/7/2022 7:13:37 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
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.

Kim Jorgensen

SB-3023

Submitted on: 2/7/2022 8:41:10 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
John Thielst	Individual	Support	No

Comments:

It's time to get illegal transient vacation rental units and whole home short term rentals under control.

SB-3023

Submitted on: 2/7/2022 9:29:38 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Karen Simmons	Individual	Support	No

Comments:

Please support this bill to help regulate illegal vacaiton rentals being represented by Real Estate companies.

Thank you.

SB-3023

Submitted on: 2/7/2022 9:32:34 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
heidi kreul	Individual	Support	No

Comments:

Aloha,

I'm writing in support of SB3023.. we need this bill to help protect residential neighbors and insure housing.
mahalo nui loa,

heifi kreul

LATE

SB-3023

Submitted on: 2/7/2022 10:20:57 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Jeannine Johnson	Individual	Support	No

Comments:

I strongly support SB3023 to prohibit real estate brokers and agents licensed in the State from advertising, offering for rent, receiving any remuneration for, or in any way representing illegal transient vacation units and whole-home short-term rentals. The East Honolulu community of Niu Valley where I live as well as the Kuli'ou'ou / Kalani Iki Neighborhood Board corridor have had problems with transient vacation rentals for over 15 years. The DPP is incapable of enforcing the City's regulations regarding these illegal commercial operations in our neighborhoods. Please support SB3023 which will enable the Honolulu Board of Realtors and Hawaii Association of Realtors as well as the Department of Commerce and Consumer Affairs' Professional Licencing Division to take away the license of those realtors and property managers who flagrantly defy the laws of the City. Mahalo, Jeannine Johnson

LATE

SB-3023

Submitted on: 2/7/2022 10:35:09 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Eileen McKee	Individual	Support	No

Comments:

Aloha,

I strongly support the passage of SB3023. We need to increase housing for our local community, not transient renters who don't give back to the community.

Mahalo for considering my testimony.

Eileen McKee

Kihei

LATE

SB-3023

Submitted on: 2/7/2022 11:11:59 AM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Edward Jones	Individual	Oppose	No

Comments:

There is no evidence that Hawai'i real estate professionals are engaged in mass illegal activity. Even if this were true, there is an existing formal process to review a license. Let's not perpetuate myths. Instead, be active in the success of Hawai'i small business.

LATE

SB-3023

Submitted on: 2/7/2022 12:58:40 PM
Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Larry McElheny	Individual	Support	No

Comments:

Aloha

I am testifying in strong support of this important bill.

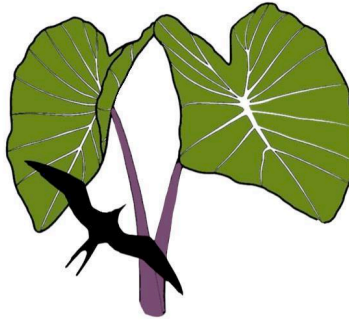
Mahalo

Larry McElheny

(808) 237-9354

LATE

KO'OLAUA



WAIALUA

A L L I A N C E

February 7, 2022

To the Senate Committees on Commerce and Consumer Protection; Energy, Economic Development, and Tourism; and, Judiciary:

As a grassroots network of residents and community groups across Oahu's north and windward shores that believes that our health and well-being are woven together in the same cloth, that problems affecting one community in the region threaten us all, **we stand united in STRONG SUPPORT for SB3023.**

With the explosion of the short term rental industry in recent years, **many neighborhoods in our region have been overrun by illegal rentals** and the often disrespectful visitors they host. This has resulted in an intolerable increase in noise, traffic and parking problems, and disruptions in the stability and character of our rural communities.

This bill's focus on prohibiting real estate brokers and agents from advertising, offering for rent, receiving any remuneration for, or representing illegal transient vacation units and whole-home short-term rentals will help **ensure that no one profits from our pain.**

Thank you for your attention to these important concerns,

*Angela Huntmer, Joe Wilson, Lynell DaMate,
Tevita Ka'ili, Tessie Fonoimoana, Kari Labrador*

Organizing Committee for the Ko'olau Waialua Alliance

LATE

KO'OLAUA WAIALUA

A L L I A N C E

Feb 7, 2022

Aloha Chair and Committee Members,

The Ko'olau Waialua Alliance would like to express support for bill SB3023. Yes please. We have to prohibit individuals licensed by the State of Hawaii from breaking the laws of the state! Mahalo for advancing this measure,

Angela Huntemer for the members of the Ko'olau Waialua Alliance.
808-224-3101

koolauwaialuaalliance@protonmail.com

The Ko'olau Waialua Alliance is a grassroots network of residents and community groups across Oahu's north and windward shores that believes that our health and well-being are woven together in the same cloth, that problems affecting one community in the region threaten us all, and that works to foster a just and sustainable region for current and future generations.

LATE

SB-3023

Submitted on: 2/7/2022 3:43:20 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Marty Martins	Individual	Oppose	No

Comments:

Allowing agents and brokers to advertise illegal rental properties is really no different than a pawn broker putting a sign in his window saying STOLEN ITEMS ITEMS ACCEPTED HERE. If the state has declared an action or item to be illegal, intermediaries shouldn't be allowed to market it for profit.

LATE

SB-3023

Submitted on: 2/7/2022 3:52:04 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kathleen M Pahinui	Testifying for Save North Shore Neighborhoods	Support	No

Comments:

Aloha Senators -

Please support SB3023 which will prohibit real estate agents and brokers from advertising, offering for rent, receiving any remuneration for, or representing illegal transient vacation units and whole-home short-term rentals. These agents and brokers take an oath to uphold the laws of our state and yet they consistently break this one and aide and abet this illegal activity which is harming our residential communities.

This bill will have a significant impact in protecting our communities from being turned into commercial resorts.

Malama aina.

Kathleen M Pahinui, President

Save North Shore Neighbors



LATE

Eric W. Gill, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Godfrey Maeshiro, Senior Vice-President

February 7, 2022

Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Bill 3023 RELATING TO REAL ESTATE BROKERS.

Aloha Chair Baker, Chair Wakai and Members of the CPN and EET Committees,

On behalf of UNITE HERE Local 5, a local labor organization representing nearly 12,000 hotel, health care and food service workers employed throughout our State, I would like to offer our strong support of Bill 3023.

Local 5 has been working on vacation rental legislation for nearly a decade and we appreciate any opportunity to work with the state to address illegal vacation rental matters. Our position remains the same, the proliferation of illegal vacation rentals affect affordable housing and good paying jobs in our community. Allowing tourists to stay in neighborhoods causes friction amongst locals and tourists while taking away business from designated tourist areas.

The fact that median price of homes has continued to skyrocket, now a million or more, shows we need to strengthen short term rentals laws.

More than ever before, the need for available, affordable housing is critical. Homelessness and house insecurity is a real concern during a time of financial and economic crisis of our people. Allowing real estate brokers and agents to aid and abet illegal vacation rental owners and operators is counterproductive. Homelessness, unemployment and poverty does not benefit our community or attract tourists.

Strengthening and enforcement of vacation rental laws will benefit the community and local people and will not adversely affect vacation rental owners – they can always rent to locals. Win-win. We urge you to pass Bill 3023.

Thank you

LATE

SB-3023

Submitted on: 2/7/2022 5:50:00 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
anne towey joyer	Individual	Support	No

Comments:

I totally support SB3023 enforcement and protecting our residential communities. We need to keep residential housing residential.

LATE

SB-3023

Submitted on: 2/7/2022 5:59:00 PM

Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Max Towey	Individual	Support	No

Comments:

I think that this bills efforts to prohibit real estate brokers and agents licensed in the State from advertising, offering for rent, receiving any remuneration for, or in any way representing illegal transient vacation units and whole-home short-term rentals is exactly what this state needs.

Please protect our residential neighborhoods.

LATE

SB-3023

Submitted on: 2/8/2022 7:28:25 AM
Testimony for CPN on 2/8/2022 10:00:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Levani Lipton	Individual	Support	No

Comments:

Dear Senators Keahokalole, Rhoads, Baker, Chang, Wakai and Misalucha,

I am testifying in support of SB3023 which would prohibit Hawaii licensed real estate brokers and agents from advertising, offering for rent, receiving any remuneration for, or in any way representing illegal transient vacation units and whole-home short-term rentals. Illegal vacation rentals have been a major issue in Kailua where I reside. This policy would serve as one more deterrant and mechanism that would greatly improve the situation of illegal short term rentals.

Please vote in support of this measure. Thank you for your consideration.

Sincerely,
Levani Lipton